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Share Purchase Plan
Offer Booklet

SOUTHERN PALLADIUM LIMITED
ACN 646 391 899

This SPP Offer Booklet contains important information. You should read this SPP Offer Booklet in full and seek advice from your stockbroker, accountant or other professional adviser if you have any questions about your investment in the Company.

If you have any questions in relation to how to participate in the SPP after reading this SPP Offer Booklet, please contact the Company Secretary by email at andrew.cooke@southernpalladium.com.

This SPP Offer Booklet does not provide financial advice and has been prepared without taking into account your particular objectives, financial situation or needs.

This SPP Offer Booklet is not a prospectus or other disclosure document under the Corporations Act.

Not for release to US wire services or distribution in the United States

This SPP Offer Booklet does not constitute an offer of securities in any place outside Australia or New Zealand. In particular, this SPP Offer Booklet does not constitute an offer to sell, or a solicitation of an offer to buy, any SPP Shares (as defined below) in the United States or in any jurisdiction in which such an offer would be illegal. SPP Shares have not been, and will not be, registered under the U.S. Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. You must not send copies of this SPP Offer Booklet or any other material relating to the SPP to any person in the United States or elsewhere outside Australia and New Zealand.

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Letter from the Chairman

Dear fellow Shareholder,

On behalf of the Directors of Southern Palladium Limited (**Company**), I am pleased to offer you the opportunity to participate in the share purchase plan (**SPP**) which was announced on 20 October 2025. The SPP allows Eligible Shareholders the opportunity to each subscribe for up to $30,000 worth of new, fully paid ordinary shares in the Company (subject to scale back in the event of oversubscription) (**SPP Shares**) at an issue price of A$1.10 per SPP Share, without incurring brokerage or other transaction costs, on the terms set out in this SPP Offer Booklet (**SPP Offer**).

The SPP Offer is part of a capital raising being undertaken by the Company, including a two-tranche placement of Shares to the Company's largest shareholder and three new global institutional investors at an issue price of A$1.10 per Share (**Placement**) as announced to the market on 20 October 2025.

Proceeds raised from the Placement and SPP Offer will be used to complete the Definitive Feasibility Study and advance to the Final Investment Decision in relation to mine development activities at Bengwenyama, including construction of the box cut and development of a decline to the ore body.

The SPP Offer provides you with the opportunity to increase your holding of fully paid ordinary shares in the Company at a price of $1.10 per share. This price per share will be the same price paid for Shares offered under the Placement and represents a 2.7% discount to the volume weighted average price of Shares on the ASX during the 15 trading days on which sales in the Shares were recorded immediately prior to the announcement date of the SPP Offer ($1.13).

You may apply for a parcel of SPP Shares up to a maximum of $30,000 in aggregate (subject to scale back by the Company in the event of oversubscription). Participation in the SPP Offer is optional and open to Eligible Shareholders, being the registered holders of fully paid ordinary shares in the Company at 7:00pm AEDT on 17 October 2025 (**Record Date**) and whose registered address is in Australia or New Zealand. The SPP Offer is also being extended to Eligible Shareholders who are Custodians to participate in the SPP Offer on behalf of certain Eligible Beneficiaries on the terms and conditions set out in this SPP Offer Booklet. Your right to participate in the SPP Offer is not transferable. All SPP Shares will rank equally with existing Shares in the Company.

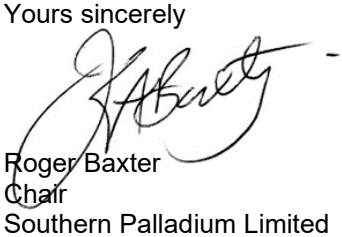
The terms and conditions of the SPP Offer are set out in this SPP Offer Booklet. The SPP Offer will open on Wednesday, 29 October 2025 (AEDT) on Wednesday and is expected to close on 12 November 2025 (AEDT) (unless varied or extended) (**Closing Date**). The SPP Offer is not underwritten and aims to raise up to a maximum of $1,000,000. In the event of oversubscription the Directors will scale back applications.

I urge you to read this Offer Booklet in its entirety and seek your own financial, taxation and other professional advice in relation to the SPP Offer, before you decide whether to participate.

If you have any questions in relation to how to participate in the SPP Offer, please contact the Company Secretary via email at andrew.cooke@southernpalladium.com or consult your financial or other professional adviser.

On behalf of the Board of the Company, thank you for your ongoing support of the Company.

Yours sincerely



Roger Baxter
Chair
Southern Palladium Limited

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Important information

Shareholders should seek independent professional, financial and taxation advice before making any investment decision in relation to the SPP Offer.

This SPP Offer Booklet is dated 29 October 2025. Capitalised terms used in this SPP Offer Booklet have the meaning given to them in section 4 of this SPP Offer Booklet.

The offer of SPP Shares under the SPP Offer is made in accordance with *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547* which grants relief from the requirement to issue a disclosure document for the SPP Offer.

This SPP Offer Booklet does not contain all of the information which an investor may require to make an informed investment decision, nor does it contain all the information which would be required to be disclosed in a prospectus or other disclosure document prepared in accordance with the requirements of the Corporations Act. The information in this SPP Offer Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

This SPP Offer Booklet should be read in its entirety before you decide to participate in the SPP Offer. In particular you should consider the risk factors that could affect the performance of the Company or the value of an investment in Company. Please refer to the "Key risks" in Section 6 of this SPP Offer Booklet. This SPP Offer Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC. By paying for your SPP Shares through BPAY®[1] (for New Zealand Shareholders only, you will be provided with alternative electronic funds transfer (EFT) payment arrangements for the payment of your Application Monies) in accordance with the instructions on the Application Form, you will be deemed to have acknowledged that you have read this SPP Offer Booklet and you have acted in accordance with and agree to the terms of the SPP Offer detailed in this SPP Offer Booklet.

Jurisdictions

Participation in the SPP Offer is optional and open to Shareholders who are holders of Shares on the Record Date and whose registered address is in Australia or New Zealand.

This SPP Offer Booklet has been prepared to comply with the requirements of the laws of Australia.

This SPP Offer Booklet and the Application Form do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in any jurisdiction in which, or to any person to whom it would not be lawful to make such an offer. No action has been taken to register or qualify the SPP Offer or the SPP Shares, or otherwise permit the offering of the SPP Shares, in any jurisdiction other than Australia. Return of the personalised Application Form will be taken by the Company to constitute a representation by you that there has been no breach of any such laws. Eligible Shareholders who are nominees or custodians should see section 2.4.

The distribution of this document (including in electronic format) outside Australia and New Zealand may be restricted by law. If you come into possession of this SPP Offer Booklet, you must observe such restrictions. In particular, this document or any copy of it must not be distributed in the United States. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

New Zealand

The SPP Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of the SPP Shares is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

This SPP Offer Booklet has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act* 2013. This SPP Offer Booklet is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

United States

Neither this SPP Offer Booklet nor the Application Form accompanying it constitutes an offer to sell, or the solicitation of an offer to buy, any securities in the United States. This SPP Offer Booklet (or any part of it) may not be released to US wire services or distributed in the United States.

The SPP Shares have not been, nor will be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, the SPP Offer may not be offered or sold to persons in the United States or persons that are acting for the account or benefit of persons in the United States (to the extent that such person holds shares for the account or benefit of a person in the United States). The SPP Shares may only be offered and sold outside the United States in "offshore transactions" (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act.

Definitions, currency and time

Defined terms used in this SPP Offer Booklet are contained in Section 4 of this SPP Offer Booklet. All references to time are to Sydney, Australia time, unless otherwise indicated.

Foreign exchange

All references to '$' are AUD unless otherwise noted.

Taxation

There will be tax implications associated with participating in the SPP Offer and receiving SPP Shares. Neither the Company nor any of its officers or employees, nor its taxation and other advisers, accepts any liability or responsibility in respect of any statement concerning taxation consequences, or in respect of the taxation consequences. The Company recommends that you consult your professional tax adviser in connection with the SPP Offer.

Privacy

The Company collects information about each Applicant provided on an Applicant's personalised Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's shareholding in the Company.

By submitting your personalised Application Form, you will be providing personal information to the Company (directly or through its Share Registry). The Company collects, holds and will

[1] ® registered to BPAY® Pty Ltd ABN 69 079137 518.

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use that information to assess your Application. The Company collects your personal information to process and administer your shareholding in the Company and to provide related services to you. The Company may disclose your personal information for purposes related to your shareholding in the Company, including to its Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies. You can obtain access to personal information that the Company holds about you. To make a request for access to your personal information held by (or on behalf of) the Company, please contact the Company through its Share Registry.

Governing law

This SPP Offer Booklet, the SPP Offer and the contracts formed on acceptance of the Applications are governed by the law of New South Wales, Australia. Each Applicant submits to the exclusive jurisdiction of the courts of New South Wales, Australia.

No representations

No person is authorised to give any information or to make any representation in connection with the SPP Offer which is not contained in this SPP Offer Booklet. Any information or representation in connection with the SPP Offer not contained in the SPP Offer Booklet may not be relied upon as having been authorised by the Company, its related bodies corporate or any of their respective directors, officers, employees, agents, advisers or representatives. Except as required by law, and only to the extent so required, none of the Company, its related bodies corporate or any of their respective directors, officers, employees, agents, advisers or representatives, or any other person, warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this SPP Offer Booklet.

