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Southern Palladium Limited
Incorporated in the Commonwealth of Australia
Australian Company Number 646 391 899
ASX share code: SPD
JSE share code: SDL
ISIN AU0000220808

INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2024

Shareholders of Southern Palladium Limited (**ASX:SPD/JSE:SDL**)(**Southern Palladium** or **the Company**) are advised that Southern Palladium has today published its Interim Financial Report for the period ended 31 December 2024.

FINANCIAL HIGHLIGHTS:

- Revenue increased by 23% to A$535,637 (31 December 2023: A$435,475)
- Operating loss from operations for the period increased to A$3,761,503 (31 December 2023: loss of A$3,152,766)
- Basic loss per share increased to A$0.04, up 17% (31 December 2023: loss of A$0.035)
- Headline loss per share increased to A$0.04, up 17% (31 December 2023: loss of A$0.035)

OPERATING HIGHLIGHTS:

The main business activity of the Company during the past six months was the ongoing advancement of its development programme at the Bengwenyama PGM (platinum group metals) project ("**Project**"), in which it holds a direct 70% stake. The project is strategically positioned in the heart of the world class Bushveld Complex – the largest source of PGMs globally – in a significant underground mining region with established expertise and infrastructure.

SPD has a 70% equity interest in Miracle Upon Miracle Investments (Pty) Ltd ("MUM"), a South African private company with a 100% interest in the Bengwenyama project situated within two farm boundaries – Eerstegeluk and Nooitverwacht.

Prefeasibility Study Results

The Prefeasibility Study ("**PFS**") completed during the period confirmed the commercial viability of the Bengwenyama project (refer ASX/JSE Announcement 28 October 2024).

The key study results of the PFS are detailed in the below table. The results indicate an economically viable project with a post-tax $NPV_{8\%}$ of US$1.06 billion and a post-tax IRR of 28%. The payback period has been calculated as 3.5 years from start of first plant throughput. The Project has an all-in-sustaining-cost of US$800/6E oz. Project cashflows are assessed on a real, pre-finance basis.

The PFS confirms that the Bengwenyama Project is a globally significant Tier 1 PGM Project and presents a commercially viable development opportunity. The peak funding requirement is USD452 million (inclusive of contingencies), with a pay-back period of 3.5 years from start of plant production.

Bengwenyama Key Project Results

2.4 Mtpa UG2 reef at steady state

Annual steady state production
400 Koz p.a. 6E
150 Koz p.a. Pt
150 Koz p.a. Pd
35 Koz p.a. Rh
65 Koz p.a. Au, Ru, Ir

Chrome concentrate
350 Kt p.a.

Peak funding requirement
US$450 million (incl. ~15% contingency)

EBITDA (LoM average)
US$300 million p.a.

Free cashflow (post-tax)
US$220 million p.a.

Costs (LoM average)
Cash costs – US$644/6Eoz
AISC – US$800/6Eoz

NPV8% (post-tax)
US$1.060 billion[1]

IRR (post-tax)
28%

Payback period
3.5 years
(from start of plant production)

EBITDA margin
50%

All figures 100% basis

Note: *1. Indicative NPV ignores residual value beyond modelled life or any exploration upside and hence is not considered.*
2. 6E Prices – Platinum (US$1,200/oz) , Palladium (US$1,100/oz) , Rhodium (US$6,190/oz) , Ruthenium (US$450/oz) , Iridium (US$4,650/oz) + Au (US$1,950/oz), Nickel (U$18,249/t), Copper U$8,708/t, Chrome Conc. (U$225/t)
3. ASX Announcement 28 October2024

Community Engagement

Southern Palladium is actively engaged with the community, placing a strong emphasis on promoting inclusivity and project awareness. Ethical inclusion is prioritised, ensuring fair representation through collaboration with the Bengwenyama Royal Family, Traditional Council, and other community representatives. Weekly virtual exploration meetings are conducted with two Community representatives, along with the environmental and exploration management consulting firm contracted for the project. Additionally, monthly meetings involve extended representation from the broader Royal Family, Traditional Council, and community representatives. Quarterly feedback meetings are held to give feedback to the broader community. Members of the community were invited to participate and comment on the draft environmental impact assessment and environmental management programme report (EIA & EMPr).

RESULTS ANNOUNCEMENT:

The content of this results announcement is the responsibility of the directors of Southern Palladium. This results announcement is only a summary of the information contained in the Interim Financial Report for the half year ended 31 December 2024 ("**Results**") and does not contain full or completed details. Copies of the Results are available on the Company's website, www.southernpalladium.com and on the JSE cloudlink at: https://senspdf.jse.co.za/documents/2025/jse/isse/sdle/interim25.pdf.

Any investment decisions by investors and/or shareholders should be based on a consideration of the Results as a whole and investors and shareholders are encouraged to review the Results, which are available as detailed herein. Copies of the Results may also be requested from the Company via email at andrew.cooke@southernpalladium.com or from the Sponsor at Sponsorteam@merchantec.com, at no charge.

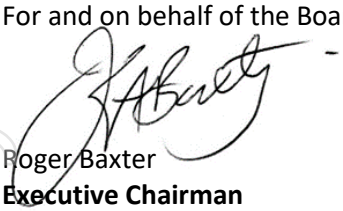
Southern Palladium has a primary listing on the Official List of the Australian Securities Exchange (ASX) and a secondary listing on the Main Board of the Johannesburg Stock Exchange (JSE).

The interim financial statements were reviewed by BDO Audit Pty Ltd ("BDO"), who expressed an [unmodified review conclusion thereon, which includes an emphasis of matter in respect of a material uncertainty relating to going concern. Shareholders are advised that BDO's full report is available with the Results at the following link:

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https://www.southernpalladium.com/site/investor-centre/asx-announcements or from the Company Secretary who is contactable at andrew.cooke@southernpalladium.com .

For and on behalf of the Board



Roger Baxter
Executive Chairman

For further information, please contact:

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11 March 2025

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DISCLAIMER

This release includes statements about Southern Palladium that are, or may be deemed to be "forward-looking statements". All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements can generally be identified by the use of forward-looking words such as "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target", "outlook", "guidance" and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, indications of, or guidance or outlook on, future earnings or financial position or performance of Southern Palladium. To the extent that certain statements contained in this release may constitute "forward-looking statements" or statements about "future matters", the information reflects Southern Palladium's intent, belief or expectations as at the date of this release. Any forward-looking statements, including projections, guidance on future revenues, earnings and estimates, are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Southern Palladium's actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements. Investors should consider the forward-looking statements contained in this release in light of those disclosures and not place reliance on such statements. Any forward-looking statements, opinions and estimates in this release are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Neither Southern Palladium, nor its related bodies corporate or affiliates nor the respective directors, officers, partners, employees and agents give any warranty, representation, assurance or guarantee that the occurrence of the events expressed or implied in any of the forward-looking statements in this release will actually occur. In addition, please note that past performance should not be relied upon as (and is not) an indication or guarantee of future performance.

Except as required by law or regulation, Southern Palladium undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.

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Southern Palladium Limited
A.B.N 59 646 391 899
INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2024

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This Interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2024.

'Southern Palladium Limited is a public company limited by shares, incorporated in Australia with a primary listing on the Australian Securities Exchange (ASX) and a secondary listing on the Johannesburg Stock Exchange (JSE).'

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DIRECTORS' REPORT

DIRECTORS' REPORT

Your directors present their report, together with the consolidated financial statements, of Southern Palladium Limited (referred to hereafter as the Company) at the end of, or during, the half-year ended 31 December 2024 ("Period").

DIRECTORS

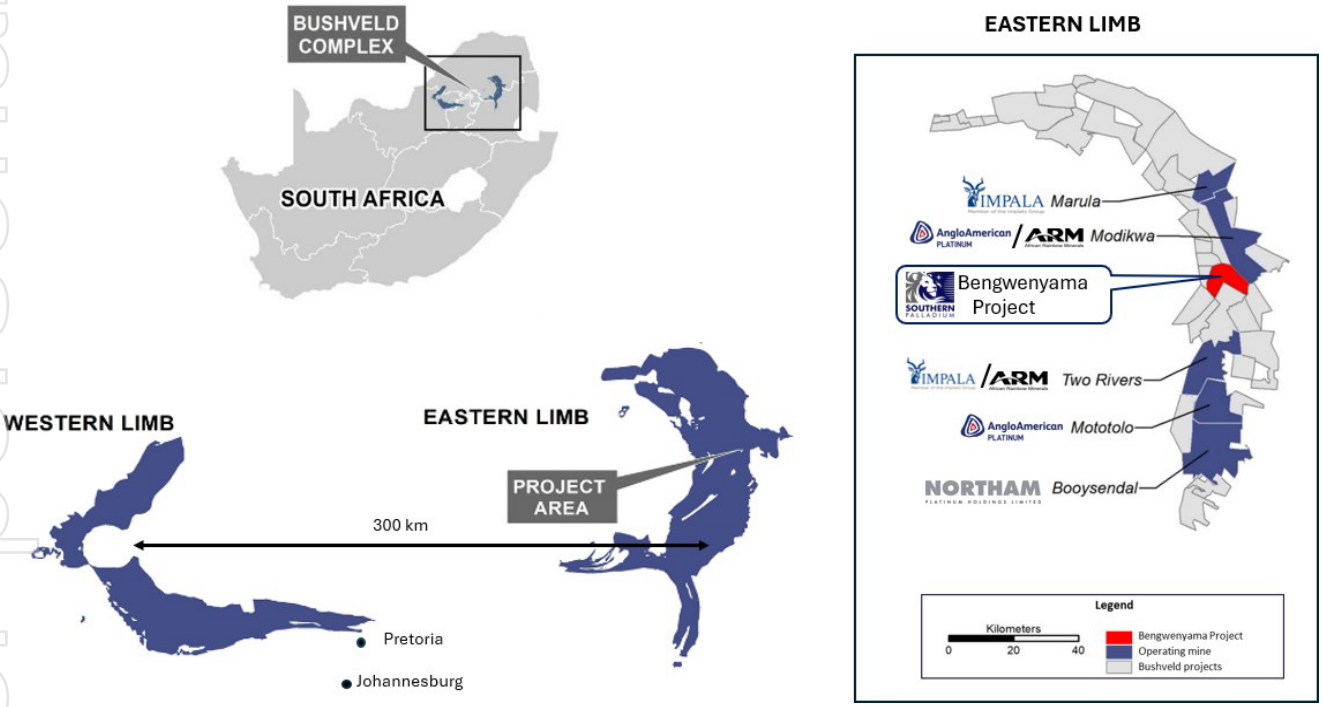
The names of the directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Roger Baxter (Executive Chairman, appointed 8 October 2024, Non-Executive Chairman from 1 January to 7 October 2024)
Johan Odendaal (Managing Director)
Daan Van Heerden (Non-Executive Director)
Lindi Nkosi-Thomas (Non-Executive Director)
Mike Stirzaker (Non-Executive Director)
Robert Thomson (Non-Executive Director)

