



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

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## INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2025

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Shareholders of Southern Palladium Limited (**ASX:SPD/JSE:SDL**) (**Southern Palladium** or **the Company**) are advised that Southern Palladium has today published its Interim Financial Report for the period ended 31 December 2025.

### FINANCIAL HIGHLIGHTS:

- Revenue (Interest Income) increased by 24.8% to A\$668,681 (31 December 2024: A\$535,637)
- Operating loss from operations for the period increased to A\$5,030,806 (31 December 2024: loss of A\$3,761,503)
- Basic loss per share increased to A\$0.045, up 7.1% (31 December 2024: loss of A\$0.042)
- Headline loss per share increased to A\$0.045, up 7.1% (31 December 2024: loss of A\$0.042)

### REVIEW OF OPERATIONS:

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

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

During the period, the company successfully completed a two-tranche placement at \$1.10 per share, issuing 18,181,819 ordinary shares and raising \$20,000,000. The company also completed a Share Purchase Plan (SPP) under which 59,092 shares were issued at \$1.10 per share, raising A\$65,001.

Southern Palladium is progressing the Definitive Feasibility Study and advancing regulatory approvals. The staged development strategy positions the Bengwenyama Project for strong economic returns, robust funding flexibility, and long-term shareholder value creation.

### Community Engagement

Southern Palladium is actively engaged with the community, placing a strong emphasis on promoting inclusivity and project awareness. Ethical inclusion is prioritised, ensuring fair representation through collaboration with the Bengwenyama Royal Family, Traditional Council, and other community

representatives. Weekly virtual exploration meetings are conducted with two Community representatives. Additionally, monthly meetings involve extended representation from the broader Royal Family, Traditional Council, and community representatives. Quarterly feedback meetings are held to give feedback to the broader community.

As part of Southern Palladium's ongoing community engagement programme, a Soccer Tournament and Netball Tournament were hosted during the period in partnership with MUM. The 2025 event marked a significant expansion in participation, with the number of soccer teams doubling from eight to sixteen. New teams from Ga-Phasha, Mampuru and Malekane joined the competition, broadening community representation and strengthening regional involvement. The netball competition was similarly well supported, contributing to a vibrant and inclusive event atmosphere.

The events were well attended by community members. Importantly, tournament-related services were procured locally, including sanitation facilities, water supply, stadium usage, photography, sound systems and printing services. This approach ensured that the economic benefits associated with the events were retained within the host communities.

Southern Palladium congratulates the winning teams and extends its appreciation to all participants and supporters who contributed to the success of the tournaments.

#### **RESULTS ANNOUNCEMENT:**

The content of this results announcement is the responsibility of the directors of Southern Palladium. This results announcement is only a summary of the information contained in the Interim Financial Report for the half year ended 31 December 2025 ("**Results**") and does not contain full or completed details. Copies of the Results are available on the Company's website, [www.southernpalladium.com](http://www.southernpalladium.com) and on the JSE cloudlink at: <https://senspdf.jse.co.za/documents/2026/jse/isse/sdle/interim26.pdf>.

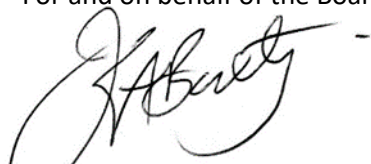
Any investment decisions by investors and/or shareholders should be based on a consideration of the Results as a whole and investors and shareholders are encouraged to review the Results, which are available as detailed herein. Copies of the Results may also be requested from the Company via email at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

Southern Palladium has a primary listing on the Official List of the Australian Securities Exchange (ASX) and a secondary listing on the Main Board of the Johannesburg Stock Exchange (JSE). As required in terms of paragraph 4.13(e) of the JSE Listings Requirements, the directors of the Company hereby confirm that the Interim Financial Report has been prepared in compliance with the applicable JSE Listings Requirements.

The interim financial statements were reviewed by BDO Audit Pty Ltd ("BDO"), who expressed an unmodified review conclusion thereon. Shareholders are advised that BDO's full report is available with the Results at the following link:

<https://www.southernpalladium.com/site/investor-centre/asx-announcements> or from the Company Secretary who is contactable at [andrew.cooke@southernpalladium.com](mailto:andrew.cooke@southernpalladium.com).

For and on behalf of the Board



Roger Baxter  
**Executive Chairman**

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12 March 2026

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**DISCLAIMER**

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

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

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**Southern Palladium Limited**  
**A.B.N 59 646 391 899**  
**INTERIM FINANCIAL REPORT**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2025**

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This Interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2025.

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

**Southern Palladium Limited**  
**ABN 59 646 391 899**

**DIRECTORS' REPORT**

**DIRECTORS' REPORT**

Your directors present their report, together with the consolidated financial statements, of Southern Palladium Limited (referred to hereafter as the Company) at the end of, or during, the half-year ended 31 December 2025 ("Period").