Past performance

Investors should note that any past performance information given in this SPP Offer Booklet is provided for illustrative purposes only and should not be relied upon as, and is not, an indication of the Company's future performance, including future share price performance.

Future performance and forward-looking statements

This SPP Offer Booklet contains certain "forward-looking statements" that are based on management's beliefs, assumptions and expectations and on information currently available to management. 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. Such forward-looking statements include statements regarding the timetable, conduct and outcome of the SPP Offer and the use of proceeds thereof, statements about the plans, objectives and strategies of the management of the Company, statements about the industry and the markets in which the Company operates and statements about the future performance of the Company's businesses. Indications of, and guidance or outlook on, future earnings or financial position or performance, future earnings and distributions are also forward-looking statements.

Any such statements, opinions and estimates in this SPP Offer Booklet are current only as at the date of the SPP Offer Booklet and are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates. Forward-looking statements are provided as a general guide only. The forward-looking statements contained in this SPP Offer Booklet are not indications, guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of the Company, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Refer to the "Key risks" in Section 6 of this SPP Offer Booklet. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements, including (without imitation) the risks and uncertainties associated with the ongoing impacts of the Australian and global economic environment and capital market conditions and other risk factors set out in Section 6 of this SPP Offer Booklet. Investors should consider the forward-looking statements contained in this SPP Offer Booklet in light of those risks and disclosures. The forward-looking statements are based on information available to the Company as at the date of this SPP Offer Booklet. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement oy any person (including the Company or any of its advisers). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this SPP Offer Booklet will actually occur. Actual operations, results, performance, production targets or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Except as required by law or regulation (including the Listing Rules), the Company disclaims any obligation or undertaking to update forward-looking statements in this SPP Offer Booklet to reflect any changes in expectations in relation to any forward-looking statement or change in events, circumstances or conditions on which any statement is based.

Disclaimer

To the maximum extent permitted by law, the Company and the Lead Manager expressly exclude and disclaim all liability (including, without limitation, any liability arising from fault or negligence on the part of any person) and any direct, indirect, consequential or contingent loss, damage, expense or cost whatsoever incurred by you as a result of your participation in or failure to participate in the SPP Offer and the information in this SPP Offer Booklet being inaccurate or due to information being omitted from this SPP Offer Booklet and make no representation or warranty, express or implied, as to whether you or your related parties should participate in the SPP Offer nor do they make any representations or warranties, express or implied, as to the fairness, currency, accuracy, reliability or completeness of the information in this SPP Offer Booklet.

Risks

An investment in SPP Shares is subject to investment and other known and unknown risks, some of which are beyond the control of the Company, including possible delays in repayment and loss of income and principal invested. The Company does not guarantee any particular rate of return or the performance of the Company, nor does it guarantee the repayment of capital from the Company or any particular tax treatment.

Shareholders should refer to the "Key risks" in Section 6 of this SPP Offer Booklet included in Annexure A of this SPP Offer Booklet for a summary of general and specific risk factors that may affect the Company.

Trading SPP Shares

To the maximum extent permitted by law, the Company, and its affiliates and related bodies corporate, and each of their respective directors, officers, partners, employees, consultants, advisers and agents will have no responsibility and disclaim all liability (to the maximum extent permitted by law) to

persons who trade SPP Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by the Company or its Share Registry or otherwise, or who otherwise trade or purport to trade SPP Shares in error or which they do not hold or are not entitled to.

If you are in any doubt, as to these matters you should first consult with your stockbroker, solicitor, accountant or other professional adviser.

The information in this SPP Offer Booklet remains subject to change without notice.

If you have any questions in relation to the SPP Offer, please contact the Company Secretary via email at andrew.cooke@southernpalladium.com or consult your financial or other professional adviser

This document has been authorised for release to ASX by the Company Board of Directors.

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1 Key SPP Offer information

1.1 Key dates for the SPP Offer

Record Date	7:00 pm AEDT on Friday, 17 October 2025
Opening Date	9:00 am AEDT on Wednesday, 29 October 2025
Closing Date	5:00 pm AEDT on Wednesday, 12 November 2025
SPP Offer results announcement	Prior to 12:00 pm on Wednesday, 19 November 2025
Issue Date of SPP Shares	Wednesday, 19 November 2025
SPP Shares commence trading on the ASX	Thursday, 20 November 2025

*Please note, the dates set out above are indicative only and are subject to change without notice to you. Any change in the timetable does not affect any rights or obligations you have as a result of accepting the SPP Offer.

1.2 Frequently Asked Questions

You should read this section in conjunction with the terms and conditions of the SPP Offer set out in section 2, below.

What is the SPP Offer?	The SPP Offer is an opportunity for Eligible Shareholders to each subscribe for up to $30,000 worth of SPP Shares without brokerage or other transaction costs. Eligible Shareholders may each apply for SPP Shares in parcels valued at $1,000, $2,500, $5,000, $7,500, $10,000, $15,000, $20,000 or $30,000 up to a maximum of $30,000 in aggregate (subject to scale-back in the event of oversubscription). The Company is seeking to raise up to $1,000,000 (before costs) under the SPP Offer, with the capacity to accept oversubscriptions and subject to scale back. The SPP Offer is not underwritten.
How will the funds raised under the SPP Offer to be used?	Proceeds raised from the Placement and SPP Offer will be used to complete the Definitive Feasibility Study and advance to the Final Investment Decision in relation to mine development activities at Bengwenyama, including construction of the box cut and development of a decline to the ore body
Do I have to participate in the SPP Offer?	No. Participation in the SPP Offer is voluntary. **Before you decide whether to participate in the SPP Offer, the Company recommends you seek independent financial advice from your stockbroker, accountant or other professional adviser.** If you do not wish to participate in the SPP Offer, you do not need to do anything, and the SPP Offer will lapse at 5:00pm (AEDT) on Wednesday, 12 November 2025 (unless varied or extended).
What is the Issue Price of the SPP Shares?	SPP Shares will be offered at $1.10 per SPP Share, being the same price paid for Shares under the Placement. The Issue Price ($1.10) represents a 2.7% discount to the volume weighted average price of the Shares on the ASX during the 15 trading days on which sales in Shares were recorded immediately prior to the announcement date of the SPP Offer ($1.13). There is a risk that the market price of Shares may rise or fall between the date of this SPP Offer Booklet and the time of issue of the SPP Shares under the SPP Offer. This means that the price you pay for the SPP Shares issued to you may be less than or more than the market price of Shares at the date of this SPP Offer Booklet or the time of issue.

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	Your Application is unconditional and may not be withdrawn even if the market price of Shares is less than the Issue Price.
Who is eligible to participate in the SPP Offer?	Shareholders with a registered address in either Australia or New Zealand as at 7:00pm on Friday, 17 October 2025 are eligible to participate in the SPP Offer, unless such Shareholder is a nominee or custodian acting for the account or benefit of a person in the United States or elsewhere outside Australia and New Zealand (in which case such Shareholder will not be eligible to participate in respect of the SPP Shares held for the account or benefit of that person). The SPP Offer is also being extended to Eligible Shareholders who are Custodians to participate in the SPP Offer on behalf of Eligible Beneficiaries on the terms and conditions set out in this SPP Offer Booklet.
Can my SPP Offer be transferred to a third party?	No. The SPP Offer is non-renounceable and cannot be transferred.
How much can I invest under the SPP Offer?	Eligible Shareholders may each apply for SPP Shares in parcels valued at $1,000, $2,500, $5,000, $7,500, $10,000, $15,000, $20,000 or $30,000 up to a maximum of $30,000 in aggregate. By applying for the SPP Shares you certify that the value of these SPP Shares and any other Shares issued to you, or a Custodian on your behalf, under any similar arrangement in the 12 months before the application do not exceed $30,000.
Is there an oversubscription or scale back policy?	Subject to the ASX Listing Rules, given the Company is seeking to raise up to a maximum of $1,000,000. In the event of oversubscription, the Directors will scale back applications. If a scale-back takes place, you may receive less than the parcel of SPP Shares for which you applied. Any scale back will be applied on a pro rata basis, having regard to the applicant's shareholding at the Record Date and will be conducted in compliance with all applicable regulatory requirements. However, the Company is not required to conduct a scale back in this way and may scale back the number of SPP Shares in any manner in its absolute discretion. In the event of a scale back, you may be issued SPP Shares to a value that is less than the value of SPP Shares you applied for. Excess application monies will be refunded by direct credit without interest. By applying for SPP Shares, each Shareholder authorises the Company to pay any monies to be refunded using the payment instructions of the Shareholder recorded in the register. Refunds will be made as soon as practicable after the SS Offer Closing Date.
What if there is a Shortfall under the SPP Offer?	If there is a Shortfall in the subscription for SPP Shares under the maximum of $1,000,000, the Directors of the Company reserve the right to issue the SPP Shares that comprise of the Shortfall to parties to be identified by the Board in consultation with the Lead Manager at their absolute discretion, to the extent that any such placement of SPP Shares under the Shortfall can be made by the Company having regard to the ASX Listing Rules and the Corporations Act.
How do I apply for SPP Shares?	If you wish to participate in the SPP Offer, you need to: **Pay via BPAY®** To pay via BPAY® you will need to: • be an account holder with an Australian financial institution; • follow the instructions online at: www.computersharecas.com.au/spdspp and make a payment directly via BPAY®, using the personalised reference number shown on your Application Form, which is required to identify your shareholding; and • ensure that your payment is received by the Registry before the Closing Date. Shareholders should be aware that their own financial institution may implement an earlier cut-off time for processing BPAY® payments.

