SOUTHERN PALLADIUM
A PLATINUM GROUP METALS COMPANY

5 February 2026

Bengwenyama Project Update: DFS Works Program Advancing with 6,651m Drilling Completed Alongside Mine Design Optimisation

Highlights:

- **Phase 2 DFS (Definitive Feasibility Study) drill programme advancing on schedule with six diamond rigs operating on site; 52 drillholes and 37 deflections for 6,651m completed to-date**
- **Metallurgical, surface geotechnical drilling and test pitting completed; underground geotechnical and planned resource infill drilling progressing to schedule**
- **Metallurgical samples received, with optimisation test work underway targeting a conventional MF2 processing flowsheet; encouraging early indications for improved chromite recovery**
- **Mine design optimisation advanced following peer benchmarking, including increase in decline gradient from 6° to 9°, reducing development metres with limited cost impact**
- **Mining contractor RFQs (Request for Quotation) issued for box cut and decline development, with site mobilisation targeted from mid-2026**
- **Independent mining peer review scheduled for late March 2026 to validate mine design, decline strategy and execution assumptions ahead of DFS finalisation**
- **Definitive Feasibility Study remains on track for completion by the end of August 2026, representing a key value-de-risking milestone for the Bengwenyama Project**
- **Southern Palladium to present at 121 Mining Investment conference in Cape Town (February 9th/10th), with Executive Chairman Roger Baxter also joining a panel at the African Mining Indaba conference on February 11th**

Southern Palladium (ASX:SPD and JSE:SDL), 'Southern Palladium' or 'the Company') Southern Palladium Limited ("Southern Palladium" or "the Company") is pleased to provide a progress update for the Definitive Feasibility Study (DFS) works program at its Bengwenyama Platinum Group Metals Project ("Bengwenyama" or the "Project") following a recent Board and technical progress review.

Managing Director Johan Odendaal, said: "*The Bengwenyama Project continues to progress in line with our development strategy and timetable. Phase 2 drilling is well advanced, with approximately half of the planned programme now complete. Metallurgical sample collection, surface geotechnical drilling and test pitting work have been completed, while underground geotechnical drilling is progressing as planned. In addition, preparations have concluded resource infill drilling to start in anticipation of the Mining Right being granted.*"

"Importantly, drilling results continue to support our geological model, with shallow reef mining intersections now planned at more conservative early intersection of approximately 80 to 85 metres to ensure more consistent reef access while avoiding oxidised ore. Metallurgical optimisation remains a key focus. Test work is underway on a conventional MF2 processing flowsheet, with encouraging early indications around improved chromite recovery."

"We are now moving into early development planning, with contractor RFQs issued and a targeted mobilisation from mid-2026. At the same time, an independent mining peer review is scheduled for March to further de-risk execution ahead of finalising the DFS, aimed for completion by the end of August 2026. Overall, Bengwenyama continues to demonstrate its potential as a shallow, capital-efficient UG2 development project, and we look forward to providing further updates as we move through this important phase of value creation."

Drilling Programme Progress

The Phase 2 drilling programme is advancing steadily, supported by six diamond drill rigs operating concurrently to progress geotechnical and resource/geological infill drilling. The programme comprises 78 drillholes and 57 deflections for approximately 13,500 metres. As at month-end January 2026, a total of 52 drillholes and 37 deflections have been completed for 6,651 metres, representing a ~49% completion rate.

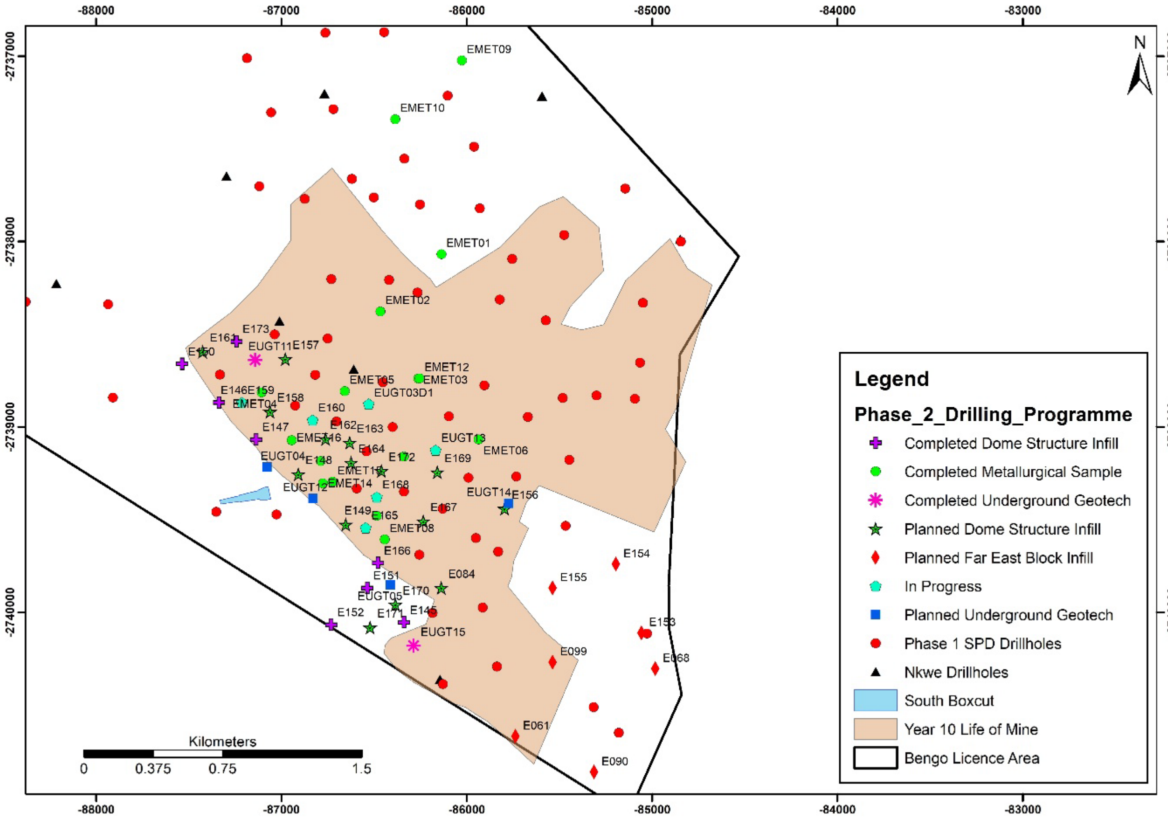

Image: Total drill coverage – first 10 years Life of Mine (LoM)