**DIRECTORS**

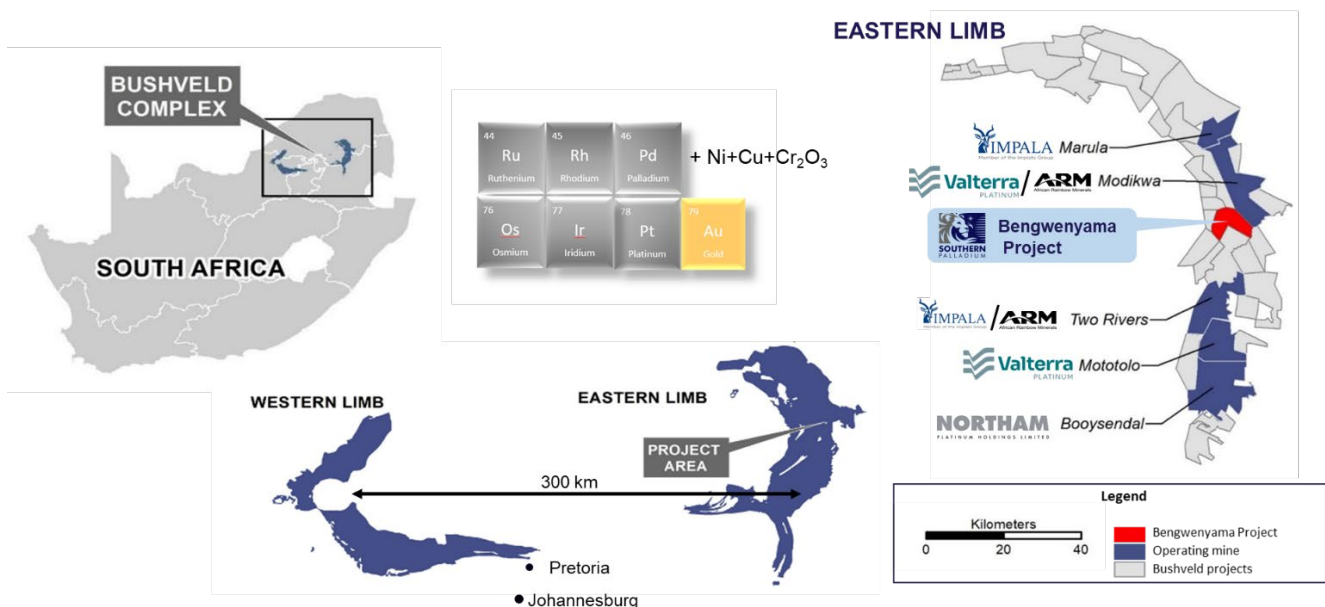
The names of the directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

- Roger Baxter (Executive Chairman)
- Johan Odendaal (Managing Director)
- Daan Van Heerden (Non-Executive Director)
- Lindi Nkosi-Thomas (Non-Executive Director)
- Mike Stirzaker (Non-Executive Director)
- Robert Thomson (Non-Executive Director)

**REVIEW OF RESULTS AND OPERATIONS**

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

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



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

During the period, the company successfully completed a two-tranche placement at \$1.10 per share, issuing 18,181,819 ordinary shares and raising \$20,000,000. The company also completed a Share Purchase Plan (SPP) under which 59,092 shares were issued at \$1.10 per share, raising A\$65,001.

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**Bengwenyama PGM Project**

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

Two economic reefs – the Merensky and UG2 reefs – occur on the Properties, which extend from surface to a depth of 1,100m over 10km downdip. Both these reefs are primary economic deposits exploited by other platinum mining companies for PGMs and base metals in the region.

The reefs can be extracted from underground mining with a relatively short lead time to production, and with ore processed by means of conventional proven methods used extensively throughout the Bushveld Complex. The Properties are near existing mining activities and assets, as well as other essential infrastructure.

*Figure 2: Bengwenyama Project Area:*



**Resources and Reserves**

As shown in the table below, the total combined Mineral Resource (M&I and Inferred) is 40.25Moz.

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

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

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

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

**Note:**

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

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

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

Ore Reserve Category	Tonnes	Pt	Pd	Rh	Au	Ir	Os	Ru	4E	6E	Cu	Ni	Cr <sub>2</sub> O <sub>3</sub>	Moz(6E)
	Mt	(g/t)	(g/t)	(g/t)	(g/t)	(g/t)	(g/t)	(g/t)	(g/t)	(g/t)	(%)	(%)	(%)	
Probable	31.72	2.34	2.33	0.48	0.07	0.16	-	0.78	5.22	6.17	0.02	0.12	19.03	6.29
<b>Total</b>	<b>31.72</b>	<b>2.34</b>	<b>2.33</b>	<b>0.48</b>	<b>0.07</b>	<b>0.16</b>	<b>-</b>	<b>0.78</b>	<b>5.22</b>	<b>6.17</b>	<b>0.02</b>	<b>0.12</b>	<b>19.03</b>	<b>6.29</b>

**Notes:**

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

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

Figure 3: Platinum Group Metal + Gold Prill Split

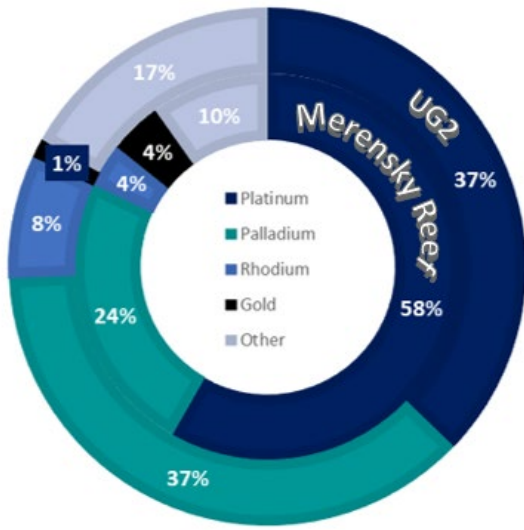


Figure 4: Project Stratigraphic Column (E056 and E057)