	If you are paying via BPAY®, there is no need to return the Application Form but you will be taken to have made the statements and certifications that are set out in the Application Form. **For New Zealand Shareholders - Pay via EFT** New Zealand based Shareholders without an Australian Bank account may not be able to pay via BPAY® and will instead be provided with alternative electronic funds transfer (EFT) payment arrangements for the payment of their Application Monies. If you are paying via EFT, there is no need to return the Application Form but you will be taken to have made the statements and certifications that are set out in the Application Form. All Applicants should be aware of their financial institution's cut-off time (the payment must be made to be processed overnight) and it is the Applicant's responsibility to ensure funds are submitted correctly by the Closing Date and time. Eligible Shareholders may not pay via cheque and must not forward cash by mail. Receipts for payment will not be issued. Eligible Shareholders may participate in the SPP Offer by applying online on the SPP Offer website at: www.computersharecas.com.au/spdspp
How many SPP Shares will I receive?	You may apply for a parcel of SPP Shares with a value of $1,000, $2,500, $5,000, $7,500, $10,000, $15,000, $20,000 or $30,000 up to a maximum of $30,000 in aggregate. In the absence of a scale back, the number of SPP Shares to be issued to you will be calculated by dividing your chosen application amount by the Issue Price, with any resulting fractions of an SPP Share being rounded up to the nearest whole number of Shares.
When will I receive my SPP Shares?	SPP Shares will be issued on Wednesday, 19 November 2025 (unless varied by the Company)
When can I trade my SPP Shares?	You can trade your SPP Shares after they are issued on Wednesday, 19 November 2025. However, given the possibility that applications may be scaled back, you should confirm your holding on or after the Issue Date before trading any SPP Shares you believe you have acquired under the SPP Offer.
What are the key dates for the SPP Offer?	The key dates for the SPP Offer are set out in sub-section 1.1, above. Please note, the dates set out above are indicative only. The Company reserves the right to vary the dates and times set out above, subject to the Corporations Act and other applicable requirements without notice to you. Any change in the timetable does not affect any rights or obligations you have as a result of accepting the SPP Offer.
What are the rights attached to SPP Shares issued under the SPP Offer?	SPP Shares will rank equally with other Shares on issue.
What do I do if I am a Custodian?	The SPP Offer is being extended to Eligible Shareholders who are Custodians and who wish to apply for SPP Shares on behalf of certain Eligible Beneficiaries and on the instructions of a Downstream Custodian. The SPP Offer is being offered to Custodians as the registered Shareholder. Custodians are not required to participate on behalf of their Eligible Beneficiaries. Custodians may choose whether or not to extend the SPP Offer to their Eligible Beneficiaries. If you wish to apply as a Custodian under the SPP Offer to receive SPP Shares for one or more Eligible Beneficiaries, you must complete and submit an additional Custodian Certificate that contains further certifications and details (as required under the terms of *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547)* before your Application will

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	be accepted. Applications by Custodians that are not accompanied by a duly completed Custodian Certificate will be rejected. By applying as a Custodian on behalf of Eligible Beneficiaries to purchase SPP Shares, you certify (amongst other things) that each Eligible Beneficiary has not exceeded the $30,000 limit. Custodians are not permitted to participate in the SPP Offer on behalf of, and must not distribute this SPP Offer Booklet or any documents (including the Application Form) relating to this SPP Offer to, any person in the United States or elsewhere outside Australia and New Zealand.
What are the risks associated with the Company?	There are a number of factors which may affect the development, future operation and financial performance and/or financial position of the Company, its prospects and/or the value of the SPP Shares. Many of the circumstances giving rise to these risks are beyond the control of the Company, the Directors or management. Some of the major risks associated with an investment in the Company are set out in section 6. There may be additional risks (including financial and taxation risks) that investors should consider in light of their own personal circumstances. Potential investors should consider an investment in SPP Shares as speculative and should consult their professional adviser before deciding whether to invest.
Where can I get more information on the SPP Offer?	If you have any questions in relation to how to participate in the SPP Offer, please contact the Company Secretary by email at andrew.cooke@southernpalladium.com or consult your financial or other professional adviser. If you have any questions in relation to whether an investment in the Company through the SPP Offer is appropriate for you, please contact your stockbroker, accountant or other professional adviser.
What costs are associated with the SPP Offer?	There are no brokerage, commissions or other transaction costs payable by Eligible Shareholders in relation to the application for, and the issue of, SPP Shares.

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2 Terms and conditions of the SPP Offer

2.1 General

Important Notice: If you participate in the SPP Offer by making a payment by BPAY®, EFT or as otherwise confirmed with the Company Secretary, you are accepting the risk that the market price of Shares may change between the Record Date, the date on which you make a payment and the Issue Date. This means that, up to and/or after the Issue Date, you may be able to buy Shares on the ASX at a lower price or higher price (depending on the market price of Shares on the relevant day) than the Issue Price.

Please read these terms and conditions carefully, as you will be bound by them in participating in the SPP Offer. Shareholders accepting the SPP Offer will also be bound by the Constitution.

The key dates set out in sub-section 1.1, above, and the Frequently Asked Questions set out in sub-section 1.2, above, form part of these terms and conditions. Capitalised terms have the meaning provided in the glossary set out in section 4, below, unless the context requires otherwise.

2.2 SPP Offer

The Company offers each Eligible Shareholder the opportunity to purchase a parcel of SPP Shares valued at $1,000, $2,500, $5,000, $7,500, $10,000, $15,000, $20,000 or $30,000 up to a maximum of $30,000 in aggregate under the SPP Offer subject to and in accordance with these terms and conditions.

The SPP Offer will open on the Opening Date and close on the Closing Date.

If you choose not to participate in the SPP Offer, your right to participate lapses on the Closing Date (or such other date as the Company determines).

The SPP Offer to each Eligible Shareholder (whether as a Custodian or on its own account) is made on the same terms and conditions.

The SPP Offer is non-renounceable and non-transferable and, therefore, Eligible Shareholders cannot transfer their right to purchase SPP Shares to a third party.

All references to "$" or "dollars" in these terms and conditions are references to Australian dollars unless otherwise indicated.

2.3 Eligible Shareholders

You are eligible to participate in the SPP Offer if you:

(a) were registered on the Register as a Shareholder on the Record Date; and

(b) have a registered address in either Australia or New Zealand at that time; and

(c) are not in the United States, and are not acting for the account or benefit of a person in the United States. If you are acting for the account or benefit of a person in the United States, you will not be eligible to participate in respect of the SPP Shares held for the account or benefit of that person.

The SPP Offer is not made to Shareholders with a registered address outside of Australia or New Zealand.

2.4 Joint holders/Custodians

If two or more persons are registered on the Register as jointly holding Shares, they are taken to be a single registered holder of Shares for the purposes of determining whether they are an Eligible Shareholder and a certification given by any of them is taken to be a certification given by all of them.

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Subject to these terms and conditions, Eligible Shareholders who are Custodians may participate in the SPP Offer on behalf of each Eligible Beneficiary on whose behalf the Custodian is holding Shares.

Custodians and nominees may only participate in the SPP Offer on behalf of beneficial shareholders who are resident in Australia or New Zealand.

2.5 Applications for SPP Offer

Eligible Shareholders may apply for a parcel of SPP Shares valued at $1,000, $2,500, $5,000, $7,500, $10,000, $15,000, $20,000 or $30,000 up to a maximum of $30,000 in aggregate (subject to scale-back by the Company in the event of oversubscription as described in sub-section 2.10 of this section 2).

No brokerage or other transaction costs will apply to the acquisition of SPP Shares.

Eligible Shareholders who wish to apply for SPP Shares:

(a) In respect of Australian Shareholders – must make a payment via BPAY® prior to the Closing Date and in accordance with the instructions on the online Application Form, by visiting www.computersharecas.com.au/spdspp ; or

(b) In respect of New Zealand based Shareholders without an Australian Bank account that are not able to pay via BPAY® will be provided with alternative electronic funds transfer (EFT) payment arrangements for the payment of their Application Monies.

Funds paid by BPAY® or EFT must be received by the Registry by 5:00pm (AEDT) on Wednesday, 12 November 2025 (unless varied or extended). The Company reserves the right, but is not obliged, to accept applications for SPP Shares that are received after that time. If your payment does not clear, your Application will not be accepted and you agree to be responsible for any dishonour fees or other costs incurred.

You cannot withdraw or revoke your application once you have paid via BPAY® or EFT.

Cash and cheque payments will not be accepted. Receipts for payment will not be issued.

