



5 February 2024

## Managing Director's Webinar Presentation

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**Southern Palladium Limited** (ASX Code: SPD and JSE Code: SDL) releases the Managing Director's Webinar Presentation for the Company's Investor Webinar which is to be held at 4.15 pm AEDT today.

Anyone wishing to attend the webinar must register using the below link.

### Webinar Details

**Date and time:** 4:15 PM AEDT (1:15 PM AWST) (7:15 AM South Africa) on Monday, 5 February 2024

**Register via:** [https://us02web.zoom.us/webinar/register/WN\\_aV-QgUIpR12Qv45w30avng](https://us02web.zoom.us/webinar/register/WN_aV-QgUIpR12Qv45w30avng)

Authorised by the Company Secretary.

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## **About Southern Palladium:**

**Southern Palladium Limited (ASX:SPD, JSE:SDL) is a dual-listed platinum group metal (PGM) company developing the advanced Bengwenyama PGM project, particularly rich in palladium/rhodium, in South Africa. The project is located on the Eastern Limb of the Bushveld Complex, which contains more than 70% of the world's known Platinum Group Metal (PGM) Resources.**

**The Company, holding a 70% stake in the project, will primarily concentrate on delivering a Pre-Feasibility study. Additionally, following the completion of a geophysical survey conducted in 2022 and the September 2023 submission of the Mining Right application, they will oversee the completion of the diamond drill programme initiated in August 2022, along with several other concurrent technical studies.**

**Bengwenyama presents a substantial opportunity in the global PGM market. Previous exploration efforts have already yielded a JORC 2012-compliant Inferred Mineral Resource of 25.12Moz within two ore horizons—the UG2 chromitite and Merensky Reef, achieved in 2023.**

**Moreover, an assessment conducted by mining industry consultants CSA Global in 2021, has identified a significant exploration target beyond the currently explored area. The Company is led by a seasoned on-ground management team, including some of South Africa's most distinguished mining industry executives.**

### JORC Compliance Statement

The information is extracted from the report entitled “Bengwenyama drilling and PFS progress update: Combined PGE Mineral Resource now totals 25.1Moz (7E basis)’ created on 10 July 2023 and is available to view on [www.southernpalladium.com](http://www.southernpalladium.com). The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.



**BENGWENYAMA PROJECT SCOPING STUDY**  
**THE NEXT SIGNIFICANT PGM PRODUCER ON THE EASTERN LIMB**

INVESTOR UPDATE | FEBRUARY 2024 | ASX: SPD | JSE: SDL

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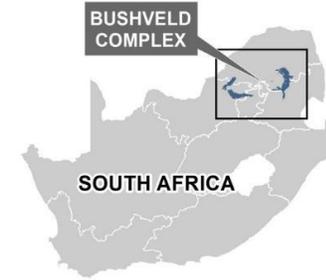
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All dollar values are in Australian dollars, unless otherwise stated.