REVIEW OF RESULTS AND OPERATIONS

The main business activity of the Company during the past six months was the ongoing advancement of its development programme at the Bengwenyama PGM (platinum group metals) project, in which it holds a direct 70% stake. The project is strategically positioned in the heart of the world class Bushveld Complex – the largest source of PGMs globally – in a significant underground mining region with established expertise and infrastructure.

Figure 1: Bengwenyama Project Location on the Eastern Limb of the Bushveld Complex



SPD has a 70% equity interest in Miracle Upon Miracle Investments (Pty) Ltd ("MUM"), a South African private company with a 100% interest in the Bengwenyama project situated within two farm boundaries – Eerstegeluk and Nooitverwacht.

Bengwenyama PGM Project

The Bengwenyama project is a large shallow advanced exploration and pre-development PGM opportunity situated on the Eastern Limb of the Bushveld Complex which holds approximately 72% of the world's PGM resources.

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Two economic reefs – the Merensky and UG2 reefs – occur on the Properties, which extend from surface to a depth of 1,100m over 10km downdip. Both these reefs are primary economic deposits exploited by other platinum mining companies for PGMs and base metals in the region.
The reefs can be extracted from underground mining with a relatively short lead time to production, and with ore processed by means of conventional proven methods used extensively throughout the Bushveld Complex. The Properties are near existing mining activities and assets, as well as other essential infrastructure.

Figure 2: Bengwenyama Project Area:



During the period, the mineral resource for the Merensky Reef (MR) MRE was upgraded and now totals 15.44Moz. As shown in the table below, the total combined Mineral Resource (M&I and Inferred) is now 40.25Moz.

The Measured and Indicated Mineral Resource for the UG2 and MR on a 7E basis is now 10.39Moz ounces with a combined (7E & 4E) Inferred Mineral Resource of 29.86 Moz. (17.43Moz (7E) for the UG2 and MR + 12.43Moz (4E) for the UG2 and MR). The total combined Mineral Resource for the UG2 and MR as at 23 October 2024 is summarised in Table 1 (refer ASX Announcement 23 October 2024).

The latest UG2 upgrade has an estimated Measured and Indicated Mineral Resource (M&I) of 8.17 Moz at a 6PGE + Au grade (7E) of 9.89 g/t respectively over 73 cm with 2.3 Moz of Measured Mineral Resource at a 7E grade of 10.00 g/t. The Measured Mineral Resource now contributes 28% to the UG2 Measured and Indicated Mineral Resource.

The latest MR upgrade has estimated an Indicated Mineral Resource of 2.23 Moz at a 6PGE + Au grade (7E) of 2.76 g/t respectively over 202 cm. This is a 17% increase in the M&I from the previous MR release. In addition to the increase in the Indicated Resource, there has been a 54% increase in the MR Inferred Mineral Resource from 8.60 Moz to a combined inferred MR Mineral Resource of 13.21 Moz (7.13 Moz + 6.08 Moz).

As per the UG2 Inferred Mineral Resource increase (refer ASX Announcement 27 August 2024), this is also largely due to the conversion of the exploration target in the western area of the Project (Nooitverwacht) to an Inferred Mineral Resource arising from the additional historical data sourced.

An Inferred Mineral Resource has a lower level of confidence than that applied to an Indicated Mineral Resource and cannot be converted to an Ore Reserve. It is reasonably expected that the majority of the Inferred Mineral Resource could be upgraded to an Indicated Mineral Resource with continued exploration.

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Table 1: Combined UG2 and MR Mineral Resource as at 23 October 2024

Reef	Resource Category	Tonnes	Thickness	Pt	Pd	Rh	Au	Ir	Os	Ru	4E	7E	Cu	Ni	Moz	Moz	Total Moz[1]
		Mt	(m)	(g/t)									(%)		(4E)	(7E)	
Merensky	Indicated	25.11	2.02	1.62	0.64	0.10	0.12	0.03	0.03	0.21	2.49	2.76	0.04	0.12	2.01	2.23	2.23
Merensky	Inferred (7E)	62.54	1.81	2.09	0.86	0.14	0.18	0.04	0.04	0.26	3.22	3.55	0.05	0.14	6.47	7.13	7.13
Merensky	**Total (7E)**	**87.66**	**1.87**	**1.96**	**0.80**	**0.13**	**0.16**	**0.04**	**0.04**	**0.24**	**3.01**	**3.32**	**0.04**	**0.13**	**8.48**	**9.36**	**9.36**
Merensky	Inferred (4E)	59.44	1.96	2.01	0.93	0.10	0.17				3.18				6.08		6.08
Merensky	**Total (4E)**	**147.10**	**1.90**	**1.98**	**0.85**	**0.11**	**0.17**				**3.08**				**14.56**		**15.44**
UG2	Measured	7.17	0.77	3.69	3.75	0.76	0.12	0.25	0.17	1.24	8.34	10.00	0.03	0.16	1.92	2.30	2.3
UG2	Indicated	18.52	0.72	3.68	3.63	0.76	0.11	0.26	0.17	1.23	8.19	9.85	0.04	0.16	4.88	5.86	5.86
UG2	Inferred (7E)	33.01	0.69	3.67	3.50	0.76	0.11	0.26	0.17	1.23	8.04	9.70	0.04	0.17	8.54	10.30	10.3
UG2	**Total (7E)**	**58.70**	**0.71**	**3.67**	**3.57**	**0.76**	**0.11**	**0.26**	**0.17**	**1.23**	**8.12**	**9.78**	**0.04**	**0.17**	**15.33**	**18.46**	**18.46**
UG2	Inferred (4E)	36.12	1.30	3.00	2.01	0.44	0.07				5.47				6.35		6.35
UG2	**Total (4E)**	**94.82**	**0.93**	**3.42**	**2.98**	**0.64**	**0.10**				**7.11**				**21.68**		**24.81**
Combined Total (7E)		**146.35**	**1.40**	**2.64**	**1.91**	**0.38**	**0.14**	**0.13**	**0.09**	**0.64**	**5.06**	**5.91**	**0.04**	**0.14**	**23.81**	**27.82**	
Combined Total (4E)		**241.92**	**1.52**	**2.54**	**1.68**	**0.32**	**0.14**				**4.66**				**36.24**		
Combined Total (7E&4E)[1]																	**40.25**

Note:

1. Several historic drill holes in the Nooitverwacht Extension area did not assay for the minor PGEs, so a 7E resource cannot yet be stated for part of the inferred Mineral Resource. However, it does contribute to the total resource ounces.
2. All elements have been estimated individually and their combined grade will vary slightly from the estimated composite 4E and 7E modelled grades.

The Company declared a maiden ore reserve following the PFS study. The 6E Ore Reserves for the Project consist of Measured and Indicated Resources from the UG2 reef only. The Ore Reserve classification was conducted by converting Measured and Indicated Mineral Resources to Probable Ore Reserves. Table 2 provides a detailed summary of the tonnage, grades and content for Probable Ore Reserves within the Bengwenyama Project.

Table 2: Ore Reserve Estimation as at 23 October 2024 (UG2 reef)

Ore Reserve Category	Tonnes	Pt	Pd	Rh	Au	Ir	Os	Ru	4E	6E	Cu	Ni	Cr_2O_3	Moz(6E)
	Mt	(g/t)	(g/t)	(g/t)	(g/t)	(g/t)	(g/t)	(g/t)	(g/t)	(g/t)	(%)	(%)	(%)	
Probable	31.72	2.34	2.33	0.48	0.07	0.16	-	0.78	5.22	6.17	0.02	0.12	19.03	6.29
Total	**31.72**	**2.34**	**2.33**	**0.48**	**0.07**	**0.16**	**-**	**0.78**	**5.22**	**6.17**	**0.02**	**0.12**	**19.03**	**6.29**

Notes:

1. The Ore Reserve estimation included diluted Measured and Indicated Mineral Resources only.
2. No Inferred Mineral Resources have been included in the Ore Reserve.
3. The Ore Reserve estimation was completed using a 6E basket price (before payabilities) of USD1,557/oz over the LoM.