Eligible Shareholders who receive more than one offer under the SPP Offer (for example, because they hold Shares in more than one capacity or in different registered holdings) may apply on different Application Forms for SPP Shares but may not apply for SPP Shares with an aggregate value of more than $30,000.

If you wish to subscribe for SPP Shares as a Custodian for one or more Eligible Beneficiaries, you must also complete and submit an additional Custodian Certificate that contains further certifications and details (required under the terms of *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547)* before your Application will be accepted. Applications by Custodians that are not accompanied by a duly completed Custodian Certificate will be rejected. Contact the Registry on custodians@computershare.com.au to receive the Custodian Certificate.

The Company, its officers and agents, may accept or reject your Application for SPP Shares at its discretion in whole or in part including, without limitation, if:

(a) your Application does not comply with these terms and conditions;

(b) it appears you are not an Eligible Shareholder;

(c) your payment is not received by the Registry by the Closing Date;

(d) if you apply on behalf of an Eligible Beneficiary but do not provide a signed Custodian Certificate;

(e) if you apply on behalf of an Eligible Beneficiary but provide an incomplete or incorrectly completed Custodian Certificate;

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(f) it appears that you are applying to purchase more than $30,000 worth of SPP Shares and Shares in aggregate (including as a result of Shares you hold directly, jointly or through a custodian or nominee arrangement) in the 12 month period prior to making the Application; or

(g) payment of the Application Money is not submitted in Australian currency.

If your Application Form is incomplete, contains errors or is otherwise invalid or defective, the Company may, in its sole discretion, accept, reject, correct or amend your application, issue such number of SPP Shares to you as it considers appropriate, refund your Application Money, or take any combination of these actions.

If the Company rejects your Application in whole or in part, the Company will (in its sole discretion):

(a) refund the amount of your Application Money for SPP Shares; or

(b) allot to you the number of SPP Shares that would have been allotted had you applied for the highest designated amount that is less than the amount of your Application Money and refund to you the excess amount of your Application Money.

If you are entitled to a refund of all or any of your Application Money, the refund will be paid to you by direct credit, without interest, as soon as is practicable, in accordance with the requirements of the Corporations Act.

2.6 Issue Price

The Issue Price will be $1.10 per SPP Share, being the same price paid for Shares under the Placement.

The Issue Price was calculated by reference to the issue price to be paid under the Placement.

The Issue Price ($1.10) represents a 2.7% discount to the volume weighted average price of the Shares on the ASX during the 15 trading days on which sales in Shares were recorded immediately prior to the announcement date of the SPP Offer ($1.13).

In accordance with the requirements of *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547,* the Company confirms that the Issue Price is lower than the market price of the Company's Shares during a "specified period" (being the 15 trading days immediately prior to the announcement date of the SPP Offer).

The market price of Shares may rise or fall between the date of this SPP Offer and the Issue Date of the SPP Shares under the SPP Offer, and that the effect of this is that the Issue Price you pay for the SPP Shares may exceed the market price of Shares on the Issue Date.

The current Share price can be obtained from the ASX.

You agree to pay the Issue Price per SPP Share for the number of SPP Shares you have applied for or, if there is a scale-back, the number of SPP Shares calculated under sub-section 2.10 of this section 2.

2.7 Number of SPP Shares to be issued

If you apply for SPP Shares, you will apply for a certain value, rather than a certain number, of SPP Shares. If your Application is accepted, the Company will divide the value of your Application Money by the Issue Price in order to determine the number of SPP Shares that, subject to scale-back, will be issued to you.

If this calculation produces a fractional number, the number of SPP Shares issued will be rounded up to the nearest whole SPP Share (refer to sub-section 2.10 for more information on rounding).

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The number of SPP Shares you will receive, at each of the available parcels, is set out in the table below (assuming Applications are not scaled back). Where applicable, the number of SPP Shares for each parcel has been rounded up to the nearest whole number.

OPTION	DOLLAR VALUE OF SPP SHARES	NUMBER OF SHARES
1	$1,000	910
2	$2,500	2,273
3	$5,000	4,546
4	$7,500	6,819
5	$10,000	9,091
6	$15,000	13,637
7	$20,000	18,182
8	$30,000	27,273

You may not apply for more than $30,000 of SPP Shares in aggregate under the SPP Offer, even though you may receive more than one offer, or offers in more than one capacity (e.g. due to multiple registered holdings) under the SPP Offer.

If the Company receives an Application for an amount of SPP Shares that is not equal to one of the above parcels, or a subscription of over $30,000 worth of SPP Shares, by an Eligible Shareholder or through multiple or joint holdings, the Company may (in its absolute discretion) either:

(a) reject the Application and refund, in full, any Application Monies (without interest); or

(b) round the dollar amount of SPP Shares that are applied for to the next lowest parcel, and refund the balance of any monies (without interest).

2.8 Issue

SPP Shares will be issued on the Issue Date (19 November 2025).

SPP Shares will rank equally with existing Shares as at the Issue Date.

The Company will apply to the ASX for the quotation of SPP Shares. It is anticipated that SPP Shares will be quoted on or shortly after the Issue Date.

2.9 Acknowledgements

By making a payment, you:

(a) irrevocably and unconditionally agree to the terms and conditions of the SPP Offer and the terms and conditions of the Application Form (if applicable) and agree not to do any act or thing that would be contrary to the spirit, intention or purpose of the SPP Offer;

(b) warrant that all details and statements in your Application are true and complete and not misleading;

(c) agree that your Application will be irrevocable and unconditional (that is, it cannot be withdrawn);

(d) warrant that you are an Eligible Shareholder and are eligible to participate in the SPP Offer;

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(e) authorise the Company to correct or amend your application as contemplated by sub-section 2.5;

(f) acknowledge that no interest will be paid on any Application Money held pending the issue of SPP Shares or subsequently refunded to you for any reason;

(g) acknowledge that the Company, its officers and agents are not liable for any consequences of the exercise or non-exercise of its discretions referred to in these terms and conditions;

(h) acknowledge that the market price of Shares may rise or fall between the date of this SPP Offer and the issue date of the SPP Shares under the SPP Offer, and that the effect of this is that the issue price you pay for the SPP Shares may exceed the market price of Shares on the issue date;

(i) acknowledge and agree that:

(i) you are not in the United States and are not acting for the account or benefit of a person in the United States (in the event that you are acting for the account or benefit of a person in the United States, you are not applying for, or acquiring, any SPP Shares for the account or benefit of that person);

(ii) the SPP Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States, and accordingly, the SPP Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and any applicable United States state securities laws;

(iii) you have not, and will not, send this SPP Offer Booklet or any materials relating to the SPP Offer to any person in the United States or elsewhere outside Australia and New Zealand;

(iv) if in the future you decide to sell or otherwise transfer the SPP Shares, you will only do so in the regular way for transactions on the ASX where neither you nor any person acting on your behalf know, or have reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States; and

(v) if you are acting as a nominee or Custodian, each Eligible Beneficiary on whose behalf you are applying for and acquiring SPP Shares is a resident in Australia or New Zealand and is not in the United States, and you have not sent this SPP Offer Booklet, or any materials relating to the SPP Offer, to any person outside Australia and New Zealand;

(j) if you are applying on your own behalf (and not as a Custodian) you acknowledge and agree that:

(i) you are not applying for SPP Shares with Application Money of more than $30,000 under the SPP Offer (including by instructing a Custodian to acquire SPP Shares on your behalf under the SPP Offer);

(ii) the total of Application Money for the following does not exceed $30,000:

(A) the SPP Shares the subject of the Application;

(B) any other Shares issued to you under the SPP Offer or any similar arrangement in the 12 months before the Application;

(C) any other SPP Shares which you have instructed a Custodian to acquire on your behalf under the SPP Offer; and

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(D) any other Shares issued to a Custodian in the 12 months before the Application as a result of an instruction given by you to the Custodian to apply for Shares on your behalf under an arrangement similar to the SPP Offer;

(iii) if you are a Custodian and are applying on behalf of an Eligible Beneficiary on whose behalf you hold Shares, you acknowledge and agree that:

(A) you are a Custodian (as that term is defined in *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547);*

(B) you held Shares on behalf of the Eligible Beneficiary or Downstream Custodian as at the Record Date who has instructed you to apply for SPP Shares on their behalf under the SPP Offer and that that Eligible Beneficiary has been given a copy of this SPP Offer Booklet;

(C) you are not applying for SPP Shares on behalf of any Eligible Beneficiary or Downstream Custodian with Application Money of more than $30,000 under the SPP Offer and similar arrangement in the 12 months before this Application; and

(D) the information in the Custodian Certificate submitted with your Application is true, correct and not misleading;

(iv) accept the risk associated with any refund that may be dispatched to you by direct credit or cheque to your address shown on the Register; and

(v) agree to be bound by the Constitution (as amended and as it may be amended from time to time in the future);

(k) acknowledge that none of the Company, its advisers or agents, has provided you with any financial product or investment advice or taxation advice in relation to the SPP Offer, or has any obligation to provide such advice; and

(l) you authorise the Company, and its officers and agents, to do anything on your behalf necessary for SPP Shares to be issued to you in accordance with these terms and conditions.

2.10 Scale-back

The SPP Offer may raise more or less than the targeted amount ($1,000,000). In the event that subscriptions for more than $1,000,000 are received for the SPP Offer, the Company will scale back applications.