# SOUTHERN PALLADIUM

## OUR PURPOSE – CREATE SHARED VALUE THROUGH COOPERATIVE PARTNERSHIP



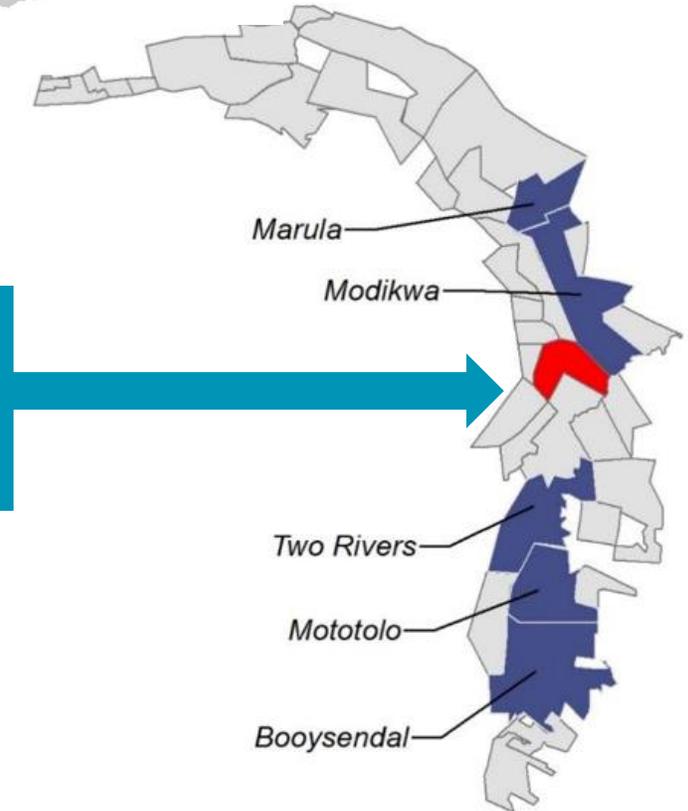
### Create Stakeholder Value



- Timely and efficient delivery of a significant new mine
- Environmental Responsibility
- Uphold the highest safety standards.

## THE BENGWENYAMA PROJECT

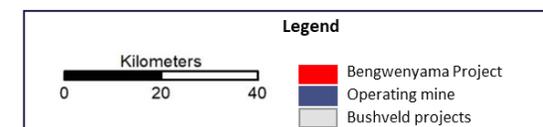
PGM project in the heart of the Eastern Limb of the Bushveld Complex adjacent to Tier 1 Operations



### Boosting South Africa's resources economy



- Community Based Partnership
- 4,000 jobs to be created with a 5x Multiplier effect
- ~ USD2bn in tax and royalties over LoM