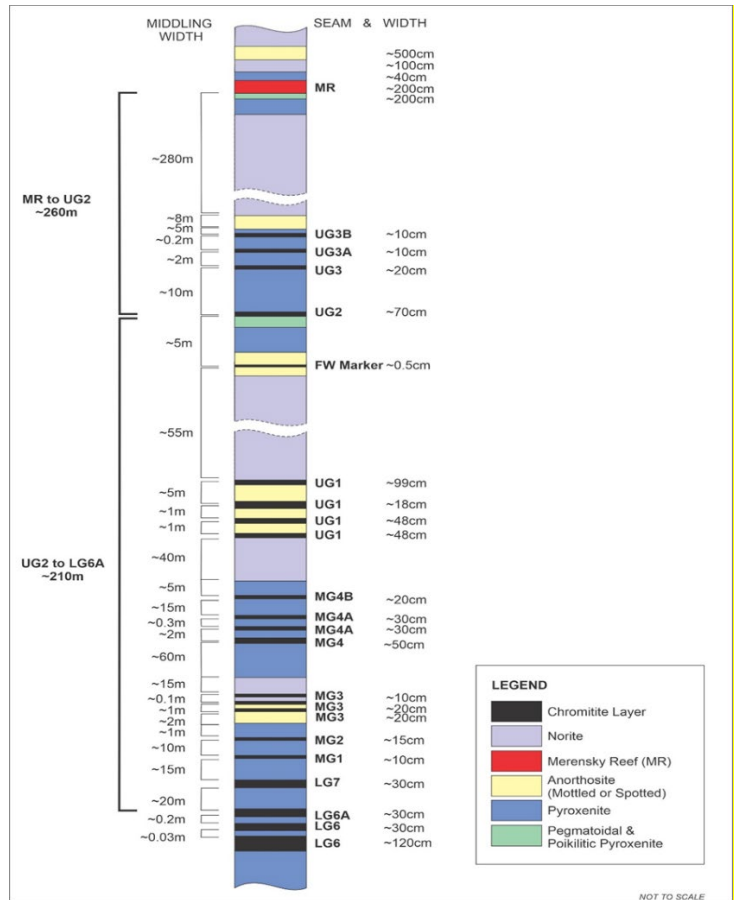
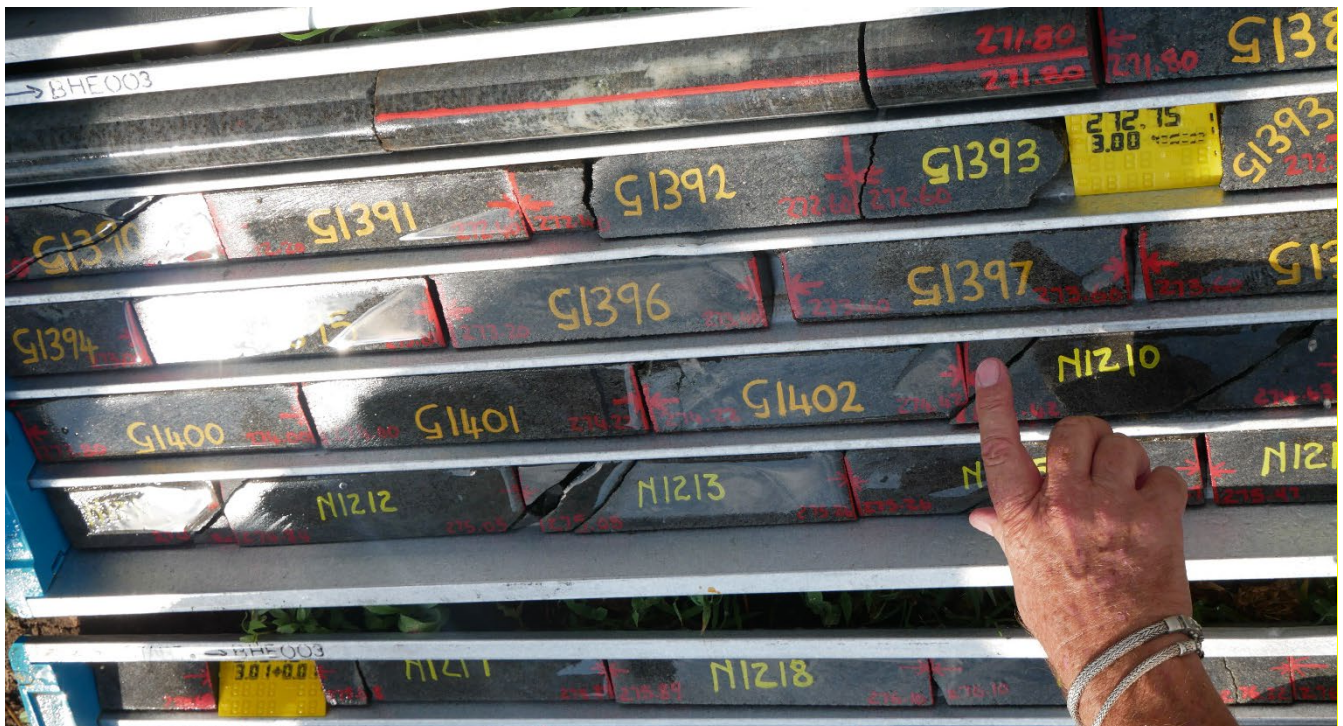


Figure 5: Typical Sampled UG2 Reef



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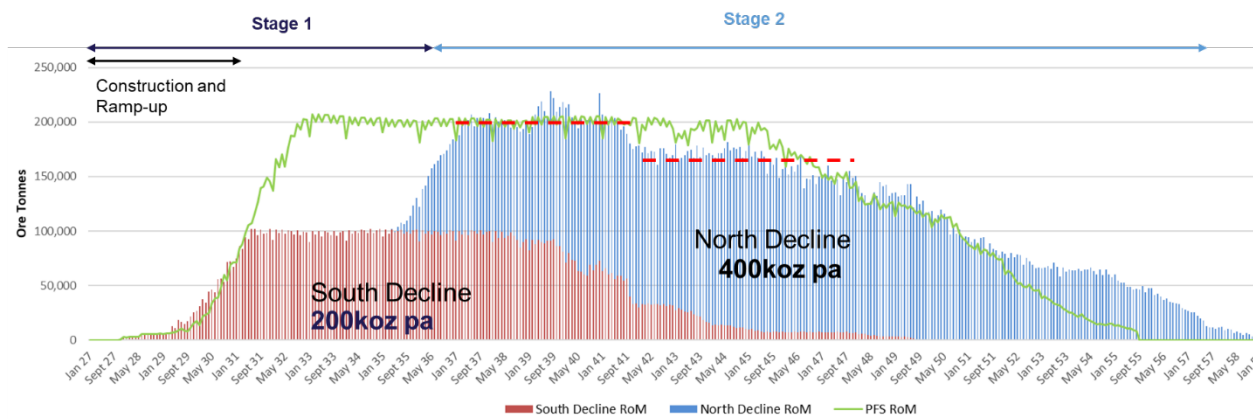
**Bengwenyama Project Overview**

The Bengwenyama Project is located on the Eastern Limb of the Bushveld Complex in South Africa, which hosts approximately 72% of global platinum group metals resources. The project covers approximately 5,280 hectares and benefits from proximity to existing infrastructure, including processing facilities, power supply, water supply, and transportation networks.