Any scale-back may be applied to the extent and in the manner the Directors see fit at their discretion, however such scale back will be applied on a pro rata basis, having regard to the applicant's shareholding at the Record Date and will be conducted having regard to all applicable regulatory requirements.

Scale-back for shares held by custodians (as defined in *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (Instrument 2019/547))* (**Custodian**) will be applied at the level of the underlying beneficiary.

If there is a scale-back you may receive less than the parcel of SPP Shares for which you have applied. If a scale-back produces a fractional number of SPP Shares when applied to your parcel, the number of SPP Shares you will be allotted will be rounded up to the nearest whole number of SPP Shares. Unless the Company exercises its right to scale-back Applications or refunds amounts by reason of not receiving one of the amounts designated on the Application Form (in which case, it will return any excess Application Money to you by direct credit to your nominated account (as recorded on the Register), the Company will retain any excess Application Money that is less than $5.00 as it is not practical to refund any amount of less than $5.00 to Shareholders.

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Any Application Money received that is to be refunded, will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act. Any refund made to you is despatched at your risk.

2.11 Shortfall

The Directors of the Company reserve the right to issue the SPP Shares that comprises of the shortfall up to $1,000,000 (**Shortfall**) to parties to be identified by the Board in consultation with the Lead Manager at their absolute discretion, to the extent that any such placement of SPP Shares under the Shortfall can be made by the Company having regard to the ASX Listing Rules and the Corporations Act.

2.12 Variation and termination

The Company reserves the right at any time to:

(a) amend or vary these terms and conditions;

(b) waive strict compliance with any provision of these terms and conditions;

(c) withdraw the SPP Offer or suspend or terminate the SPP Offer;

(d) accept late Applications under the Offer (subject to compliance with the Corporations Act and the ASX Listing Rules);

(e) vary the timetable for the SPP Offer, including the Closing Date; and

(f) not accept an Application, not issue SPP Shares or issue SPP Shares to a value less than that applied for under the SPP Offer by an Eligible Shareholder (including a Custodian applying on behalf of its Eligible Beneficiaries or Downstream Custodian).

In the event that the SPP Offer is withdrawn or terminated, all Application Money will be refunded as soon as practicable in accordance with the requirements of the Corporations Act. No interest will be paid on any money returned to you.

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3 Additional information

3.1 Responsibility for this SPP Offer Booklet

This SPP Offer Booklet (including the attached Application Form) has been prepared by the Company. No party other than the Company has authorised or caused the issue of this SPP Offer Booklet, or takes any responsibility for, or makes or gives any statements, representations or undertakings in this SPP Offer Booklet.

3.2 Date of this SPP Offer Booklet

This SPP Offer Booklet is dated 29 October 2025. Subject to the following paragraph, statements in this SPP Offer Booklet are made only as of the date of this SPP Offer Booklet unless otherwise stated and the information in this SPP Offer Booklet remains subject to change without notice. The Company is not responsible for updating this SPP Offer Booklet. There may be additional announcements that are made by the Company (including after the date of this SPP Offer Booklet) that may be relevant to your consideration of whether to take up the SPP Offer. Therefore, it is prudent that you check whether any further announcements have been made by the Company before submitting an Application. That information is available to the public from ASX and can be accessed at www.asx.com.au.

3.3 Ranking of SPP Shares

The SPP Shares issued under the SPP Offer will be fully paid and rank equally with existing Shares with effect from their date of issue. The rights attaching to the SPP Shares are set out in the Company's constitution and are regulated by the Corporations Act, Listing Rules and general law.

3.4 Allotment, quotation and trading

The Company will apply for quotation of the SPP Shares on ASX in accordance with Listing Rule requirements. If ASX does not grant quotation of the SPP Shares, the Company will repay all Application Monies (without interest). Subject to ASX approval being granted, it is expected that the SPP Shares allotted under the SPP Offer will commence trading on a normal basis on or about Thursday, 20 November 2025.

Application Monies will be held by the Company on trust for Applicants until the SPP Shares are allotted. No interest will be paid on Application Monies, and any interest earned on Application Monies will be for the benefit of the Company and will be retained by the Company irrespective of whether SPP Shares are issued.

It is the responsibility of Applicants to determine the number of SPP Shares allotted and issued to them prior to trading in such Shares. The sale by an Applicant of SPP Shares prior to receiving their holding statement is at the Applicant's own risk. The Company and the Share Registry and their advisers disclaim all liability whether in negligence or otherwise (to the maximum extent permitted by law) to persons who trade SPP Shares before receiving their holding statements, whether on the basis of confirmation of the allocation provided by the Company or the Share Registry or otherwise.

3.5 United States

Participation in the SPP Offer is not being offered, directly or indirectly, in the United States or to any person that acting for the account or benefit of a person in the United States. This document and any related offering documents must not be mailed or otherwise transmitted or distributed into the United States. Participation in the SPP Offer in violation of these restrictions is not permitted, and any such participation will be invalid.

This document is not an offer of securities for sale in the United States or to any person that is, or is acting for the account or benefit of, a person in the United States.

The SPP Shares have not been, and will not be, registered under the US Securities Act and may not be offered, sold or delivered, directly or indirectly, in the United States, except in

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accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any applicable US state securities law.

Because of the legal restrictions summarised above, you must not send copies of any Offer materials to any of your clients (or any other person) in the United States. Consistent with the warranties set out above, you are also advised not to submit any Application Form or make payment by BPAY® or EFT or otherwise in respect of the purchase of SPP Shares under the SPP Offer on behalf of any of your clients (or any other person) in the United States. Failure to comply with these restrictions may result in violations of applicable securities laws.

3.6 New Zealand

The SPP Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of SPP Shares is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

3.7 Dispute resolution

The Company may settle, in any manner it deems, any difficulties, anomalies or disputes which may arise in connection with the operation of the SPP Offer whether generally or in relation to any participant or any Application for SPP Shares, and its decision shall be conclusive and binding on all participants and other persons to whom the determination relates.

The powers of the Company under these terms and conditions may be exercised by the Directors or any delegate or representative of the Directors.

3.8 Continuous disclosure

The Company is a “disclosing entity” under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules, including the preparation of annual reports and half yearly reports. The Company is required to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the stock markets conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain exceptions) to notify ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of the Company Shares. That information is available to the public from ASX and can be accessed at www.asx.com.au. Some documents are required to be lodged with ASIC in relation to the Company. These documents may be obtained from, or inspected at, an ASIC office.

3.9 No cooling off rights

Cooling off rights do not apply to an investment in SPP Shares. You cannot withdraw your Application once it has been made or accepted.

3.10 Not financial product or investment advice

This SPP Offer Booklet and the accompanying Application Form is for information purposes only and is not a prospectus, disclosure document or other offering document under the Corporations Act or any other law and has not been lodged with ASIC. It is also not financial product or investment advice or a recommendation to acquire SPP Shares and has been prepared without taking into account your objectives, financial circumstances or particular needs.

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This SPP Offer Booklet should not be considered to be comprehensive and does not purport to contain all the information that you may require to make a decision about whether to submit your Application Form and invest in SPP Shares. This SPP Offer Booklet should be read in conjunction with the Company's other periodic statements and continuous disclosure announcements lodged with ASX which are available at andrew.cooke@southernpalladium.com.

Before making an investment decision, you should consider the appropriateness of the information in this SPP Offer Booklet having regard to your own objectives, financial situation and needs and seek legal and taxation advice appropriate to your jurisdiction. If you have any questions about whether you should participate in the SPP Offer, you should seek professional financial advice before making any investment decision. The Company is not licensed to provide financial product advice in respect of the SPP Shares.

3.11 Financial data

All dollar values are in Australian dollars ($A).

3.12 ASIC relief

The SPP Offer is made in accordance with the *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547*, which grants relief from the requirement to prepare a prospectus for the offer of SPP Shares up to $30,000 under the SPP Offer, subject to certain terms and conditions.

3.13 Governing law

These terms and conditions are governed by the laws in force in New South Wales.

Any dispute arising out of, or in connection with, these terms and conditions, or the SPP Offer, will be determined by the courts of New South Wales.

By accepting the SPP Offer, you agree to submit to the non-exclusive jurisdiction of the courts in New South Wales.

The Company may, in its discretion, waive compliance with any provision of these terms and conditions, amend or vary these terms and conditions, suspend, withdraw or terminate the SPP Offer or close the SPP Offer early at any time. Any such waiver, amendment, variation, suspension, withdrawal, termination or early closure will be binding on all Eligible Shareholders even where the Company does not notify you of the event.

Other terms and conditions, rights and obligations of SPP Shares are contained in the Constitution of the Company.

The terms and conditions of the SPP Offer prevail to the extent of any inconsistency with the Application Form.