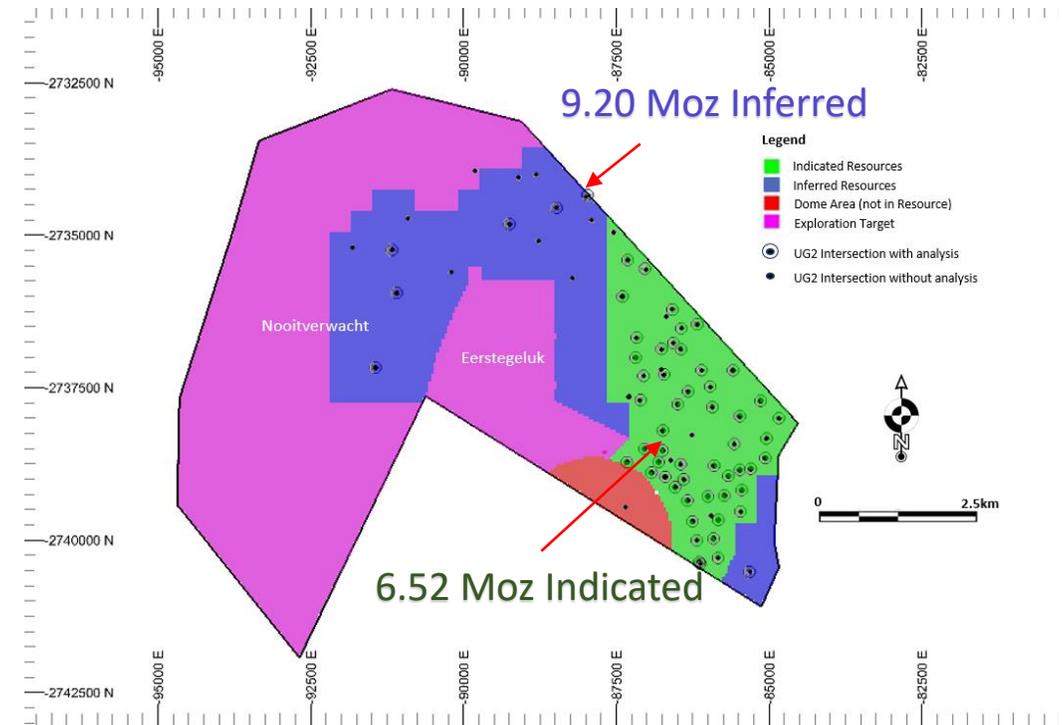
# BENGWENYAMA PROJECT KEY FEATURES

## KEY OUTCOMES FROM THE INDEPENDENT MINXCON SCOPING STUDY:



- **+30-year mine life averaging 330,000 ozpa PGM (6E)** from the UG2 Reef
- **Total mining inventory of 10.9Moz. 54% (5.8Moz)** at Indicated status
- **Low capital intensity** (US\$403m Peak funding requirement)
- **First quartile cash costs (US\$717/oz) assisted by:**
  - High orebody grade (6.55g/t, 7E)
  - Shallow intersect of the orebody (100-500m)
  - Proximity of water, power, skilled workforce
- **Conventional hybrid mining methods proposed**
- **Conventional processing plant:** metallurgy typical of Eastern Limb UG2
  - Likely sale of ~180g/t concentrate to third party smelters. Chrome to be exported.
- **Additional UG2 resource potential.** No value attributed to Merensky Reef (9.5Moz)

### Total Merensky Reef and UG2 Reef Resource: 26.22 Moz (7E)

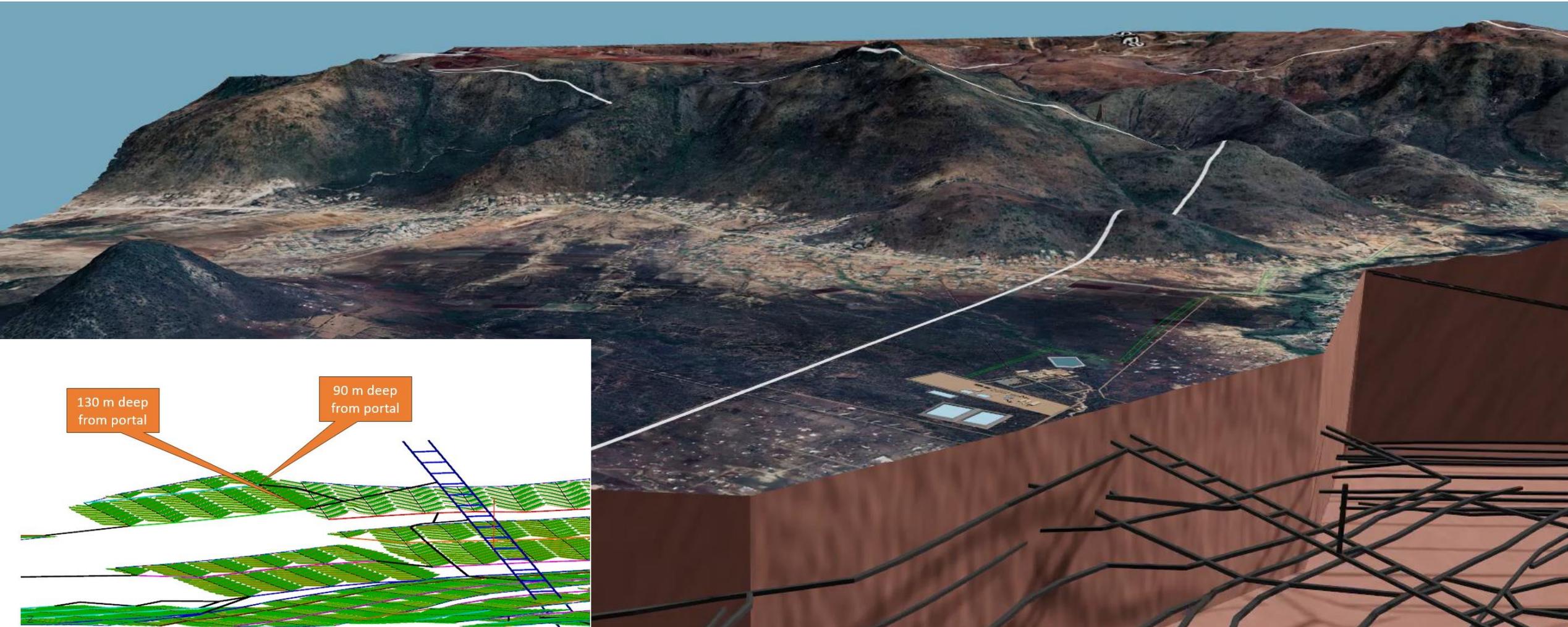


Note: \*6E – Platinum, Palladium, Rhodium, Ruthenium, Iridium + Au  
7E – Includes Osmium