Platinum Group Minerals (PGMs) within the Bushveld Complex exhibit varying ratios (referred to as the Prill Split), with platinum (Pt), palladium (Pd), and rhodium (Rh) constituting the predominant components. Additionally, other PGMs such as ruthenium (Ru), iridium (Ir), and osmium (Os) are also present, although in smaller quantities. These ratios exhibit variations from one section of the complex to another. Notably, the UG2 reef at the Bengwenyama project represents an even distribution of Platinum and Palladium, accompanied by a notable concentration of Rhodium. Conversely, the Merensky Reef is characterised by a high platinum content.

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Figure 3: Platinum Group Metal + Gold Prill Split

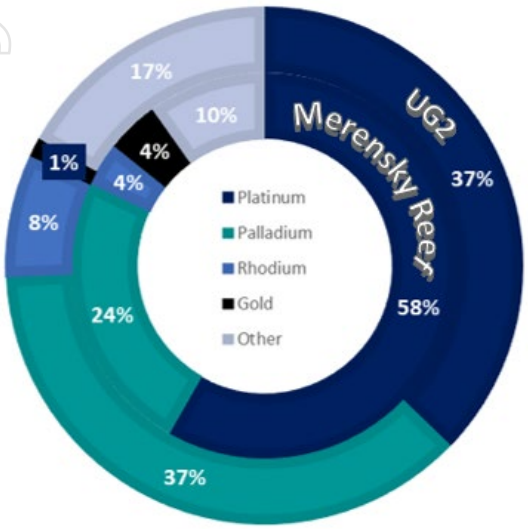


Figure 4: Project Stratigraphic Column (E056 and E057)

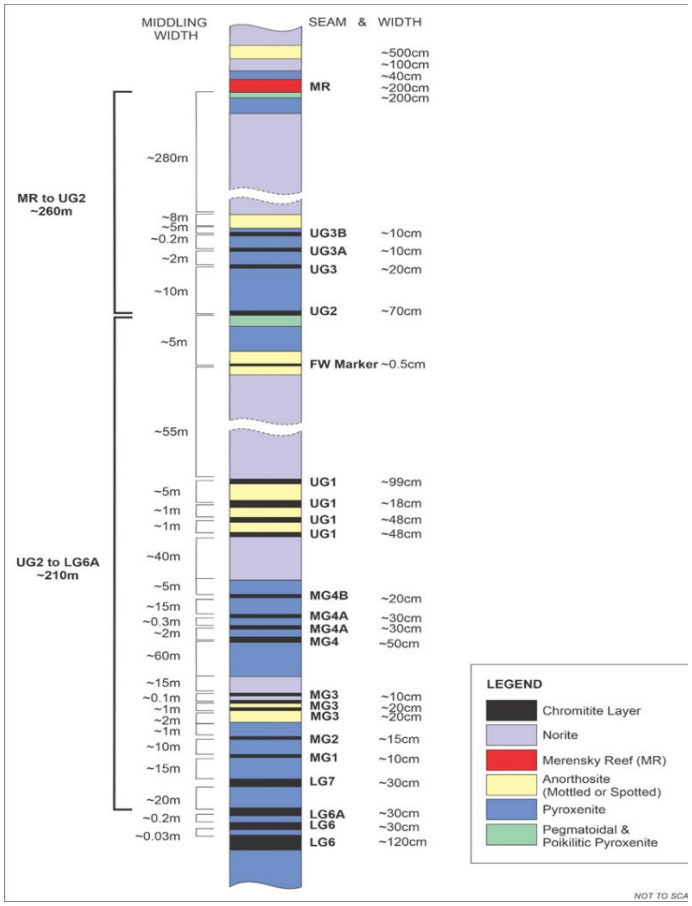
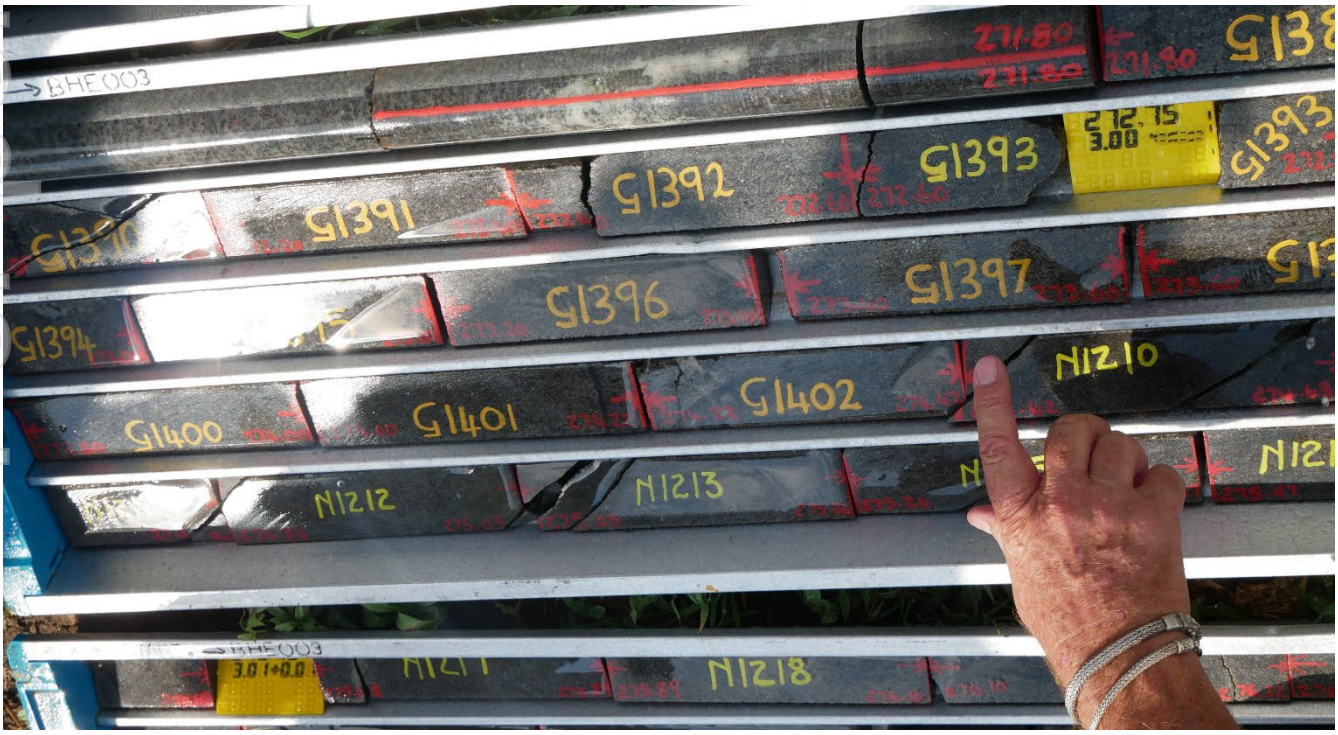


Figure 5: Typical Sampled UG2 Reef



Bengwenyama Project Prefeasibility Study

The Prefeasibility Study (PFS) completed during the period confirmed the commercial viability of the Bengwenyama project (refer ASX Announcement 28 October 2024).

The key study results of the Prefeasibility Study are detailed in the below table. The results indicate an economically viable project with a post-tax NPV8% of US$1.06 billion and a post-tax IRR of 28%. The payback period has been calculated as 3.5 years from start of first plant throughput. The Project has an all-in-sustaining-cost of US$800/6E oz. Project cashflows are assessed on a real, pre-finance basis.

Table 3: Bengwenyama Key Project Results

2.4 Mtpa UG2 reef at steady state **Annual steady state production** 400 Koz p.a. 6E 150 Koz p.a. Pt 150 Koz p.a. Pd 35 Koz p.a. Rh 65 Koz p.a. Au, Ru, Ir **Chrome concentrate** 350 Kt p.a.	**Peak funding requirement** US$450 million (incl. ~15% contingency) **EBITDA (LoM average)** US$300 million p.a. **Free cashflow (post-tax)** US$220 million p.a. **Costs (LoM average)** Cash costs – US$644/6Eoz AISC – US$800/6Eoz	**NPV8% (post-tax)** US$1.060 billion[1] **IRR (post-tax)** 28% **Payback period** 3.5 years (from start of plant production) **EBITDA margin** 50% All figures 100% basis

Note: 1. Indicative NPV ignores residual value beyond modelled life or any exploration upside and hence is not considered.
2. 6E Prices – Platinum (US$1,200/oz) , Palladium (US$1,100/oz) , Rhodium (US$6,190/oz) , Ruthenium (US$450/oz) , Iridium (US$4,650/oz) + Au (US$1,950/oz), Nickel (U$18,249/t), Copper U$8,708/t, Chrome Conc. (U$225/t)
3. ASX Announcement 28 October2024

The Prefeasibility Study identified that there is a well-established downstream smelting and refining process for PGM concentrates within South Africa. Well-established precedents exist for commercial terms that would be applicable for UG2 and Merensky concentrates. Most smelters processing the concentrate from the Eastern and Western Limbs are situated in Rustenburg, with almost all the concentrator product in the area being transported by truck to Rustenburg. The Project PGM concentrates are believed to be suitable for these facilities.

The PFS confirms that the Bengwenyama Project is a globally significant Tier 1 PGM Project and presents a commercially viable development opportunity. A summary of the initial physical and financial evaluation of the Project at a 2.4 Mtpa throughput rate is indicated in Table 3. The peak funding requirement is USD452 million (inclusive of contingencies).

Early revenue growth was supported by a combination of higher measured resource grades, an accelerated ramp-up that increased throughput (yielding more ounces), and a projected higher rhodium price. The UG2 basket price of USD 1,557 per 6E oz is a conservative estimate considering the peak of USD 4,675 per 6E oz for the UG2 basket price back in April 2021. More detailed information was gathered on the PFS labour costs.

The accuracy of the labour cost estimate has been significantly enhanced by reviewing and refining labour requirements, adjusting salary rates based on benchmarks from existing operations, and aligning job gradings with industry standards.