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4 Glossary

In this SPP Offer Booklet, the following capitalised terms have the following meanings (unless the context requires otherwise):

Application	Your application for SPP Shares under this SPP Offer.
Application Form	Your personalised application form enclosed with this SPP Offer Booklet.
Application Money	The money received from each Eligible Shareholder.
ASIC	Australian Securities & Investments Commission.
ASX	ASX Limited ACN 008 624 691 or the market operated by it as the context requires.
ASX Listing Rules or Listing Rules	The official listing rules of ASX, as amended or replaced from time to time.
Beneficiary	Either or both of the following: • one or more persons on whose behalf a Custodian holds Shares; and/or • another custodian (a Downstream Custodian) on whose behalf a Custodian holds Shares where the Downstream Custodian holds the beneficial interests in the Shares on behalf of one or more persons.
Closing Date	The date detailed in sub-section 1.1 of this SPP Offer Booklet.
Company	Southern Palladium Limited ACN 646 391 899
Constitution	The constitution of the Company as amended or replaced from time to time.
Corporations Act	The *Corporations Act 2001* (Cth).
Custodian	A custodian as defined in clause 4 of *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547*.
Custodian Certificate	A certificate complying with clause 8(3) of *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547*.
Director	A director of the Company.
Downstream Custodian	A downstream custodian as defined in clause 8 of *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547*.
Eligible Beneficiary	A Beneficiary of a Custodian with a registered address in either Australia or New Zealand as at the Record Date, provided that such Beneficiary is resident in Australia or New Zealand.
Eligible Shareholder	A Shareholder who is a registered holder of Shares on the Record Date with a registered address in either Australia or New Zealand unless such Shareholder is a custodian or nominee acting for the account or benefit of a person in the United States or elsewhere outside Australia and New Zealand (in which case such Shareholder will not be eligible to participate in respect of the SPP Shares held for the account or benefit of that person).
Issue Date	The date detailed in sub-section 1.1 of this SPP Offer Booklet.
Issue Price	$1.10, being the price per SPP Share.
Lead Manager	Bridge Street Capital Partners Pty Limited.
Offer Period	The period commencing on the Opening Date and ending on the Closing Date.
Opening Date	The date detailed in sub-section 1.1 of this SPP Offer Booklet.

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Placement	The placement of new Shares announced on 20 October 2025.
Record Date	The date detailed in sub-section 1.1 of this SPP Offer Booklet.
Register or Registry	Computershare Investor Services Pty Limited.
Share	A fully paid ordinary share in the Company.
Shareholder	A registered holder of a Share.
Shortfall	Has the meaning in sub-section 2.11 of this SPP Offer Booklet.
SPP	The share purchase plan contained in this SPP Offer Booklet.
SPP Offer	The offer for Eligible Shareholders to purchase up to $30,000 worth of SPP Shares under the SPP on the terms set out in this SPP Offer Booklet.
SPP Offer Booklet	This SPP Offer Booklet dated 29 October 2025.
SPP Shares	The new Shares offered under the SPP Offer at the Issue Price.
US Securities Act	The United States Securities Act 1933, as amended or replaced from time to time.

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5 Corporate Directory

Company

Southern Palladium Limited
Level 1, 283 George Street
Sydney NSW 2000

Registry

Computershare Investor Services Pty Limited
Level 4, 44 Martin Place
Sydney NSW 2000

Auditor

BDO Audit Pty Ltd
Level 9, Mia Yellagonga Tower 2, 5 Spring Street
Perth WA 6000

Legal Adviser

Thomson Geer
Level 14, 60 Martin Place
Sydney NSW 2000

Lead Manager

Bridge Street Capital Partners
Level 14, 234 George Street
Sydney NSW 2000

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6 Key Risks

Before deciding whether to accept the SPP Offer, you should consider the risks involved in investing in shares in the Company. Owning shares in the Company is considered a speculative form of investment as the future price of Shares can rise or fall.

Shareholders should be aware that there is a risk that the market price of the Shares may change between the date of this Offer (or the date the Offer is accepted), and the date when the SPP Shares are issued. Accordingly, the value of SPP Shares applied for is likely to fluctuate.

Shareholders should note that the Offer is not made under a prospectus or other disclosure document and does not require the type of disclosure required under the Corporations Act for a disclosure document. Shareholders must rely on their own knowledge of the Company and previous disclosures made by the Company on the ASX. You should consult your professional adviser when deciding whether or not to accept the Offer and participate in the SPP.

There are specific risks that relate to the Company's business. In addition, there are general risks, many of which are largely beyond the control of the Company and the Directors. The following is not intended to be an exhaustive list of risk factors to which the Company is exposed:

Company Specific Risks

(a) **Funding risks**

The SPP Offer is not underwritten and there is no guarantee that the Company will raise the targeted $1,000,000.

Further, in the future, the Company may be required to raise further funds (whether by way of debt and/or equity) in addition to the amounts raised under the Placement and the SPP Offer, so as to, without limitation:

(i) carry out additional exploration activities at its projects;

(ii) complete future feasibility studies on its projects;

(iii) undertake the future development of a mining operation subject to the results of the feasibility studies; and

(iv) fund corporate, administrative and working capital needs.

The ability of the Company to meet these future funding requirements, when they arise, will be dependent upon its continued capacity to access capital market funding sources and/or financing facilities via credit markets, including any environmental, social and government requirements. Funding via additional equity issues may be dilutive to existing Shareholders and, if available, debt financing may be subject to the Company agreeing to certain debt covenants and encumbering the Company's assets.

If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations, delay, suspend and/or scale back its exploration programs and business strategies, as the case may be. There is no guarantee that the Company will be able to secure any additional funding as and when required on terms favourable to the Company or at all. The failure of which would thus have a material adverse effect on the Company's activities, its solvency and its reputation.

(b) **Tenure, access and grant of applications**

Mining and exploration tenements are subject to periodic renewal. There is no guarantee that tenements will be renewed (nor that tenement applications will be

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granted). There is a risk that applications for tenements within the Company's projects may not be granted.

The Company's projects are subject to relevant mining legislation. The renewal of the term of a granted tenement is also subject to government discretion, the Company's ability to meet the conditions imposed by relevant authorities is not certain. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

There is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed by the relevant granting authority. The consequence of forfeiture or involuntary surrender of a granted tenement for reasons beyond the control of the Company could be significant.

Pursuant to the tenements comprising the Company's projects, the Company is subject to various obligations. Failure to meet such obligations may render the tenement liable to be cancelled or its size reduced.

Further, if any contractual obligations are not complied with when due, in addition to any other remedies that may be available to other parties, this could result in dilution or forfeiture of the Company's interest in its projects.

There is a risk of inability to access the land required for operations on tenements. This may, for example, be as a result of weather, environmental restraints, native title, landholder's activities, regulatory or third party objections or other factors. Such difficulties may cause delays and cost overruns (and may prevent the carrying out of activities on tenements).

Interests in tenure may also be compromised or lost due to third party interests or claims.

(c) **The Company has no history of earnings and no production or revenues**

The Company has no history of earnings, and does not have any producing mining operations. The Company has experienced losses from exploration activities and the Company expects to continue to incur losses. No assurance can be given that the Company will be able to economically exploit any mineral deposit or enter into production.

The Company expects to continue to incur losses from exploration and development activities in the foreseeable future.

(d) **Return risks**

The SPP Shares to be issued pursuant to the SPP Offer carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those SPP Shares, which are a speculative investment. The last trading price of Shares on ASX prior to this document is not a reliable indicator as to the potential trading price of Shares following completion of the SPP Offer. There is no guarantee of liquidity. Further, the acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. The Company accepts no liability or responsibility with respect to tax consequences for investors. Potential investors should consider that an investment in the Company is highly speculative and should consult with their financial or other professional adviser before deciding whether to apply for SPP Shares pursuant to the Offer.

The Company's ability to benefit from any future mining operations (if any eventuate, which may never occur) will depend on market factors, some of which may be beyond its control. The world market for minerals is subject to many variables and may

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fluctuate markedly. General economic conditions, movements in interest and inflation rates and currency exchange rates may also have an adverse effect on the Company's exploration, development and (if any) production activities, as well as on its ability to fund those activities.

(e) **Joint venture risk**

The Company is and may in the future become a party to further joint venture agreements governing the exploration and development of the Company's projects. There is a risk that one of the Company's joint venture partners or other contractors may default in their joint venture obligations (or that the Company may default in its obligations, and become liable) or not act in the best interests of the joint venture. There is a risk of insolvency or managerial failure by any of the contractors or other suppliers used by the Company in any of its activities, or that any of those agreements are terminated in accordance with their terms. There is also a risk of legal or other disputes between the Company and co-venturers or contractors or other suppliers. This may have an adverse effect on the interests and prospects of the Company.

(f) **Reliance on key personnel**

The Company is reliant on a number of key personnel and consultants. The loss of one or more of these key contributors could have an adverse impact on the business of the Company. It may be difficult for the Company to continue to attract and retain suitably qualified and experienced people.

(g) **New projects and acquisitions**

The Company may make acquisitions in the future as part of future growth plans. In this regard, the Directors will use their expertise and experience in the resources sector to assess the value of potential projects that have characteristics that the Directors consider are likely to provide returns to Shareholders.

There can be no guarantee that any new project acquisition or investment will eventuate from these pursuits, or that any acquisitions will result in a return for Shareholders. Such acquisitions may result in use of the Company's cash resources and/or the issuance of equity securities, which will dilute shareholdings.