# BENGWENYAMA: CONCEPTUAL LAYOUT OF MINE SITE

## HYBRID MINING – CONVENTIONAL STOPING WITH MECHANISED DEVELOPMENT

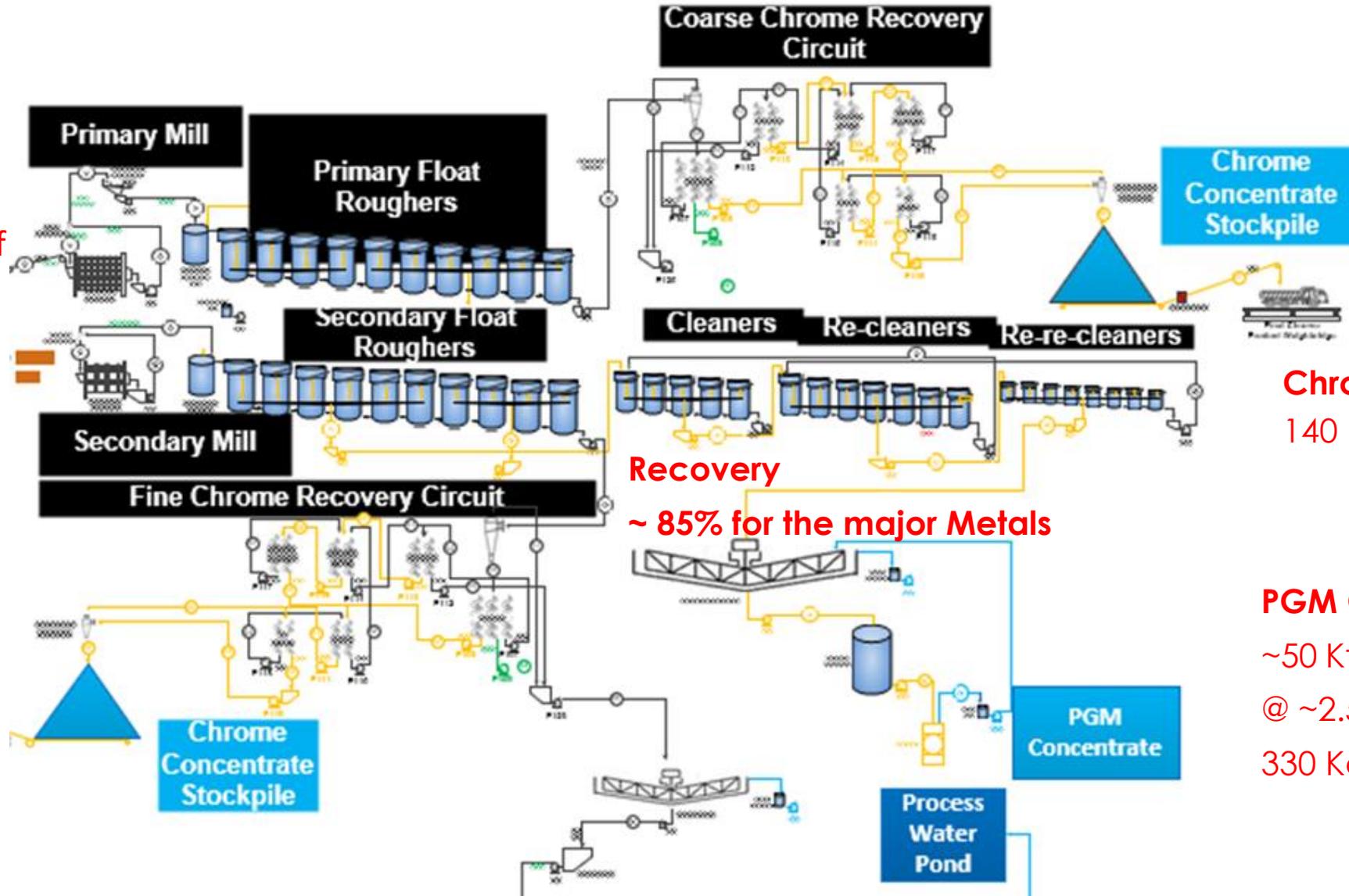
### 2 MILLION TONNES PER YEAR AT FULL PRODUCTION RATE



# BENGWENYAMA: PLANT LAYOUT

## CONVENTIONAL MF2 PLANT DELIVERING 85% RECOVERIES

~2 Mtpa UG2 Reef  
@ 6.55g/t (7E)