Metallurgical sample drilling, surface geotechnical drilling and test pitting have been completed. Underground geotechnical drilling remains on track for completion by the end of March 2026, while Dome area infill and structural drilling is expected to conclude by end-April 2026. Far East Block resource infill drilling is scheduled for completion by end-May 2026, aligning with the broader project development schedule.

Metallurgy and Processing Optimisation

Metallurgical samples have been submitted, with final test work results expected by mid-July 2026. Current optimisation efforts are focused on a conventional MF2 processing plant – the most commonly used processing circuit for treating PGM ores in the Bushveld Complex – specifically targeting enhanced chromite recovery.

Preliminary Dense Media Separation (DMS) and MF2 plant modelling indicate potential improvements through early interstage chromite removal, adoption of a coarser grind strategy, and the optional inclusion of a fine chromite recovery circuit. These initiatives are aimed at improving recoveries while maintaining a simple and capital-efficient processing configuration.

Mining Design Optimisation and Peer Benchmarking

Following the recent drilling campaign, early mining intersections are now planned more conservatively to intersect reef at approximately 80 to 85 metres to ensure more consistent reef access while avoiding oxidised ore.

Recent peer site visits to comparable UG2 operations have provided validation of several key mine design and execution assumptions.

These include successful operation of steeper declines, demonstrated development advance rates of approximately 150 metres per month (over 2 development ends), and the operational benefits of emulsion explosives and simplified OEM equipment selection.

Following this benchmarking, the Company has elected to increase the decline gradient from 6° to 9° across both initial and extended decline sections.

This optimisation shortens the box cut, reduces total development metres, simplifies the decline configuration, and preserves the overall development schedule with only limited cost escalation. A decline at 9° to approximately 80 m depth is only marginally more costly than a decline at 6° to 50 m.

A further site visit to a comparable UG2 operation is scheduled for 19 February 2026 to assess up-dip mining versus breast mining methods. Final mining method selection will prioritise geological complexity and operational risk considerations.

An independent mining peer review involving five to six senior mining engineers is planned for late March 2026. This review will validate mine design, decline strategy and execution assumptions ahead of DFS finalisation.

DFS and Early Development Planning

Key DFS milestones remain unchanged, with resource drilling expected to be completed during May–June 2026, followed by mine plan updates in June–July 2026 and DFS completion targeted for the end of August 2026. The DFS framework has been prepared in anticipation of the award of the Mining Right, with the Company having previously met all conditions under Section 23 of the Mineral and Petroleum Resources Development Act 28 of 2002 (MPRDA) for the granting of the MR (*refer ASX Announcement 24 November 2025*).

In parallel, early development planning is progressing with RFQs (Requests for Quotation) issued for box cut and decline development, with contractor appointment targeted for May 2026 and site mobilisation expected in June 2026. Box cut commencement is planned for July 2026, with decline development to reef anticipated between October 2026 and February 2027. Scope adjustments have been implemented to defer non-essential capital expenditure during the early stages of development.

Near-Term Outlook

Southern Palladium enters 2026 with strong technical momentum at Bengwenyama, underpinned by steady drilling progress, advancing metallurgical optimisation and increasingly refined mine design assumptions. The upcoming completion of Phase 2 drilling, independent mining peer review and DFS represent key near-term catalysts.

With early development planning now underway and a clear pathway toward mid-2026 mobilisation, the Company remains well positioned to unlock the full value of Bengwenyama as a shallow, capital-efficient UG2 development project.

JORC Competent Persons Statement

Uwe Engelmann
The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Uwe Engelmann (BSc (Zoo. & Bot.), BSc Hons (Geol.), Pr.Sci.Nat. No. 400058/08, FGSSA). Mr. Engelmann is a director of Minxcon (Pty) Ltd and a member of the South African Council for Natural Scientific Professions. Minxcon provides geological consulting services to Southern Palladium Limited. Mr. Engelmann has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Engelmann consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Mr Engelmann has a beneficial interest in Southern Palladium through a shareholding in Nicolas Daniel Resources Proprietary Limited.

Daan van Heerden
The scientific and technical information contained in this announcement has been reviewed, prepared, and approved by Mr Daan van Heerden (B Eng (Min.), MCom (Bus.Admin.), MMC, Pr.Eng. No. 20050318, AMMSA, FSAIMM). Mr van Heerden is a director of Minxcon (Pty) Ltd and a Registered Professional Engineer with the Engineering Council of South Africa, a Member of the Association of Mine Managers South African Council, as well as a Fellow Member of the South African Institute of Mining and Metallurgy. Minxcon provides geological consulting services to Southern Palladium Limited. Mr van Heerden has sufficient experience that is relevant to the styles of mineralisation and activities being undertaken to qualify as a Competent Person, as such term is defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. van Heerden consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Mr. van Heerden has a beneficial interest in Southern Palladium through a shareholding in Nicolas Daniel Resources Proprietary Limited.

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