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Table 4: Key PFS Valuation Metrics

Production Metrics	**Unit**	**PFS**
Life of Mine	Years	29
Life of Mine Ore Tonnes Mined	kt	45,262
Processing Rate	ktpa	2,400
Total 6E Oz in Mine Plan*	koz	8,876
6E Grade Delivered to Plant	g/t	6.10
6E Recovered grade	g/t	5.18
6E Recovery	%	85%
Total 6E Oz Recovered	koz	7,545
PGM Concentrate	kt	1,987
Chromite Concentrate	kt	6,083
Financial Metrics		
Basket Price	USD/6E oz	1,557
Exchange Rate	ZAR/USD	19.57
All In Sustaining Costs ("AISC")	**USD/6E oz**	**800**
Average AISC First 5 Years	USD/6E oz	829
Average AISC First 10 Years	USD/6E oz	843
Net free cashflow (pre-tax)	USD million	4,660
Net free cashflow (post-tax)	USD million	3,403
EBITDA	USD million	5,607
Payback Period from Ground Break	Years	6.5
Payback Period from First Mining	Years	6.0
Payback Period from First Plant Production	Years	3.5
Peak Funding Requirement	**USD million**	**452**
NPV 8% (pre-tax)	USD million	1,562
NPV 8% (post-tax)	**USD million**	**1,059**
IRR (pre-tax)	%	33%
IRR (post-tax)	**%**	**28%**
Capital Cost Estimate		
Initial Mining Capital	USD million	96
Initial Plant	USD million	129
Initial TSF	USD million	42
Initial Shared Capital	USD million	63
Total Initial Capital Excluding Contingencies	**USD million**	**330**
Initial Capital Contingencies	USD million	55
Total Initial Capital	**USD million**	**385**
Key Environmental and Social Statistics		
Life of Mine State Royalties & Corporate Taxes	USD million	1,902
Life of Mine Expenditure	USD million	5,868
Life of Mine Total Economic Value Add	USD million	7,770

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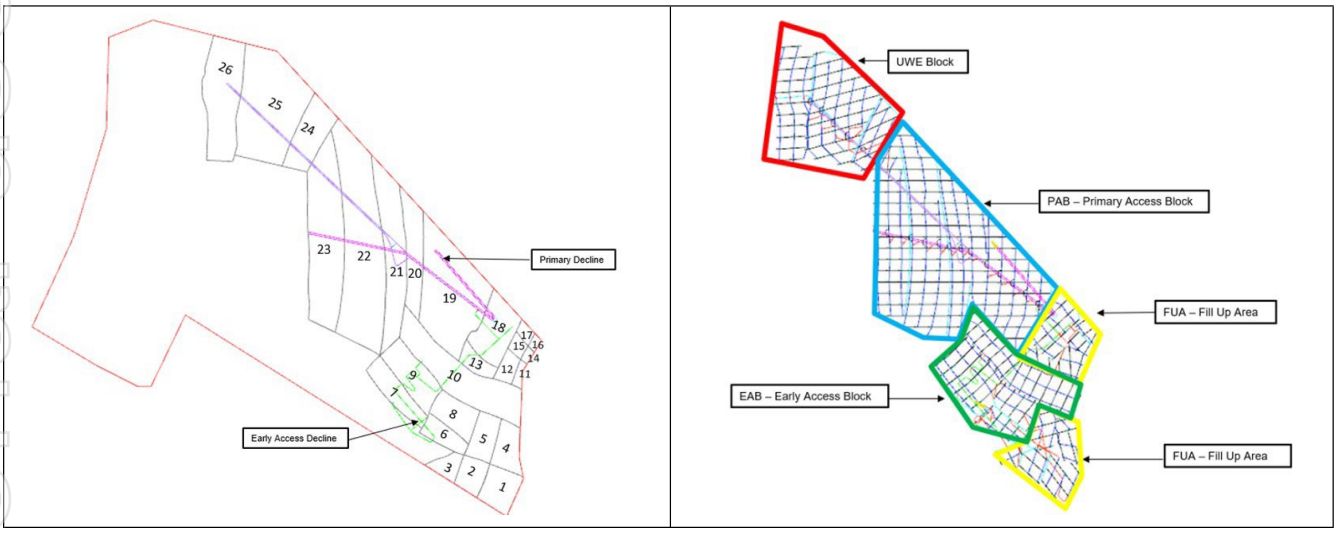
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Mining Access and Schedule

For the PFS, production from the Bengwenyama Project is sourced only from the UG2 reef, and mainly on the shallower farm, Eerstegeluk. The production profile demonstrates an annual production range of 2.4mtpa from conventional underground stoping with a 1.0m stoping width accessed through two decline access points, the early access development and the primary access development. First reef to be accessed at vertical depth of just 50m.

The early access development will consist of a two-barrel, early access decline with a 5m x 4m decline and a return airway with dimension of 4m x 4m, sunk at a slope of 1:10, providing access to the UG2 reef. This will allow for optimal manoeuvrability of trackless equipment and extended tyre life. The primary access development will also consist of a two-barrel decline with two 6m x 4m end sizes, sunk at a slope of 1:6;4, designated for transport of workers and material and a conveyor belt for the transport of ore and waste.

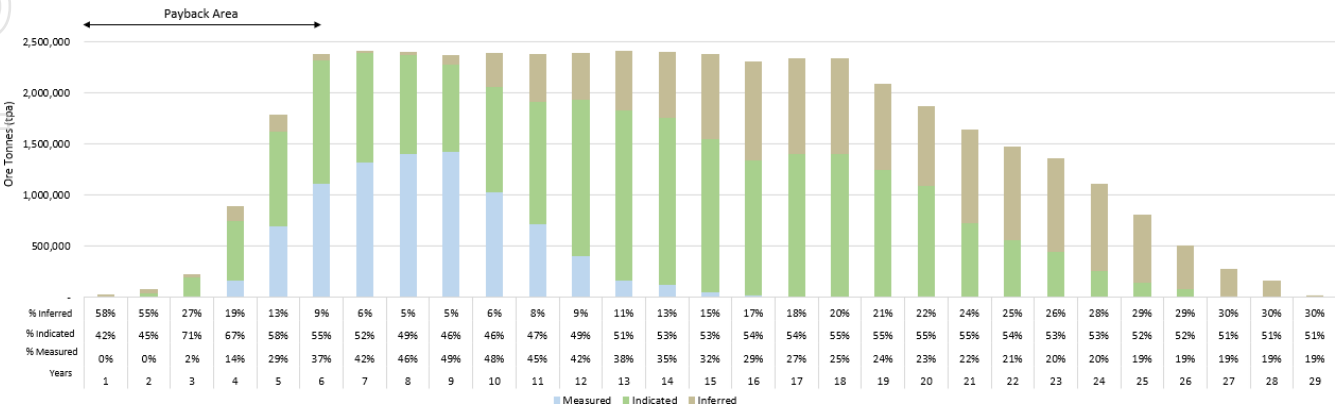
Figure 6: Decline Access Arrangement and Mine Design Areas



The selected mining method for the underground operations for the Bengwenyama Project is a hybrid approach optimised for narrow reef orebodies, combining mechanised development with conventional stoping, typically utilised by neighbouring mines Modikwa and Marula. This method enhances ore extraction while minimising dilution, supporting the safety and efficiency of mining operations.

Ore production tonnes over the first five years is achieved with 87% coming from JORC Measured and Indicated resource classifications and over the first 10 years coming from 94% JORC Measured and Indicated resource classifications. JORC Measured and Indicated resources comprise 74% of the overall LoM ore production. Downdip extensions to existing resources and mining of the Merensky Reef have the potential to keep PGM production at a

Figure 7: Mineral Resource Category Diluted Life of Mine Plan and Cumulative Contribution by Category



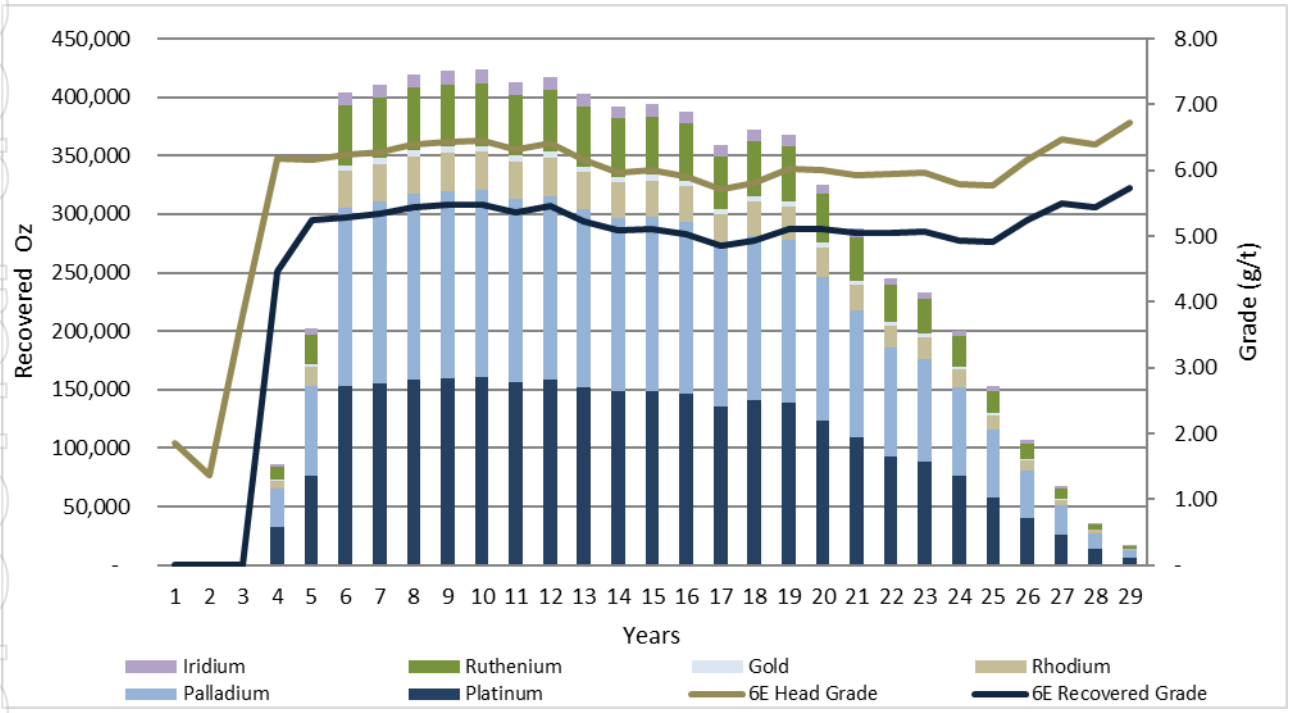
steady state beyond year 19. The Mineral Resource category diluted LoM plan and cumulative contribution by category is illustrated in Figure 7.