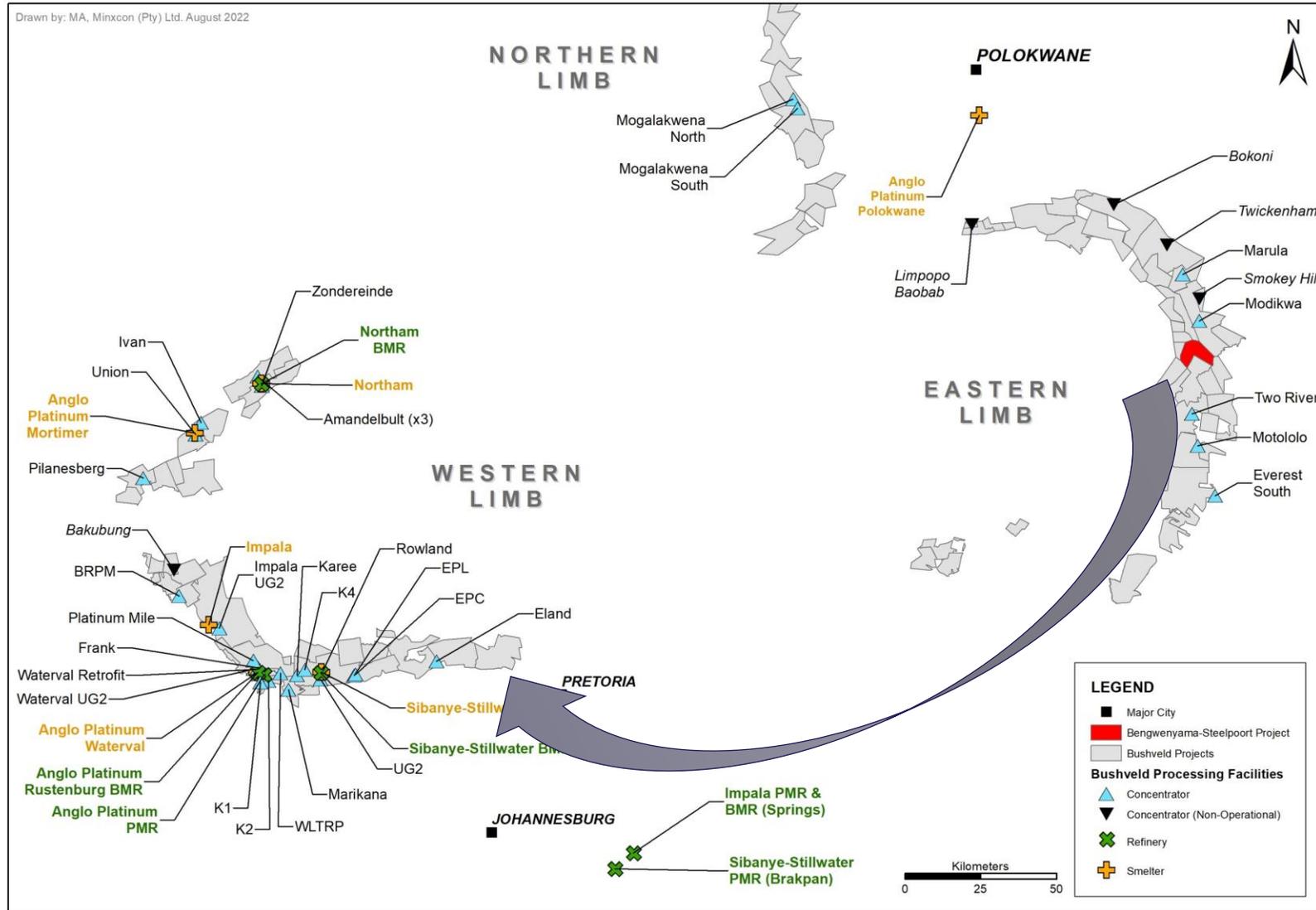
**Recovery**  
~ 85% for the major Metals