**Mining Access and Schedule**

Mining will be conducted using underground decline access, with Stage 1 developed via the South Decline. This provides early access to shallow UG2 reef mineralisation and enables rapid production ramp-up. Stage 2 will incorporate the North Decline, doubling production capacity and extending mine life. The staged approach reduces initial capital requirements while enabling operational flexibility.

Figure 6: Optimised Prefeasibility Study Summary



Peak funding requirement	Costs (LOM average)	NPV <sub>8%</sub> (post-tax)
<b>Stage 1</b> US\$279 million 38% less than PFS	<b>All in Sustainable Costs (AISC):</b> Stage 1 US\$969/6E oz Stage 2 US\$821/6E oz	<b>Stage 1</b> Economically viable on its own: 21.8% IRR  <b>Stage 2</b> US\$857m (using PFS price deck) : 26.4% IRR on conservative PGM price estimates
<b>Stage 2</b> funded through cash generated via Stage 1 production		

**Processing**

Processing will utilise industry-standard MF2 flotation technology with recovered grades of approximately 5.08 g/t in Stage 1 and 5.56 g/t across full production. Concentrate will be transported to regional smelters with established refining infrastructure.

**Mine Infrastructure and Services**

Infrastructure includes twin declines, processing facilities, tailings storage, water supply systems, and power distribution networks. The project benefits from proximity to existing infrastructure, reducing development risk and capital intensity. Infrastructure planning has been optimised through geotechnical and engineering studies.

Table 3: Capital Expenditure

Stage	Capital Requirement
<b>Stage 1 Peak Funding Requirement</b>	US\$279 million
<b>Reduction vs Original PFS</b>	US\$173 million reduction (38%)
<b>Stage 2 Expansion</b>	Funded via operating cash flow

**Operational Cost Estimate**

The project is positioned within the lowest quartile of global PGM cost producers. Stage 1 all in sustainable costs (AISC) operating costs are estimated at approximately US\$969/oz, reducing to approximately US\$821/oz during Stage 2 due to economies of scale and improved operational efficiencies.

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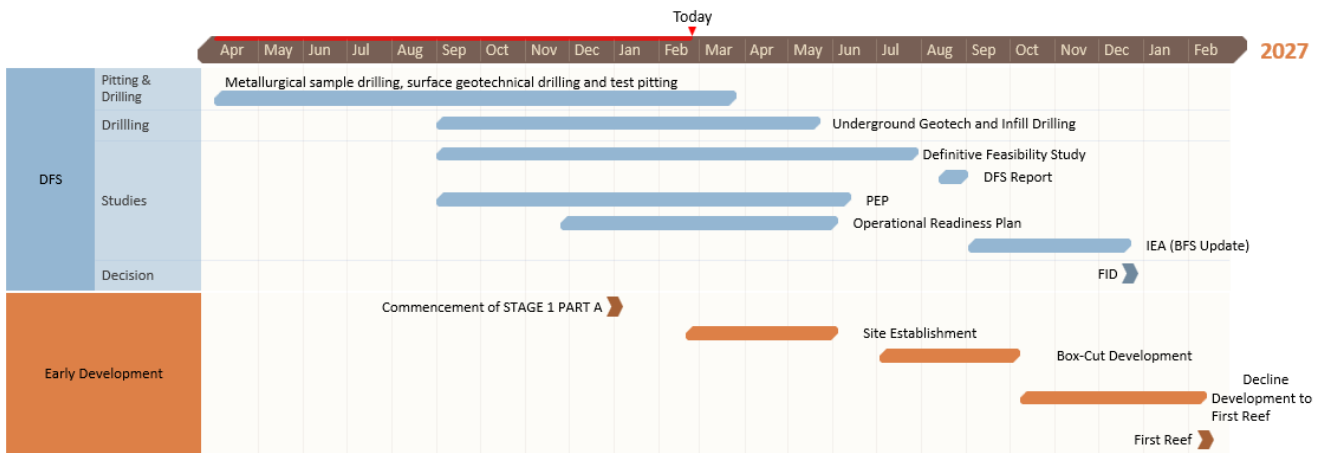
**Outlook**

Southern Palladium is progressing the Definitive Feasibility Study and advancing regulatory approvals. The staged development strategy positions the Bengwenyama Project for strong economic returns, robust funding flexibility, and long-term shareholder value creation.

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

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

*Figure 7: Bengwenyama Short Term Development Timeline*



**Community Engagement**

Southern Palladium is actively engaged with the community, placing a strong emphasis on promoting inclusivity and project awareness. Ethical inclusion is prioritised, ensuring fair representation through collaboration with the Bengwenyama Royal Family, Traditional Council, and other community representatives. Weekly virtual exploration meetings are conducted with two Community representatives. Additionally, monthly meetings involve extended representation from the broader Royal Family, Traditional Council, and community representatives. Quarterly feedback meetings are held to give feedback to the broader community.

*Figure 8: Quarterly meetings are held to give feedback to the broader community*



As part of Southern Palladium’s ongoing community engagement programme, a Soccer Tournament and Netball Tournament were hosted during the period in partnership with MUM. The 2025 event marked a significant expansion in participation, with the number of soccer teams doubling from eight to sixteen. New teams from Ga-Phasha, Mampuru and Malekane joined the

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The events were well attended by community members. Importantly, tournament-related services were procured locally, including sanitation facilities, water supply, stadium usage, photography, sound systems and printing services. This approach ensured that the economic benefits associated with the events were retained within the host communities.

Southern Palladium congratulates the winning teams and extends its appreciation to all participants and supporters who contributed to the success of the tournaments.