Processing

The Bengwenyama Project is located close to other, similar PGM operations. The Bushveld Complex has been mined extensively for multiple decades for the extraction of PGM minerals from the UG2 reef. Standard technology has been established and has been optimised with current state-of-the-art technology involving MF2 (2x Mill and Float process) processing infrastructure with an average recovery rate of 85%. Steady state saleable product is estimated at just above 400,000 ozpa as illustrated in Figure 8 below.

Chrome is a byproduct from the UG2 Chromitite seam and will add significantly to PGM revenue streams. The tailings storage facility (TSF) is expected to have at least 45 Mt of storage capacity and a maximum height of 82 m, with the potential of expandability. The preliminary outcome from the tailings storage study favoured dry stacking. Despite the expectedly higher cost of implementing dry-stacking technology, the site is expected to provide storage for the current LoM without having to expand outside of the mine lease boundary.

Figure 8: Annual Saleable Product - 6E



Mine Infrastructure and Services

The Project is accessed through a regional road (R555) and forms part of the established paved road network. The R555 is the main route to the Project Area, which heads 27 km northeast from the town of Middelburg before reaching the town of Burgersfort. A paved district road leads towards the Eerstegeluk farm - the location of the Bengwenyama Project. Power will be supplied to the Project through a 132 kV overhead lines connected to the national grid. A transmission line running in close proximity to the Project (+- 3.5 km) is fed by the Merensky and Mampuru transmission and distribution substations. Synchronised back-up generators will feed into the Bengwenyama distribution substations.

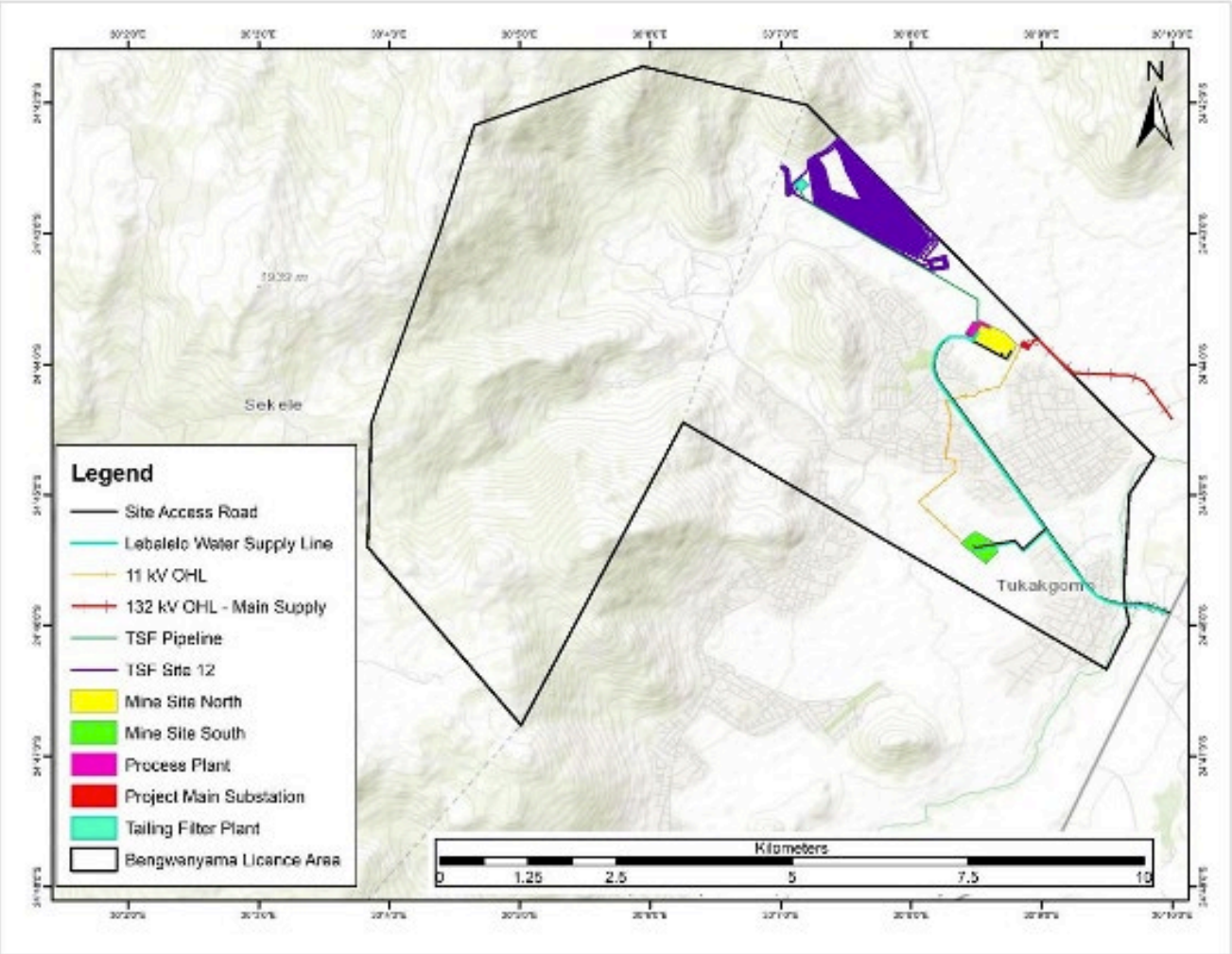
A full load list has been drafted and early indications for the total installed power is estimated at 64.6 MW with a power draw of 43.4 MW. An application has been submitted to Eskom (local power utility) on the 29th of August 2024, for the supply of power as well as obtaining the required cost estimate letter ("CEL") from the utility to determine the detailed requirements to establish the access to the grid.

A study has been completed to assess potential carbon emission reduction strategies as well as alternative energy solutions for the project. This included an energy needs assessment, resource and technology assessment, energy modelling, local grid assessment and concept solar PV design. This will be further optimised and assessed during the following study phase. Process water will be sourced from the Lebalelo Water User Association, a local water supply authority supplying water to local communities, neighbouring mining operations, and agricultural activities in the area.

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A Lebalelo pipeline is located in close proximity (roughly 3.5 km from main points of consumption) to the Project. Early indications are that the peak total water requirement for the Project will be 294,711 m³/month. Potable water will be sourced directly form the water supply scheme.

Figure 9: Project Infrastructure Layout



CAPITAL COST ESTIMATE

The capital cost estimate ("CCE") was principally compiled for the two declines, processing plant, process plant infrastructure and other related infrastructure and covers all the costs associated with the construction and associated expenditure required for an underground mining operation with a production capacity of 2.4Mtpa.

The estimate includes all costs associated with access; bulk services (power and water); surface and underground mining infrastructure and facilities; process plant and supporting infrastructure, TSF, general supporting infrastructure, and engineering procurement, construction management ("EPCM"). The study capital costs estimates are assessed to have an accuracy of ±15 - 25%. Capital expenditure for the Project over the LoM is sub-divided into mining, plant and shared infrastructure capital, as indicated in Table 5.

The total initial capital for the Project, calculated as direct capital in years one to four (year when first metal is produced), is estimated at ZAR6,456 million or USD330 million excluding contingencies and ZAR7,536 million or USD385 million including contingencies.

Ongoing capital is defined as direct Project capital after year four, post plant construction and when production started. Stay in business capital or sustaining capital consists of renewals and replacement costs over the LoM. A 20% contingency has been applied on all mining and shared infrastructure capital (initial and ongoing) and 15% on plant and TSF capital.

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Table 5: Project Capital Expenditure

Capital Expenditure	ZARm	USDm
Initial Capital		
Direct Mining Capital	1,429	73
Capitalised Development	449	23
Plant Capital	2,519	129
TSF Capital	820	42
Shared Infrastructure Capital	1,240	63
Contingency	1,079	55
Total Initial Capital	**7,536**	**385**
Ongoing Capital		
Direct Mining Capital	693	35
Capitalised Development	463	24
Plant Capital	-	-
TSF Capital	388	20
Ongoing Shared Capital	42	2
Contingency	251	13
Total Ongoing Capital	**1,837**	**94**
Stay-in-Business Capital		
Total Stay-in-Business Capital	**9,171**	**469**

OPERATIONAL COST ESTIMATE

The Minxcon first-principles activity-based cost model was utilised to calculate operating costs for the underground and the processing operations. The cost model utilises the mine and engineering design criteria and production schedule inputs to derive cost rates for the mining, engineering and processing activities.