(h) **Access risks**

It is possible that, in relation to tenements which the Company has an interest in or may in the future acquire such an interest, there may be areas over which legitimate rights of traditional owners or surface rights holders exist. In this case, the ability of the Company to gain access to tenements (through obtaining consent of any relevant traditional owner, body, group or landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected. The Company's mineral titles may also be subject to access by third parties including, but not limited to traditional owners. This access could potentially impact the Company's activities and/or may involve payment of compensation to parties whose existing access to the land may be affected by the Company's activities.

(i) **Legal system**

The Company's operations and projects are located in South Africa, and as a result, the Company is subject to the risks associated with conducting business in South Africa, including those relating to taxation, royalties, tariffs, customs duties, trade barriers, difficulties in staffing and managing foreign operations, political instability, expropriation, nationalisation, war, divestment, imports, exports, currency, repatriation of capital, environmental protection, ownership and management of natural resources, labour standards, occupational health and safety and requirements for inclusion of the local population within the Company's business practices. The costs associated with compliance with these laws and regulations are substantial and possible future laws

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and regulations could cause additional expense, restrictions or suspensions of the Company's operations and project delays.

High levels of unemployment and a shortage of critical skills in South Africa, despite increased government expenditure on education and training, remain issues and deterrents to foreign investment. The volatile and uncertain labour environments, which severely impacts the South African local economy and investor confidence, has led and may lead to further downgrades in national credit ratings, making investment more expensive and difficult to secure.

South Africa has also experienced governmental corruption to varying degrees. The Company has procedures in place to monitor compliance with anti-corruption requirements (including appropriate back-ground checks, gift registers, codes of conduct and whistle-blower policies), but cannot guarantee that its procedures will protect it from reckless or criminal acts committed by its personnel or others working on its behalf.

Any liability for violations of such laws could subject the Company to criminal and civil penalties or sanctions under anti compliance laws in Australia (or elsewhere) which, in turn, could adversely impact the Company's financial position.

(j) **Regulatory, political, economic and social risks (sovereign risk)**

Currently, all the Company's expected exploration activities are to occur in South Africa which has from time to time experienced political, economic and social instability. The Company may be affected by possible political, social or economic instability and the related risks, including, amongst other things, security concerns, labour disputes, government policy with respect to exploration, mining, labour, monetary and fiscal issues and fluctuations in currency exchange rates.

Changes to government laws and regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, nationalisation of property, maintenance of claims, environmental legislation, land use, land claims, water use and mine safety, or a combination of any of these factors could materially and adversely affect the Company's business, financial condition and results of activities and operations.

Potential risk to the Company's activities and operations may occur if there are changes to the political, legal and fiscal systems which might affect the ownership and operation of the Company's interests in South Africa. This may include changes in exchange control systems, expropriation of mining rights, changes in government and legislative and regulatory regimes.

Possible disruptions to activities and operations at the Project by members of the local community or from non-governmental organisations opposed to exploration, mining, development or foreign investment may attempt to disrupt or halt the Company's exploration or mining activities and operations. There can be no assurance that the Company will be able to obtain or maintain effective security of any of the Company's assets or personnel in South Africa or any future region or country in which it operates. If the Company is unable to maintain effective security over its assets or personnel, this could have a material adverse effect on the Company's business. In addition, the possible threat of criminal actions against the Company, in particular at its sites, facilities or on third party infrastructure, could have a material adverse effect on the Company's ability to generate revenue or adequately staff its operations, or could materially increase the cost of doing so.

Notwithstanding the efforts taken by the Company to build good relations with the Bengwenyama, who have a significant beneficial equity interest in both the Company and the Project, there can be no assurance that relations will not deteriorate in the future. It is possible that the Bengwenyama may object to the progress of the Company's initiatives or the continued activities and operations at the project, or that

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they may have other unaddressed grievances and this in turn could lead to disruption of the Company's activities and operations, such as disrupted access to the Property. Such disruption could materially and adversely affect the Company's business.

Industry Specific Risks

(k) **Nature of mineral exploration and mining**

The business of mineral exploration, development and production is subject to risk by its nature. Shareholders should understand that mineral exploration, development and mining are high-risk enterprises, only occasionally providing high rewards (with no guarantee of ever becoming producing assets).

The success of the Company depends, among other things, on successful exploration, feasibility of projects, securing and maintaining title to tenements and consents, successful design, construction, commissioning and operating of mining and processing facilities, successful development and production in accordance with forecasts and successful management of the operations. Exploration and mining activities may also be hampered by force majeure circumstances, land claims and unforeseen mining problems.

There is no assurance that exploration and development of the mineral tenement interests currently owned by the Company, or any other projects that may be acquired in the future, will result in the discovery of mineral deposits which are capable of being exploited economically. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited. If such commercial viability is never attained, the Company may seek to transfer its property interests or otherwise realise value, or the Company may even be required to abandon its business and fail as a "going concern".

Whether a mineral deposit will be commercially viable depends on a number of factors, which include, without limitation, the particular attributes of the deposit, such as size, grade and proximity to infrastructure, metal prices, which fluctuate widely, and government regulations, including, without limitation, regulations relating to prices, taxes, royalties, land tenure, land use, exporting of minerals and environmental protection. The combination of these factors may result in the Company expending significant resources (financial and otherwise) on tenements without receiving a return. There is no certainty that expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries of an economically viable mineral deposit.

The Company has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise. The Company believes that those consultants and others are competent and that they have carried out their work in accordance with internationally recognised industry standards. However, if the work conducted by those consultants or others is ultimately found to be incorrect or inadequate in any material respect, the Company may experience delays or increased costs in exploring or developing its tenements.

(l) **Results of studies**

Subject to the results of any future exploration and testing programs, the Company may progressively undertake a number of studies in respect of the Company's current projects or any new projects. These studies may include scoping studies, pre-feasibility studies and bankable feasibility studies.

These studies may not occur, but if they are completed, they would be prepared within certain parameters designed to determine the economic feasibility of the relevant project within certain limits. There can be no guarantee that any of the studies will confirm the economic viability of the Company's projects or the results of other studies undertaken by the Company (e.g. the results of a feasibility study may materially differ to the results of a scoping study).

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Further, even if a study determines the economics of the Company's projects, there can be no guarantee that the projects will be successfully brought into production as assumed or within the estimated parameters in the feasibility study, once production commences including but not limited to operating costs, mineral recoveries and commodity prices.

In addition, the ability of the Company to complete a study would be dependent on the Company's ability to raise further funds to complete the study as required.

(m) **Resource and Reserve estimates**

Ore reserve and mineral resource estimates are expressions of judgment based on drilling results, past experience with mining properties, knowledge, experience, industry practice and many other factors. Estimates which are valid when made may change substantially when new information becomes available. Mineral resource and ore reserve estimation is an interpretive process based on available data and interpretations and thus estimations may prove to be inaccurate. The Company has no ore reserves. Further, there is no guarantee that any of the Company's projects will become feasible and consequently no forecast is made of whether or not any ore reserve will be defined in future.

The actual quality and characteristics of mineral deposits cannot be known until mining takes place and will almost always differ from the assumptions used to develop resources. Further, ore reserves are valued based on future costs and future prices and, consequently, the actual ore reserves and mineral resources may differ from those estimated, which may result in either a positive or negative effect on operations.

Should the Company encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.

(n) **Operational risks**

The operations of the Company may be affected by various factors which are beyond the control of the Company, such as failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration or mining, operational and technical difficulties encountered in exploration and mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages, delays in procuring, or increases in the costs of consumables, spare parts, plant and equipment, fire, explosions and other incidents beyond the control of the Company. The operations of the Company may also be affected by various other factors, including failures in internal controls and financial fraud.

These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. While the Company currently intends to maintain insurance within ranges of coverage consistent with industry practice, no assurance can be given that the Company will be able to obtain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

(o) **Mine development**

No mines have been developed by the Company. Possible future development of mining operations at the Company's projects or other tenements applied for or acquired by the Company may not occur and is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, the grant of tenure,

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availability of funding on reasonable terms for such development and favourable mining, processing, metallurgical, infrastructure, economic, heritage, environmental, engineering, social, government, native title and other legal matters and receiving the necessary approvals from all relevant authorities and parties.

If the Company commences production on any existing or future projects, its operations may be disrupted by a variety of risks and hazards which are beyond the control of the Company, such as weather patterns, unanticipated technical and operational difficulties encountered in exploration, development, extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.
No assurance can be given that the Company will achieve commercial viability through the development or mining of existing or future projects and treatment of ore.

(p) **Metallurgical risks**

The economic viability of mineralisation depends on a number of factors such as the development of an economic process route for metal concentrates, which may or may not ultimately be successful. Further, changes in mineralogy may result in inconsistent metal recovery.

(q) **Commodity price volatility and exchange rate risks**

If the Company achieves success leading to mineral production (which may never occur), the revenue it could derive through the sale of commodities exposes the potential income of the Company to price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company including the international supply and demand for commodities, the quality of the minerals produced, actions taken by governments, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company may be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and Australian dollar, as determined in international markets.

(r) **Environmental regulation risk**

The Company's proposed activities and operations will be subject to laws and regulations

relating to the environment. As with most exploration projects and mining operations, these activities and proposed operations are expected to have an impact on the environment, particularly if mine development proceeds.