*Figure 9: 2025 Netball and Soccer Tournament winners*



**Health And Safety**

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

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

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## **RISKS OVERVIEW**

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

### **Project development**

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

### **Resource and reserve estimates risk**

While geological risk has been substantially mitigated through the Company's extensive exploration programme, estimates of Mineral Resources and Ore Reserves remain inherently dependent on the interpretation of geological, geophysical and engineering data, as well as assessments of technical feasibility and commercial viability. Resource and reserve estimates are based on information available at a specific point in time. These estimates may change materially, or become subject to increased uncertainty, as new information is obtained through ongoing fieldwork, additional drilling, sampling, metallurgical test work or further technical analysis. Any revision to Mineral Resources or Ore Reserves may necessitate changes to mine plans, development schedules or production profiles, which could adversely affect the PGM operation's performance and financial results. The Company prepares and reports its Mineral Resources and Ore Reserves in accordance with the JORC Code (2012 Edition) and the associated guidelines.

### **Tenure and title risk**

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

### **Sovereign risk**

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

### **Commodity prices and exchange rates**

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

### **Tenements**

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

On 29 September 2023, Southern Palladium submitted its application for a Mining Right (refer ASX Announcement 2 October 2023 - Bengwenyama Project Mining Right Application Submitted), which received official acceptance on 17 October 2023 from the Department of Mineral Resource and Energy (DMRE). All requirement to comply with Section 23 of the act has been met and the company is awaiting the Granting of the Mining Right.

**Southern Palladium Limited**  
**ABN 59 646 391 899**

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

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

## Competent Person Statement

### 1. Uwe Engelmann

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

### 2. Daan van Heerden

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

## FINANCIAL PERFORMANCE

During the period the consolidated net loss of the Group was \$5,030,806 (2024: loss of \$3,761,503).

## DIVIDENDS

No dividends have been paid or declared since the start of the financial period. The directors do not recommend the payment of a dividend in respect of the period ended 31 December 2025.

## SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

## AFTER BALANCE DATE EVENTS

On 18 February 2026, 300,000 ordinary shares were issued on options expiring 27 May 2026, with option exercise price at \$0.875.

On 25 February 2026, 50,000 ordinary shares were issued on options expiring 27 May 2026, with an option exercise price of \$0.875.

No other matters or circumstances have arisen since 31 December 2025 which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

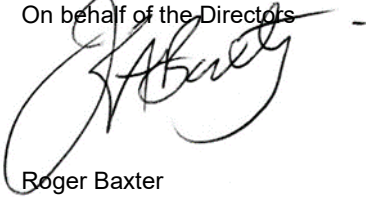
**Southern Palladium Limited**  
**ABN 59 646 391 899**

**AUDITOR'S INDEPENDENCE DECLARATION**

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

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

On behalf of the Directors -

A handwritten signature in black ink, appearing to read 'R Baxter', with a horizontal line extending to the right.

Roger Baxter  
Executive Chairman  
Perth, 12 March 2026



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Perth, WA 6000  
PO Box 700 West Perth WA 6872  
Australia

**DECLARATION OF INDEPENDENCE BY JEREMY WATKINS TO THE DIRECTORS OF SOUTHERN PALLADIUM LIMITED**

As lead auditor for the review of Southern Palladium Limited for the half-year ended 31 December 2025, I declare that, to the best of my knowledge and belief, there have been:

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

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

A handwritten signature in black ink, appearing to read 'J Watkins', with a long horizontal flourish extending to the right.

**Jeremy Watkins**

**Director**

**BDO Audit Pty Ltd**

Perth

12 March 2026

**Southern Palladium Limited**  
**ABN 59 646 391 899**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2025**

	Note	31 December 2025 \$	31 December 2024 \$
Interest income		668,681	535,637
<b>Expenses</b>			
Administration expenses	3	(938,299)	(495,753)
Employee benefits expenses		(302,787)	(227,933)
Share-based payment expenses	11	(115,929)	(314,075)
Share of profit/(loss) of associate accounting using equity method		274,687	(784,112)
Impairment expenses	6a	(4,617,159)	(2,475,267)
<b>Loss before income tax</b>		<b>(5,030,806)</b>	<b>(3,761,503)</b>
Income tax expense		-	-
<b>Net loss for the period</b>		<b>(5,030,806)</b>	<b>(3,761,503)</b>
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to loss:</b>			
Exchange differences on translation of foreign operations		600,541	1,708,392
<b>Total comprehensive loss for the period</b>		<b>(4,430,265)</b>	<b>(2,053,111)</b>
<b>Loss for the period is attributable to owners of the Company</b>		<b>(5,030,806)</b>	<b>(3,761,503)</b>
<b>Total comprehensive loss attributable to owners of the Company</b>		<b>(4,430,265)</b>	<b>(2,053,111)</b>
Basic and diluted (loss) per share	4	per share (0.045)	per share (0.042)

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

**Southern Palladium Limited**  
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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2025**

	Note	31 December 2025 \$	30 June 2025 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		22,577,623	9,919,109
Trade and other receivables		56,906	40,407
Prepayment		69,203	12,738
<b>TOTAL CURRENT ASSETS</b>		<b>22,703,732</b>	<b>9,972,254</b>
<b>NON-CURRENT ASSETS</b>			
Investment accounted for using the equity method	5	21,019,041	19,762,628
<b>TOTAL NON-CURRENT ASSETS</b>		<b>21,019,041</b>	<b>19,762,628</b>
<b>TOTAL ASSETS</b>		<b>43,722,773</b>	<b>29,734,882</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		283,293	698,747
<b>TOTAL CURRENT LIABILITIES</b>		<b>283,293</b>	<b>698,747</b>
<b>TOTAL LIABILITIES</b>		<b>283,293</b>	<b>698,747</b>
<b>NET ASSETS</b>		<b>43,439,480</b>	<b>29,036,135</b>
<b>EQUITY</b>			
Contributed equity	7	67,853,232	49,135,551
Reserves	8	2,054,406	1,337,936
Accumulated losses		(26,468,158)	(21,437,352)
<b>TOTAL EQUITY</b>		<b>43,439,480</b>	<b>29,036,135</b>