The costs for labour, equipment, consumables, services and utilities have been sourced from quotations, actual industry store costs, industry rates and utility rates. Where costs could not be obtained from these sources, benchmarking with similar-sized projects and operations was conducted. The study operating cost estimates are assessed to have an accuracy of ±15% - 25%. The operating cost summary is detailed in Table 6 inclusive of contingencies

Table 6: Operating Cost Summary

Description	Total LoM	Per Milled t	6E Oz Recovered	% of AISC
Unit	**ZAR Million**	**ZAR/t**	**ZAR/6E oz**	**%**
Mining	52,007	1,149	6,893	44.0%
Processing	18,537	410	2,457	15.7%
Central & Technical Services	24,521	542	3,250	20.8%
Cash Operating Costs	**95,065**	**2,100**	**12,600**	**80.5%**
Royalties	12,630	279	1,674	10.7%
Off-Mine Operating Costs	1,154	26	153	1.0%
Sustaining Capital	9,171	203	1,215	7.8%
Rehabilitation	80	2	11	0.1%
AISC	**118,099**	**2,609**	**15,653**	**100.0%**
Unit	**USD Million**	**USD/t**	**USD/6E oz**	**%**
Mining	2,657	58.7	352	44.0%
Processing	947	20.9	126	15.7%
Central & Technical Services	1,253	27.7	166	20.8%
Cash Operating Costs	**4,857**	**107.3**	**644**	**80.5%**
Royalties	645	14.3	86	10.7%
Off-Mine Operating Costs	59	1.3	8	1.0%
Sustaining Capital	469	10.4	62	7.8%
Rehabilitation	4	0.1	1	0.1%
AISC	**6,034**	**133.3**	**800**	**100.0%**

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Figure 10: Feb 2025 Investor Site Visit



Community Engagement

Southern Palladium is actively engaged with the community, placing a strong emphasis on promoting inclusivity and project awareness. Ethical inclusion is prioritised, ensuring fair representation through collaboration with the Bengwenyama Royal Family, Traditional Council, and other community representatives. Weekly virtual exploration meetings are conducted with two Community representatives, along with the environmental and exploration management consulting firm contracted for the Project. Additionally, monthly meetings involve extended representation from the broader Royal Family, Traditional Council, and community representatives. Quarterly feedback meetings are held to give feedback to the broader community. Members of the community were invited to participate and comment on the draft environmental impact assessment and environmental management programme report (EIA & EMPr).

Figure 11: Quarterly meetings are held to give feedback to the broader community





As part of Southern Palladium's ongoing community engagement initiatives, a Top 8 Soccer Tournament and Top 4 Netball Tournament were hosted during the period by MUM and Southern Palladium. The tournaments were well attended by members of the community, who came out to show their support. In addition to this, services for the tournaments were sourced from the local community, which include toilets, water supply, the use of the stadium, a photographer, sound system and printing services. A heartfelt congratulations to the winning teams and thanks to those who came to participate.

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Figure 12: 2024 Netball and Soccer Tournament winners



Health And Safety

Southern Palladium is committed to upholding high standards of employee and workplace health and safety. Exploration activities at Bengwenyama are conducted in compliance with all regulations including the South African Mine Health and Safety Act (29 of 1996). A comprehensive safety file, emergency response plan, policies and codes of practice are implemented, incorporating key guidelines published by the Chamber of Mines. Legal appointments are made in terms of policies and Mine Health and Safety regulations.

Health and safety inductions are held for all new persons arriving on site at the Bengwenyama Project. Daily safety meetings are held, and a working incident reporting and management system is established. The use of Personal protective equipment is enforced, and provision is made for such equipment to all persons.

RISKS OVERVIEW

Key material business risks that the Company faces that could influence the Company's future prospects, and how these are managed, are outlined below.

Exploration and development

The future value of the Company will depend on its ability to develop resources that are economically recoverable. Mineral exploration and development is a speculative undertaking that may be impeded by circumstances and factors beyond the control of the Company. Whilst commercial quantities of PGMs have been discovered at the Project there is no assurance that the development programs of the Company will yield any positive results. The future exploration and development activities of the Company can be affected by a range of factors including geological conditions, unanticipated operational and technical difficulties, industrial and environmental accidents, changing government regulations and other factors beyond the control of the Company.

Resource and reserve estimates risk

The estimated quantities of reserves and resources are based upon interpretations of geological, geophysical and engineering models and assessment of the technical feasibility and commercial viability of production. Estimates that are valid at a certain point in time may alter significantly or become uncertain when new information becomes available through field research, additional drilling or technical analysis. As reserves and resources estimates change, development and production plans may be altered in a way that may adversely affect the PGM mine's operations and financial results. The Company prepares its reserves and resources estimates in accordance with the JORC 2012 standard and guidelines.

Tenure and title risk

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The Group's operations in South Africa require approvals from various South African government regulatory authorities which may not be forthcoming, either at all or in a timely manner, or which may not be able to be obtained on terms acceptable to the Company. Mining and exploration tenements/licences are subject to periodic renewal. There is no guarantee that current or future exploration permit applications or existing permit renewals will be approved, renewed or renewed in full, and that they will be granted without undue delay, or that the Company (or the holder) can economically comply with any conditions imposed on any granted exploration permits. A failure to obtain any approval would mean that the Group may be restricted, either in part or absolutely, from exploration, development and mining activities. Tenure management processes and standard operating procedures are utilised to minimise the risk of losing tenure. The Company regularly engages with the principal regulator, the Department of Mineral Resources and Energy, regarding its tenement compliance management.

Sovereign risk

The Company has considered sovereign risk as it applies to South Africa. To mitigate this risk, the Company has established a strong partnership with local community members and maintains a working rapport with key local and government representatives.

Commodity prices and exchange rates

The Company's Bengwenyama Project is an advanced stage exploration project focussed on PGM mineralisation. Platinum, palladium and rhodium prices can fluctuate significantly due to factors beyond the control of the Company. A significant decrease in commodity prices is likely to adversely affect sentiment towards the Company and market support towards the Company's development of the Project. The Company has exchange rate risks as IPO funds were raised in Australian dollars and exploration expenditure is largely expended in South African Rand or US dollars. It is likely that future development funds will be partly provided from external debt providers in US dollars. It is anticipated that future project revenues will largely be denominated in US dollars which is expected to provide a natural hedge in respect of debt servicing requirements.

Tenements

The Group acquired the tenements set out in the table below which comprises the full extent of the farms Nooitverwacht 324 KT and Eerstegeluk 327 KT, both of which are in the Limpopo Province of South Africa. The Project is located 250 km east-northeast of Pretoria. The tenement is 100% held through Miracle Upon Miracle Investments (Pty) Ltd, the 70% subsidiary of Southern Palladium.

On 29 September 2023, Southern Palladium submitted its application for a Mining Right (refer ASX Announcement 2 October 2023 - Bengwenyama Project Mining Right Application Submitted), which received official acceptance on 17 October 2023 from the Department of Mineral Resource and Energy (DMRE). This marked the commencement of the official consideration of the Mining Right Application and of the Environmental Impact Assessment and expert studies, which are awaiting final DMRE review.

Farm name	Extent (ha)	Interest at beginning of half year	Interest at end of half year
Nooitverwacht 324 KT	2,971.01	70%	70%
Eerstegeluk 327 KT	2,308.73		
Total	**5,279.74**		

Note: * Mining Right was submitted on 29 September 2023.

Competent Person Statement

1. Uwe Engelmann

The information in this report that relates to Exploration Targets, Exploration Results and Mineral Resources 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 (Minxcon) 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.

2. 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

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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. Mr Van Heerden has sufficient experience 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.

FINANCIAL PERFORMANCE

During the period the consolidated net loss of the Group was $3,761,503 (2023: loss of $3,152,766).

DIVIDENDS

No dividends have been paid or declared since the start of the financial period. The directors do not recommend the payment of a dividend in respect of the period ended 31 December 2024.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company during the financial period.

AFTER BALANCE DATE EVENTS

No other matters or circumstances have arisen since 31 December 2024 which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporation Act 2001* is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the *Corporations Act 2001.*

On behalf of the Directors



Roger Baxter
Executive Chairman
Perth, 11 March 2025

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Australia

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DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF SOUTHERN PALLADIUM LIMITED

As lead auditor for the review of Southern Palladium Limited for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Southern Palladium Limited and the entities it controlled during the period.