Mining companies operating in South Africa are subject to environmental laws and regulations with respect to environmental matters such as: limitations on land use, prospecting and mining rights requirements; consultations with and approvals from landowners; reclamation and restoration of mining properties after mining is completed; the storage, treatment and disposal of waste; remediation of contaminated soil and groundwater; use, storage and transportation of explosives; air quality standards; transport of ore and the protection of human health, plant life and wildlife, including endangered or threatened species.

In relation to the Company's proposed activities and operations, issues could arise from time to time with respect to abandonment costs, consequential clean-up costs, environmental concerns and other liabilities. In these instances, the Company could become subject to liability if, for example, there is environmental pollution or damage

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from the Company's exploration activities and there are consequential clean-up costs at a later point in time.

The costs associated with these laws and regulations, and possible future laws and regulations and/or changes to existing laws and regulations (including the imposition of higher taxes and mining royalties), could cause additional expense and capital expenditures. It could also cause restrictions on or suspension of the Company's operations and delays in further development at the project or other future mining assets. Moreover, these laws and regulations may allow governmental authorities and private parties who have a substantial and direct interest in the exploration or mining operations or the consequences of the exploration or mining operations to bring lawsuits based upon damages to property and injury to persons resulting from the environmental and health and safety impacts of the Company's past and current operations. This could lead to the imposition of fines, penalties or other civil or criminal sanctions, including personal sanctions for Directors. If the Company's environmental compliance obligations in South Africa were to vary as a result of changes to the legislation, or if certain assumptions it makes to estimate liabilities are incorrect, or if unanticipated conditions were to arise in its activities and operations, the Company's expenses and provisions could increase, which could adversely affect the Company's business, financial condition and results of activities and operations.

(s) **Environmental liabilities risk**

The Company's activities are subject to potential risks and liabilities associated with (without limitation) the potential pollution of the environment and the necessary disposal of mining waste products resulting from mineral exploration and production. Insurance against environmental risk (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) is not generally available to the Company (or to other companies in the minerals industry) at a reasonable price. To the extent that the Company becomes subject to environmental liabilities, the satisfaction of any such liabilities would reduce funds otherwise available to the Company and could have a material adverse effect on the Company. Laws and regulations intended to ensure the protection of the environment are constantly changing and are generally becoming more restrictive.

(t) **Climate change risk**

There are a number of climate-related factors that may affect the operations and financial position of the Company. Climate change or prolonged periods of adverse weather and climatic conditions (including rising sea levels, floods, hail, drought, water, scarcity, temperature extremes and earthquakes) may have an adverse effect of the Company's operations and/or the Company's future financial performance.

Changes in policy, technological innovation and/or consumer/investor preferences may also adversely impact the operations and financial position of the Company or may result in less favourable pricing for its product, particular in the event of a transition to a lower carbon economy.

(u) **Occupational Health and Safety Risk**

The Company is committed to providing a healthy and safe environment for its personnel, contractors and visitors. However, exploration, development and other mining industry activities have inherent risks and hazards. While the Company provides appropriate instructions, equipment, preventative measures, first aid information and training to all stakeholders through its occupational, health and safety management systems, health and safety incidents may nevertheless occur. Any illness, personal injury, death or damage to property resulting from the Company's activities may lead to a claim against the Company.

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General Risks

(v) **Securities investments**

There are risks associated with any securities investment.

There is no guarantee that an active trading market in the Shares will continue or that the price of Shares will increase. The prices at which Shares trade may fluctuate in response to a number of factors.

Further, the stock market is prone to price and volume fluctuations. There can be no guarantee that trading prices will be sustained. These factors may materially affect the market price of the Shares, regardless of the Company's operational performance.

Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(w) **Economic risk**

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Similarly, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Factors that may contribute to that general economic climate and the market price of Shares include, but are not limited to:

(i) changes in government policies, taxation and other laws;

(ii) the strength of the equity and share markets in Australia and throughout the world;

(iii) movement in, or outlook on, exchange rates, interest rates and inflation rates;

(iv) industrial disputes in Australia and overseas;

(v) changes in investor sentiment toward particular market sectors or commodities;

(vi) financial failure or default by an entity with which the Company may become involved in a contractual relationship; and

(vii) natural disasters, social upheaval, war (such as impacts of the war in Ukraine) or acts of terrorism.

(x) **Tax law and application**

The application of and changes in relevant tax laws (such as income tax, goods and services tax (or equivalent) and stamp duty), rules relating to deductible liabilities, or changes in the way those tax laws are interpreted, will or may impact the tax liabilities of the Company or the tax treatment of a Shareholder's investment. An interpretation or application of tax laws or regulations by a relevant tax authority that is contrary to the Company's view of those laws may increase the amount of tax paid or payable by the Company.

Both the level and basis of tax may change. Any changes to the current rates of taxes and/or any changes in tax rules and tax arrangements may increase the amount of tax paid or payable by the Company and may also impact Shareholders.

(y) **Commodity price volatility and exchange rate risks**

The Company is exposed to the risks of commodity price volatility and exchange rate fluctuations increasing the Company's costs.

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Also, if the Company achieves success leading to mineral production (which may never occur), the revenue it will derive through the sale of product will expose the potential income of the Company to commodity price and exchange rate risks.

Commodity prices and exchange rates fluctuate and are affected by numerous factors beyond the control of the Company.

(z) **Dilution**

In certain circumstances, the Directors may issue equity securities without any vote or action by Shareholders. When the Company issues equity securities, the percentage ownership of Shareholders may be reduced and diluted.

(aa) **Competition**

Like many industries, the resources industry is subject to domestic and global competition. The Company has no influence or control over the activities or actions of its competitors and these activities or actions may positively or negatively affect the operating and financial performance of the Company's projects and business.

Many of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. Many of the Company's competitors not only explore for and produce minerals, but also carry out refining operations and produce other products on a worldwide basis. There can be no assurance that the Company can compete effectively with these companies.

(bb) **Litigation risk**

Legal proceedings may arise from time to time in the course of the Company's activities. Legal proceedings brought by third parties including but not limited to joint venture partners or employees could negatively impact the Company.

Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company may become subject could have a material effect on its financial position and financial performance, and consume undue management time and resources.

(cc) **Unforeseen expenses**

The Company may incur unforeseen expenses. In those circumstances, the expenditure proposals of the Company may be adversely affected.

(dd) **Force Majeure**

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company such as labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(ee) **Insurance**

The Company intends to insure its operations in accordance with industry practice. However, insurance of all risks associated with exploration, development and mining activities is not always available and, where it is available, the cost may be prohibitively high. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

(ff) **Change in regulations and regulatory risk**

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Any material adverse changes in government policies, legislation or shifts in political attitude in Australia or South Africa that affect mineral mining and exploration activities, tax laws, royalty regulations, government subsidies and environmental issues may affect the viability of a project or the Company. No assurance can be given that amendments to current laws and regulations or new rules and regulations will not be enacted, or that existing rules and regulations will not be applied in a manner which could substantially limit or affect the Company's business.

The Company's activities are subject to extensive laws and regulations relating to numerous matters such as regulatory and third party consents, conditions including but not limited to environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to matters such as exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time consuming process and there is a risk that the Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the exploration or development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more tenements.

(gg) **Accounting standards**

Australian Accounting Standards (**AAS**) are adopted by the Australian Accounting Standards Board (**AASB**) and are not within the control of the Company and its Directors. The AASB may, from time to time, introduce new or refined AAS, which may affect the future measurement and recognition of key statement of profit or loss and statement of financial position items. There is also a risk that interpretation of existing AAS, including those relating to the measurement and recognition of key statement of profit or loss or statement of financial position items may differ. Any changes to the AAS or to the interpretation of those standards may have an adverse effect on the reported financial performance and position of the Company.

(hh) **Expected future events may not occur**

Certain statements in this document constitute forward looking statements. Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance and achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Given these uncertainties, prospective applicants for SPP Shares should not place undue reliance on such forward-looking statements. In addition, under no circumstances should forward looking statements be regarded as a representation or warranty by the Company, or any other person referred to in this document, that a particular outcome or future event is guaranteed.

(ii) **Trading in securities of the Company may not be liquid**

There is no guarantee that there will be an ongoing liquid market for securities of the Company. Accordingly, there is a risk that, should the market or Company's securities become illiquid, the Shareholders will be unable to realise their investment in the Company.

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(jj) **Black Economic Empowerment (B-BBEE)**

The Company is required (by law, general business practice or for other operational reasons) to introduce, maintain and / or alter an element of local or indigenous ownership in South Africa (B-BBEE) whereby B-BBEE shareholders are required to hold a significant ownership stake.

The Company must comply and remain compliant with B-BBEE requirements in South Africa to retain its interest the Bengwenyama Project. Any failure to satisfy and continue to satisfy the B-BBEE requirements could put the project at risk and also impede the Company's ability to obtain any other approvals required for the Company to explore and develop in South Africa.

This introduces additional risks which may have an adverse impact on the Company's growth prospects, financial performance and position. Any changes to the B-BBEE requirements that businesses within the Company are subject to could impose significant costs and increased compliance obligations.

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