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

**Southern Palladium Limited**  
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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2025**

	Contributed Equity \$	Reserves \$	Accumulated Losses \$	Total Equity \$
<b>Balance at 1 July 2024</b>	<b>41,079,861</b>	<b>552,746</b>	<b>(16,657,864)</b>	<b>24,974,743</b>
Loss for the period	-	-	(3,761,503)	(3,761,503)
Exchange differences on translation of foreign operations	-	1,708,392	-	1,708,392
Total comprehensive loss for the period	-	1,708,392	(3,761,503)	(2,053,111)
Share-based payments	-	314,075	-	314,075
<b>Balance at 31 December 2024</b>	<b>41,079,861</b>	<b>2,575,213</b>	<b>(20,419,367)</b>	<b>23,235,707</b>
<b>Balance at 1 July 2025</b>	<b>49,135,551</b>	<b>1,337,936</b>	<b>(21,437,352)</b>	<b>29,036,135</b>
Loss for the period	-	-	(5,030,806)	(5,030,806)
Exchange differences on translation of foreign operations	-	600,541	-	600,541
Total comprehensive loss for the period	-	600,541	(5,030,806)	(4,430,265)
Share-based payments	-	115,929	-	115,929
Shares issued during the year	20,065,001	-	-	20,065,001
Shares issue costs	(1,347,320)	-	-	(1,347,320)
<b>Balance at 31 December 2025</b>	<b>67,853,232</b>	<b>2,054,406</b>	<b>(26,468,158)</b>	<b>43,439,480</b>

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

**Southern Palladium Limited**  
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**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2025**

	<b>31 December 2025 \$</b>	<b>31 December 2024 \$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
GST refunds	-	29,048
Interest received	124,350	88,519
Payments to suppliers and employees	(1,232,944)	(770,316)
Net cash used in operating activities	(1,108,594)	(652,749)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Loan to MUM	(4,454,012)	(1,127,312)
Net cash used in investing activities	(4,454,012)	(1,127,312)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from shares issue	20,065,001	-
Equity raising expenses	(1,843,881)	-
Net cash from financing activities	18,221,120	-
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>12,658,514</b>	<b>(1,780,061)</b>
<b>CASH AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	<b>9,919,109</b>	<b>5,431,286</b>
<b>CASH AT THE END OF THE FINANCIAL PERIOD</b>	<b>22,577,623</b>	<b>3,651,225</b>

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

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2025**

**1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

This general purpose financial report is for Southern Palladium Limited in respect of the interim half-year reporting period ended 31 December 2025 and has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This condensed interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2025. The accounting policies adopted are consistent with those used in the previous financial year.

**New or amended Accounting Standards and Interpretations adopted**

In the half-year ended 31 December 2025, the Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

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

**Going Concern**

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

**Rounding Of Amounts**

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with the Corporations Instrument to the nearest dollar.

**Southern Palladium Limited**  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2025**

**2 SEGMENT INFORMATION**

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

*South Africa*

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

**Reportable segment assets**

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

	<b>31 December 2025</b>	<b>30 June 2025</b>
	<b>\$</b>	<b>\$</b>
<b><i>Investment in Associate</i></b>		
Bengwenyama Project	19,762,628	19,665,766
Exchange differences on translation of foreign operations	981,726	831,044
Share profit/(losses) of joint ventures	274,687	(734,182)
	<b>21,019,041</b>	<b>19,762,628</b>

**Reportable segment profit/(loss)**

	<b>Bengwenyama Project</b>	<b>Unallocated Amount</b>	<b>Consolidated</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>31 December 2025</b>			
Interest income	-	668,681	668,681
Corporate expenses	-	(938,299)	(938,299)
Employee benefits expense	-	(302,787)	(302,787)
Share based payments	-	(115,929)	(115,929)
Share of profits of joint ventures accounted for using equity method	274,687	-	274,687
Impairment expense	(4,617,159)	-	(4,617,159)
Loss before income tax expense	(4,342,472)	(688,334)	(5,030,806)
Income tax expense	-	-	-
Net loss for the year	(4,342,472)	(688,334)	(5,030,806)
Other comprehensive income	-	600,541	600,541
Total comprehensive loss for the year	(4,342,472)	(87,793)	(4,430,265)
<b>31 December 2024</b>			
Interest income	-	535,637	535,637
Corporate expenses	-	(495,753)	(495,753)
Share based payments	-	(314,075)	(314,075)
Employee benefits expense	-	(227,933)	(227,933)
Share of losses of joint ventures accounted for using equity method	(784,112)	-	(784,112)
Impairment expense	(2,475,267)	-	(2,475,267)
Loss before income tax expense	(3,259,379)	(502,124)	(3,761,503)
Income tax expense	-	-	-
Net loss for the year	(3,259,379)	(502,124)	(3,761,503)
Other comprehensive loss	-	1,708,392	1,708,392
Total comprehensive loss for the year	(3,259,379)	1,206,268	(2,053,111)

**Southern Palladium Limited**  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2025**

<b>3 ADMINISTRATION EXPENSES</b>	<b>31 December 2025</b>	<b>31 December 2024</b>
	<b>\$</b>	<b>\$</b>
Legal fees	21,683	1,556
Professional fees	354,340	170,305
Corporate expenses	173,442	145,721
Public relation expenses	284,013	53,391
Others	104,821	124,780
	<u>938,299</u>	<u>495,753</u>

**4 LOSS PER SHARE**

	<b>31 December 2025 Number</b>	<b>31 December 2024 Number</b>
Weighted average number of ordinary shares	110,742,738	90,602,459
	<b>31 December 2025 \$</b>	<b>31 December 2024 \$</b>
<b>Loss attributable to ordinary shareholders</b>		
Loss attributable to ordinary shareholders for the basic earnings	a 5,030,806	3,761,503
Loss attributable to ordinary shareholders adjusted for effect of dilution	5,030,806	3,761,503
Basic/diluted (loss) per share	b (0.045)	(0.042)
Headline/diluted (loss) per share	c (0.045)	(0.042)