Glyn O'Brien

Director

BDO Audit Pty Ltd

Perth

11 March 2025

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Southern Palladium Limited
ABN 59 646 391 899

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

	Note	31 December 2024 $	31 December 2023 $
Interest income		535,637	435,475
Expenses			
Administration expenses	3	(495,753)	(388,803)
Employee benefits expenses		(227,933)	(157,377)
Share-based payment expenses	11	(314,075)	(93,967)
Share of loss of associate accounting using equity method		(784,112)	(195,360)
Impairment expenses	6a	(2,475,267)	(2,752,734)
Loss before income tax		**(3,761,503)**	**(3,152,766)**
Income tax expense		-	-
Net loss for the period		**(3,761,503)**	**(3,152,766)**
Other comprehensive income			
Items that may be reclassified subsequently to loss:			
Exchange differences on translation of foreign operations		1,708,392	(358,829)
Total comprehensive loss for the period		**(2,053,111)**	**(3,511,595)**
Loss for the period is attributable to owners of the Company		**(2,053,111)**	**(3,511,595**
Total comprehensive loss attributable to owners of the Company		**(2,053,111)**	**(3,511,595)**
		per share	per share
Basic and diluted (loss) per share	4	(0.04)	(0.035)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

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Southern Palladium Limited
ABN 59 646 391 899

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Note	31 December 2024 $	30 June 2024 $
CURRENT ASSETS			
Cash and cash equivalents		3,651,225	5,431,286
Trade and other receivables		4,383	3,436
Prepayment		61,530	18,581
TOTAL CURRENT ASSETS		**3,717,138**	**5,453,303**
NON-CURRENT ASSETS			
Investment accounted for using the equity method	**5**	19,621,800	19,659,255
TOTAL NON-CURRENT ASSETS		19,621,800	**19,659,255**
TOTAL ASSETS		**23,338,938**	**25,112,558**
CURRENT LIABILITIES			
Trade and other payables		103,231	137,815
TOTAL CURRENT LIABILITIES		**103,231**	**137,815**
TOTAL LIABILITIES		**103,231**	**137,815**
NET ASSETS		**23,235,707**	**24,974,743**
EQUITY			
Contributed equity	**7**	41,079,861	41,079,861
Reserves	**8**	2,575,213	552,746
Accumulated losses		(20,419,367)	(16,657,864)
TOTAL EQUITY		**23,235,707**	**24,974,743**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

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Southern Palladium Limited
ABN 59 646 391 899

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

	Contributed Equity	Reserves	Accumulated Losses	Total Equity
	$	$	$	$
Balance at 1 July 2023	**41,079,861**	**38,452**	**(9,932,587)**	**31,185,726**
Loss for the period	-	-	(3,152,766)	(3,152,766)
Exchange differences on translation of foreign operations	-	(358,829)	-	(358,829)
Total comprehensive loss for the period	-	(358,829)	(3,152,766)	(3,511,595)
Share-based payments	-	93,967	-	93,967
Balance at 31 December 2023	**41,079,861**	**(226,410)**	**(13,085,353)**	**27,768,098**
Balance at 1 July 2024	**41,079,861**	**552,746**	**(16,657,864)**	**24,974,743**
Loss for the period	-	-	(3,761,503)	(3,761,503)
Exchange differences on translation of foreign operations	-	1,708,392	-	1,708,392
Total comprehensive loss for the period	-	1,708,392	(3,761,503)	(2,053,111)
Share-based payments	-	314,075	-	314,075
Balance at 31 December 2024	**41,079,861**	**2,575,213**	**(20,419,367)**	**23,235,707**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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Southern Palladium Limited
ABN 59 646 391 899

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

	31 December 2024 $	31 December 2023 $
CASH FLOWS FROM OPERATING ACTIVITIES		
GST refunds	29,048	30,400
Interest received	88,519	153,826
Payments to suppliers and employees	(770,316)	(644,023)
Net cash (used in) operating activities	(652,749)	(459,797)
CASH FLOWS FROM INVESTING ACTIVITIES		
Loan to MUM	(1,127,312)	(2,744,813)
Net cash used in investing activities	(1,127,312)	(2,744,813)
NET (DECREASE) IN CASH HELD	**(1,780,061)**	**(3,204,610)**
CASH AT THE BEGINNING OF THE FINANCIAL PERIOD	**5,431,286**	**11,547,700**
CASH AT THE END OF THE FINANCIAL PERIOD	**3,651,225**	**8,343,090**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This general purpose financial report is for Southern Palladium Limited in respect of the interim half-year reporting period ended 31 December 2024 and has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This condensed interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2024. The accounting policies adopted are consistent with those used in the previous financial year.

New or amended Accounting Standards and Interpretations adopted

In the half-year ended 31 December 2024, the Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The following Accounting Standards and Interpretations are most relevant to the Company:
Conceptual Framework for Financial Reporting (Conceptual Framework)

The Company has adopted the revised Conceptual Framework from incorporation. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the Company's financial statements.

Going Concern

The half-year financial report has been prepared on the basis that the Company is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business.

As a mineral explorer, the Company does not generate cash flows from operating activities to finance these activities. As a consequence, the ability of the Company to continue as a going concern is dependent on the success of capital fundraising or other financing opportunities. For the half-year ended 31 December 2024 the Company recorded a loss before tax of $3,761,503 (2023: $3,152,766) and had net cash outflows from operating activities of $652,749 (2023: $459,797). As at 31 December 2024, the Company has cash of $3,651,225 (30 June 2024: $5,431,286) and net assets of $23,235,707 (30 June 2024: $24,974,743).

These conditions indicate a material uncertainty that may cast a significant doubt about the Company’s ability to continue as a going concern, and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Board and Management believes that there are sufficient funds available to continue to meet the Group’s working capital requirements as at the date of this report. The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity, the realisation of assets, settlement of liabilities through the normal course of business including the presumption that sufficient funds will be available to finance the operations of the Group for the following reasons:

- The Group has the ability to issue additional equity securities under the Corporations Act 2001 to raise further working capital; and
- The Group has the ability to curtail administrative, discretionary exploration and overhead cash outflows as and when required.

The Directors have an appropriate plan to raise additional funds as and when required and accordingly, the Directors are satisfied that the going concern basis of preparation for the financial statements is appropriate.

The ability of the Company to continue as a going concern and to fund its operational activities is dependent on the above assumptions. Should the entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern and meet its debts as and when they become due and payable.

The Directors have reviewed the business outlook and are of the opinion that the use of the going concern basis of accounting is appropriate.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

2 SEGMENT INFORMATION

The economic entity operates in one segment "Project Operations" within mineral exploration and development in South Africa. The Group has one reportable segment, as described below, for which the Board of Directors (the chief operating decision maker) reviews internal management reports on a regular basis. No segment assets were impaired during the period.

South Africa

The development of the Group's interest in the joint venture Bengwenyama project in Limpopo Province of South Africa.

Reportable segment assets

The key segment assets as reported to the Board are as follows:

Investment in Associate	**31 December 2024 $**	**30 June 2024 $**
Bengwenyama Project	19,659,255	19,718,653
Exchange differences on translation of foreign operations	746,657	458,084
Share losses of joint ventures	(784,112)	(517,482)
	19,621,800	**19,659,255**

Reportable segment profit/(loss)

31 December 2024	**Bengwenyama Project $**	**Unallocated Amount $**	**Consolidated $**
Interest income	-	535,637	535,637
Expenses			
Corporate expenses	-	(495,753)	(495,753)
Share based payments	-	(314,075)	(314,075)
Employee benefits expense	-	(227,933)	(227,933)
Share of losses of joint ventures accounted for using equity method	(784,112)	-	(784,112)
Impairment expense	(2,475,267)	-	(2,475,267)
Loss before income tax expense	(3,259,379)	(502,124)	(3,761,503)
Income tax expense	-	-	-
Net loss for the year	(3,259,379)	(502,124)	(3,761,503)
Other comprehensive loss	-	1,708,392	1,708,392
Total comprehensive loss for the year	(3,259,379)	1,206,268	(2,053,111)

31 December 2023	**Bengwenyama Project $**	**Unallocated Amount $**	**Consolidated $**
Interest income	-	435,475	435,475
Expenses			
Corporate expenses	-	(388,803)	(388,803)
Share based payments	-	(93,967)	(93,967)
Employee benefits expense	-	(157,377)	(157,377)
Share of losses of joint ventures accounted for using equity method	(195,360)	-	(195,360)
Impairment expense	(2,752,734)	-	(2,752,734)
Loss before income tax expense	(2,948,094)	(204,672)	(3,152,766)
Income tax expense	-	-	-
Net loss for the year	(2,948,094)	(204,672)	(3,152,766)
Other comprehensive loss	-	(358,829)	(358,829)
Total comprehensive loss for the year	(2,948,094)	(563,501)	(3,511,595)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

3 ADMINISTRATION EXPENSES

	31 December 2024 $	31 December 2023 $
Legal fees	1,556	-
Professional fees	170,305	125,607
Corporate expenses	145,721	148,871
Public relation expenses	53,391	45,984
Others	124,780	68,341
	495,753	388,803

4 LOSS PER SHARE

	31 December 2024 Number	31 December 2023 Number
Weighted average number of ordinary shares	90,602,459	89,750,000

		31 December 2024 $	31 December 2023 $
Loss attributable to ordinary shareholders			
Loss attributable to ordinary shareholders for the basic earnings	**a**	**3,761,503**	**3,152,766**
Loss attributable to ordinary shareholders adjusted for effect of dilution		**3,761,503**	**3,152,766**
Basic/diluted (loss) per share	**b**	**(0.04)**	**(0.035)**
Headline/diluted (loss) per share	**c**	**(0.04)**	**(0.035)**

a) Diluted earnings attributable to ordinary shareholders are equal to earnings attributable to ordinary shareholders.
b) Diluted loss per share has not been disclosed as the impact from options is anti-dilutive.
c) Headline earnings is a Johannesburg Stock Exchange defined performance measure and is reconciled from earnings attributable to ordinary shareholders as follows:

	31 December 2024 $	31 December 2023 $
Loss attributable to ordinary shareholders		
Loss attributable to ordinary shareholders for the headline earnings	(2,053,111)	(3,511,595)
Adjusted for:		
Exchange differences on translation of foreign operations	(1,708,392)	358,829
Subtotal of adjustments	(1,708,392)	358,829
Headline losses	**(3,761,503)**	**(3,152,766)**
Diluted headline losses	**(3,761,503)**	**(3,152,766)**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

5 INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

The Group has acquired 70% interest in Miracle Upon Miracle Investments Pty Ltd (MUM) on 27 May 2022. The fair value of the assets acquired $22,750,000 is based on the fair value of 45,500,000 shares (Consideration Shares) being issued as consideration for the acquisition of MUM. The shares have been valued based on the IPO price of $0.50 per share as the acquisition was conditional on the Listing.