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

	<b>31 December 2025 \$</b>	<b>31 December 2024 \$</b>
<b>Loss attributable to ordinary shareholders</b>		
Loss attributable to ordinary shareholders for the headline earnings	(4,430,265)	(2,053,111)
<i>Adjusted for:</i>		
Exchange differences on translation of foreign operations	(600,541)	(1,708,392)
Subtotal of adjustments	<u>(600,541)</u>	<u>(1,708,392)</u>
Headline losses	<b>(5,030,806)</b>	<b>(3,761,503)</b>
Diluted headline losses	<u><b>(5,030,806)</b></u>	<u><b>(3,761,503)</b></u>

**Southern Palladium Limited**  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2025**

**5 INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD**

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

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

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

	<b>31 December 2025</b>	<b>30 June 2025</b>
	\$	\$
Investment in Miracle Upon Miracle Investments (Pty) Ltd	<b>21,019,041</b>	<b>19,762,628</b>

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

		<b>Ownership interest</b>	
		<b>31 December 2025</b>	<b>30 June 2025</b>
		%	%
<b>Name</b>	<b>Principal place of business / Country of incorporation</b>		
Miracle Upon Miracle Investments (Pty) Limited	South Africa	70	70

**Summarised financial information**

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

	<b>Miracle Upon Miracle Investments (Pty) Limited</b>	
	<b>31 December 2025</b>	<b>30 June 2025</b>
	\$	\$
<i>Summarised statement of financial position</i>		
Cash and cash equivalents	950,463	385,800
Other current assets	426,882	123,484
Non-current assets	15,971,296	11,710,382
Total assets	<b>17,348,641</b>	<b>12,219,666</b>
Other current liabilities	739,582	461,274
Non-current financial liabilities (excluding trade and other payables and provisions)	19,265,098	14,664,919
Total Liabilities	<b>20,004,680</b>	<b>15,126,193</b>
Net assets	<b>(2,656,039)</b>	<b>(2,906,527)</b>
Group's share in %	70%	70%
Group's share in \$	(1,859,227)	(2,034,569)
Fair value uplift	22,878,268	21,797,197
Carrying amount	<b>21,019,041</b>	<b>19,762,628</b>

**Southern Palladium Limited**  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2025**

**5 INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)**

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

*Summarised statement of profit or loss and other comprehensive income*

	<b>1 July to 31 December 2025</b>	<b>1 July to 31 December 2024</b>
	\$	\$
Other income	9,822	9,492
Expenses	382,224	(1,137,636)
Profit/(Loss) before income tax	392,046	(1,128,144)
Total comprehensive profit/(loss)	392,046	(1,128,144)

	<b>31 December 2025</b>	<b>30 June 2025</b>
	\$	\$
<i>Reconciliation of the consolidated entity's carrying amount</i>		
Opening balance	19,762,628	19,659,255
Exchange differences on translation of foreign operations	981,726	831,044
Southern Palladium Limited's share of profit/(loss) after income tax	274,687	(727,671)
Closing carrying amount	21,019,041	19,762,628

**Commitments**

MUM did not have any financial commitments as at 31 December 2025.

**Contingent liabilities**

MUM did not have any contingent liabilities as at 31 December 2025.

**6 UNSECURED LOAN**

	<b>31 December 2025</b>	<b>30 June 2025</b>
	\$	\$
Loan facility to MUM*	16,941,229	12,868,401
Accrued interest	2,337,268	1,792,937
Impairment of receivables	a (19,278,497)	(14,661,338)
	-	-

\*Cumulative loan balance of USD 12,883,767 at period end.

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

Interest on the cumulative loan amount owing by MUM to the Company is accrued at the US Bank Prime Loan Rate for US\$ (At 31 December 2025 prime rate, being 6.75%), and amongst other things, interest on the outstanding balance will not be compounded.

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

**Southern Palladium Limited**  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2025**

**6 UNSECURED LOAN (CONTINUED)**

During the period in which there is an outstanding loan amount, MUM is bound by a number of undertakings relating to, amongst other things, maintaining its corporate existence and recording and notifying the Company of any event of default. A number of events provided in the Loan Agreement constitute an event of default, including but not limited to, using the advanced amounts for a purpose other than the purpose as set out in the Loan Agreement and breach or omission by MUM to carry out its obligations or undertakings as contemplated in the Loan Agreement. If any of these events continue to occur, the Company shall be entitled to:

- (i) claim immediate payment of the outstanding loan amount (by providing written notice to MUM);
- (ii) demand specific performance; and/or
- (iii) claim payment for losses, liabilities, damages, taxes etc. incurred by the Company under the Loan Agreement as a result of the event of default.

a) Impairment of receivables

The Unsecured Loan has been impaired to the value of \$19,278,497, being the total loan and accrued interest due from MUM. The Company is of the view that given the current stage of the exploration project and the uncertainty in relation to the timing of MUM commencing "Commercial Mining Operations" and generating positive cashflows from its project, at this stage it is uncertain that \$19,278,497 owed by MUM is capable of being repaid from MUM. The current period unsecured loan advance of \$4,617,159 to MUM has been fully impaired.