Whilst the Company owns 70% of the voting rights, the terms of the arrangement requires unanimous consent over decisions relating to relevant activities of MUM. The Company has determined that the relevant activities for its joint arrangement relate to the operating and capital decisions of the arrangement, such as the approval of the expenditure programme for each year. The joint arrangement is structured through a separate vehicle, namely MUM. This structure and the terms of the contractual arrangement indicate that the Company has rights to the net assets of the arrangement. Therefore, the investment in MUM has been accounted using the equity method as a joint venture.

The Group's interest in MUM is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in MUM:

	31 December 2024 $	30 June 2024 $
Investment in Miracle Upon Miracle Investments (Pty) Ltd	**19,621,800**	**19,659,255**

Interests in joint ventures are accounted for using the equity method of accounting. Information relating to joint ventures that are material to the consolidated entity are set out below:

		Ownership interest	
Name	**Principal place of business / Country of incorporation**	**31 December 2024 %**	**30 June 2024 %**
Miracle Upon Miracle Investments (Pty) Limited	South Africa	70	70

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5 INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

Summarised financial information

The table below provides summarised financial information of MUM. The information disclosed reflects the amounts presented in the financial statements of MUM and not Southern Palladium's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for any differences in accounting policy.

Summarised statement of financial position	Miracle Upon Miracle Investments (Pty) Limited	
	31 December 2024	**30 June 2024**
	$	**$**
Cash and cash equivalents	430,642	785,909
Other current assets	83,606	-
Non-current assets	10,488,503	8,733,145
Total assets	11,002,751	9,519,054
Other current liabilities	224,960	20,655
Non-current financial liabilities (excluding trade and other payables and provisions)	13,752,156	11,276,818
Total Liabilities	13,977,116	11,297,473
Net assets	(2,974,365)	(1,778,419)
Group's share in %	70%	70%
Group's share in $	(2,082,056)	(1,244,893)
Fair value uplift	21,703,856	20,904,148
Carrying amount	19,621,800	19,659,255

The fair value uplift is attributable to the Company's contribution towards exploration in excess of their share of the net assets of MUM.

Summarised statement of profit or loss and other comprehensive income	**1 July to 31 December 2024**	**1 July to 31 December 2023**
	$	**$**
Revenue	9,492	3,933
Expenses	(1,137,636)	(283,019)
Loss before income tax	(1,128,144)	(279,086)
Total comprehensive loss	(1,128,144)	(279,086)

	31 December 2024	**30 June 2024**
	$	**$**
Reconciliation of the consolidated entity's carrying amount		
Opening balance	19,659,255	19,718,653
Exchange differences on translation of foreign operations	746,657	458,084
Southern Palladium Limited's share of loss after income tax	(784,112)	(517,482)
Closing carrying amount	19,621,800	19,659,255

Commitments
MUM did not have any financial commitments as at 31 December 2024.

Contingent liabilities
MUM did not have any contingent liabilities as at 31 December 2024.

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6 UNSECURED LOAN

		31 December 2024 $	30 June 2024 $
Loan facility to MUM*		12,345,832	10,404,594
Accrued interest		1,403,700	869,672
Impairment of receivables	a	(13,749,532)	(11,274,266)
		-	-

*Cumulative loan balance of USD 8,531,709 at period end.

On or about 20 May 2021, MUM and the Company entered into a loan facility and services agreement, which was subsequently amended and restated on or about 22 March 2022 (Loan Agreement) the purpose of which is to record the terms and conditions pursuant to which the Company will provide, or provide the means through which, MUM can access from the Company the financial and technical support and/or expertise that MUM requires. The Company grants a Prospecting Facility for an amount equal to the total of $19 million set out in the Prospecting Work Programme budget to be used by MUM for the sole purpose of carrying out the "Prospecting Operations".

Interest on the cumulative loan amount owing by MUM to the Company is accrued at the US Bank Prime Loan Rate for US$ (At 31 December 2024 prime rate, being 7.5%), and amongst other things, interest on the outstanding balance will not be compounded.

The payment terms of the outstanding loan amount shall be repaid in full by MUM to the Company by no later than five years from the date that MUM commences "Commercial Mining Operations" in respect of the Prospecting Facility and the Company shall not be entitled to demand repayment for the outstanding loan amount before this date. MUM shall be entitled to settle any outstanding loan amount at any time prior to the designated repayment date, although MUM may not re-borrow any part of the facility which has been repaid to the Company.

During the period in which there is an outstanding loan amount, MUM is bound by a number of undertakings relating to, amongst other things, maintaining its corporate existence and recording and notifying the Company of any event of default. A number of events provided in the Loan Agreement constitute an event of default, including but not limited to, using the advanced amounts for a purpose other than the purpose as set out in the Loan Agreement and breach or omission by MUM to carry out its obligations or undertakings as contemplated in the Loan Agreement. If any of these events continue to occur, the Company shall be entitled to:
(i) claim immediate payment of the outstanding loan amount (by providing written notice to MUM);
(ii) demand specific performance; and/or
(iii) claim payment for losses, liabilities, damages, taxes etc. incurred by the Company under the Loan Agreement as a result of the event of default.

a) Impairment of receivables

The Unsecured Loan has been impaired to the value of $13,749,532, being the total loan and accrued interest due from MUM. The Company is of the view that given the current stage of the exploration project and the uncertainty in relation to the timing of MUM commencing "Commercial Mining Operations" and generating positive cashflows from its project, at this stage it is uncertain that $13,749,532 owed by MUM is capable of being repaid from MUM. The current period unsecured loan advance of $1,066,414 to MUM has been fully impaired.

7 CONTRIBUTED EQUITY

	31 December 2024 $	30 June 2024 $
90,950,000 fully paid ordinary shares (30 June 2024: 89,750,000)	41,079,861	41,079,861

Fully paid ordinary shares carry one vote per share and carry the right to dividends and have no par value.

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7 CONTRIBUTED EQUITY (CONTINUED)

Movement in ordinary share capital		Number of shares	Issue price	Share capital
1 July 2023			**$**	**$**
1-Jul-23	Opening balance	89,750,000		41,079,861
	No movement during the period	-		-
30 June 2024	Balance at end of year	**89,750,000**		**41,079,861**
1 July 2024				
1-Jul-24	Opening balance	89,750,000		41,079,861
8-Nov-24	Allotment of performance shares	1,200,000		-
31 December 2024	**Balance at end of period**	**90,950,000**		**41,079,861**

8 RESERVES

	31 December 2024 $	30 June 2024 $
Options reserves	2,176,996	2,148,538
FX reserves	(201,783)	(1,910,175)
Performance rights reserves	600,000	314,383
	2,575,213	**552,746**

9 CONTINGENT LIABILITIES

The Group had no contingent liabilities as at 31 December 2024 (June 2024: nil).

10 COMMITMENTS

The Group had no financial commitments as at 31 December 2024 (June 2024: nil).

11 SHARE BASED PAYMENTS

		31 December 2024 $	31 December 2023 $
Incentive Options	**(i)**	28,459	-
Series B Options		-	18,967
Performance Rights	**(ii)**	285,616	75,000
		314,075	93,967

(i) Directors Options
750,000 Incentive options were issued to directors in lieu of directors' fees during the period. (2023: nil).

The fair value of the Incentive options has been estimated at the date of the grant using a Black-Scholes option-pricing model. The following table gives the assumptions made in determining the fair value of the options granted during the period.

Grant date	No. of options	Underlying share price	Exercise price	Expected share price volatility	Life of the options (years)	Expected dividends	Risk-free rate	Value per option	Total fair value
01-Oct-24	750,000	$0.455	$0.70	65%	3	Nil	3.49%	$0.1522	$114,150

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Incentive options will vest in 12 months from 1 October 2024. The consolidated statement of financial position recognises a pro rata value of $28,459.

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11 SHARE BASED PAYMENTS (CONTINUED)

b) Shares issued under Performance Rights to Directors

Directors Performance Rights

1,200,000 shares were issued upon conversion of Performance Rights upon satisfaction of Initial Reserve Milestone. The Initial Reserve Milestone being at least 2,000,000 oz of Identified PGE (4E) Reserves have been identified, comprising at least 15 million tonnes and a grade of at least 3.0 grams per tonne.

The Performance Rights have been valued using the Black-Scholes option pricing model. The key inputs used and the value of the Performance Rights are set out in the table below:

	Performance Rights
Number of performance rights	1,200,000
Underlying share price	$0.500
Exercise price	Nil
Expected share price volatility	100%
Life of the performance rights (years)	4
Expected dividends	Nil
Risk-free rate	1.845%
Value per performance right	$0.500
Total fair value	$600,000

In accordance with AASB 2 Share-based Payment, the value of the Performance Rights were expensed over the respective vesting periods. Upon the conversion of Performance Rights, the remaining values of $285,616 is recognised for the purpose of the consolidated statement of financial position for the period.

12 EVENTS SUBSEQUENT TO REPORTING DATE

No other matters or circumstances have arisen since 31 December 2024 which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

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Southern Palladium Limited
ABN 59 646 391 899

DIRECTORS' DECLARATION

In the directors' opinion:

1) The consolidated financial statements and notes, as set out on pages 17 to 29, are in accordance with the Corporations Act 2001 and:
   a) comply with Australian Accounting Standards AASB134: Interim Financial Reporting, the Corporations Regulations 2001; and
   b) give a true and fair view of the Company's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and

2) In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporation Act 2001*.

On behalf of the directors



Roger Baxter
Executive Chairman
Perth, 11 March 2025

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Southern Palladium Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Southern Palladium Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

i. Giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the half-year ended on that date; and

ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001.*

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to the Going Concern note in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

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Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

GLYN O'BRIEN

Director

Perth, 11 March 2025