**7 CONTRIBUTED EQUITY**

	<b>31 December 2025</b>	<b>30 June 2025</b>
	<b>\$</b>	<b>\$</b>
125,190,911 fully paid ordinary shares (30 June 2025: 106,950,000)	67,853,232	49,135,551

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

<b>Movement in ordinary share capital</b>	<b>Number of shares</b>	<b>Issue price</b>	<b>Share capital</b>
		<b>\$</b>	<b>\$</b>
<b>1 July 2024</b>			
1-Jul-24 Opening balance	89,750,000		41,079,861
8-Nov-24 Allotment of performance shares	1,200,000	0.5	600,000
19-Jun-25 Share placement	16,000,000	0.5	8,000,000
Shares issue costs	-		(544,310)
<b>30 June 2025 Balance at the end of the year</b>	<b>106,950,000</b>		<b>49,135,551</b>
<b>1 July 2025</b>			
1-Jul-25 Opening balance	106,950,000		49,135,551
27-Oct-25 Placement - Tranche 1	6,600,004	1.1	7,260,004
19-Nov-25 Share Purchase Plan	59,092	1.1	65,001
8-Dec-25 Placement - Tranche 2	11,581,815	1.1	12,739,996
Shares issue costs			(1,347,320)
<b>31 December 2025 Balance at the end of the period</b>	<b>125,190,911</b>		<b>67,853,232</b>

**8 RESERVES**

	<b>31 December 2025</b>	<b>30 June 2025</b>
	<b>\$</b>	<b>\$</b>
Options reserves	2,349,845	2,233,915
FX reserves	(295,439)	(895,979)
	<b>2,054,406</b>	<b>1,337,936</b>

**9 CONTINGENT LIABILITIES**

The Group had no contingent liabilities as at 31 December 2025 (June 2025: nil).

**Southern Palladium Limited**  
**ABN 59 646 391 899**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2025**

**10 COMMITMENTS**

The Group had no financial commitments as at 31 December 2025 (June 2025: nil).

**11 SHARE BASED PAYMENTS**

		<b>31 December 2025</b>	<b>31 December 2024</b>
		<b>\$</b>	<b>\$</b>
Incentive Options	<b>(i)</b>	28,772	28,459
Zero Exercise Price Options	<b>(ii)</b>	30,667	-
Performance Rights	<b>(iii)</b>	56,490	285,616
		115,929	314,075

**(i) Directors Options**

750,000 Incentive options were issued to directors in lieu of directors' fees on 1 October 2024.

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

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

Incentive options will vest in 12 months from 1 October 2024. The consolidated statement of profit or loss and other comprehensive income recognises a pro rata value of \$28,772. (2024: 28,459)

**(ii) Zero Exercise Price Options**

385,320 Zero Exercise Price options (ZEPO) were issued to directors in lieu of directors' fees during the period ended 31 December 2025. (2024: Nil)

The fair value of the ZEPO options was determined based on the market price of the Company's shares at the grant date on 8 December 2025. The following table presents the assumptions used to determine the fair value of the options granted during the period.

Grant date	No. of options	Spot price	Exercise price	Life of the options (years)	Expected dividends	Value per option	Total fair value
08-Dec-25	385,320	\$1.215	Nil	Varies from 2.25 to 5 years	Nil	\$1.215	\$468,164

ZEPO options will vest quarterly from 8 December 2025. The consolidated statement of profit or loss and other comprehensive income recognises a pro rata value of \$30,667. (2024: nil)

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE HALF-YEAR ENDED 31 DECEMBER 2025**

**11 SHARE BASED PAYMENTS (CONTINUED)**

**(iii) Performance Rights issued to Executive Directors**

577,981 Milestone performance rights were granted to executive directors during the period ended 31 December 2025 (2024: Nil).

Each performance right entitles the holder to be issued an ordinary share in the Company for nil exercise price upon the achievement of the Milestone Performance Conditions and, upon vesting, can be converted into shares on a 1-1 basis. The Milestone performance conditions are as follows:

<b>Milestone Performance Conditions</b>	<b>Number of Performance Rights to Vest upon satisfaction of Milestone Performance Conditions</b>
Independent Peer and Board approval of Definitive Feasibility Study	57,798
Obtain all permits, licenses and approvals needed for Stage 1 construction	86,697
Concentrate/ Offtake(s) / strategic prepay on value terms as required for Stage 1	86,697
Stage 1 Financing package secured (debt/equity/partner)	86,697
Stage 1 Final Investment Decision (FID)	86,697
Decline constructed to UG2 orebody	86,697
Stage 1 Construction — commencement and early progress	86,697

The Performance Rights have been valued using the probability weighted valuation analysis based on the market price of the Company's shares at the grant date on 8 December 2025. The key inputs used and the value of the Performance Rights are set out in the table below:

Grant date	No. of options	Spot price	Exercise price	Life of the performance rights (years)	Expected dividends	Value per performance rights	Total fair value
08-Dec-25	577,981	\$1.215	Nil	Varies from 2.56 to 3.23 years	Nil	\$1.215	\$702,247

In accordance with AASB 2 Share-based Payment, the value of the Performance Rights will be expensed over the respective vesting periods. Pro rata value of \$56,490 is recognised for the purpose of the consolidated statement of profit or loss and other comprehensive income.

**12 RELATED PARTY TRANSACTIONS**

There have been no new related party transactions since the last annual reporting date being 30 June 2025, other than share based payments issued to key management personnel as disclosed in note 11.

**13 EVENTS SUBSEQUENT TO REPORTING DATE**

On 18 February 2026, 300,000 ordinary shares were issued on options expiring 27 May 2026, with an option exercise price of \$0.875.

On 25 February 2026, 50,000 ordinary shares were issued on options expiring 27 May 2026, with an option exercise price of \$0.875.

No other matters or circumstances have arisen since 31 December 2025 which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

**Southern Palladium Limited**  
**ABN 59 646 391 899**

**DIRECTORS' DECLARATION**

In the directors' opinion:

- 1) The consolidated financial statements and notes, as set out on pages 13 to 24, are in accordance with the *Corporations Act 2001* and:
  - a) comply with Australian Accounting Standards AASB134: Interim Financial Reporting, the Corporations Regulations 2001; and
  - b) give a true and fair view of the Company's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
- 2) In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



Roger Baxter  
Executive Chairman  
Perth, 12 March 2026

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Southern Palladium Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Southern Palladium Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

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

- i. Giving a true and fair view of the Group's financial position as at 31 December 2025 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for conclusion

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

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

#### Responsibility of the directors for the financial report

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



### **Auditor's responsibility for the review of the financial report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

**BDO Audit Pty Ltd**

A handwritten signature in black ink that reads 'BDO' on the first line and 'J Watkins' on the second line. The signature is written in a cursive, flowing style.

**Jeremy Watkins**

**Director**

Perth, 12 March 2026