**Chrome Conc.**  
140 Ktpa

**PGM Conc.**  
~50 Ktpa.  
@ ~2.5% mass pull  
330 Kozpa 6E

# BENGWENYAMA: SMELTER AND REFINERS

## WELL-ESTABLISHED DOWNSTREAM REFINING PROCESS FOR PGM CONCENTRATE WITHIN SOUTH AFRICA



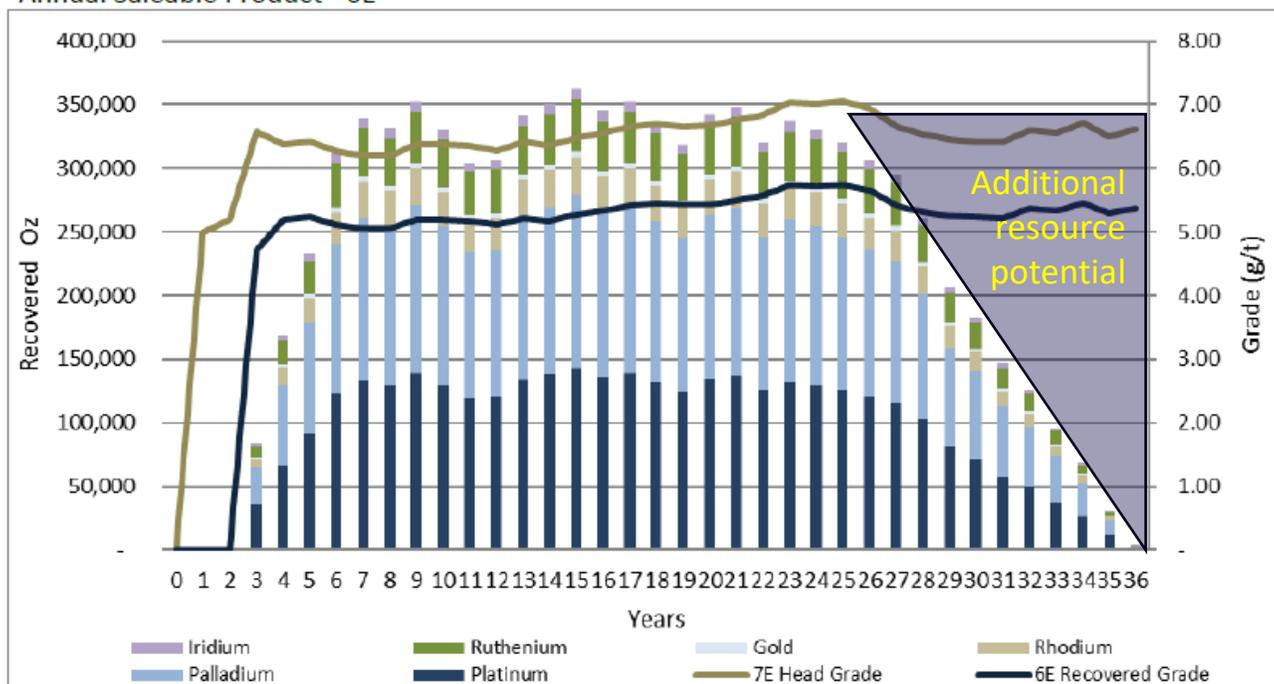
# BENGWENYAMA KEY PROJECT RESULTS

## MINING INVENTORY TOTALS 11 MILLION OUNCES AT 6.55G/T (7E)

Mining Inventory	Tonnes	Grade 4E	Grade 7E	Content 4E	Content 7E	Contribution
	Mt	g/t	g/t	Koz	Koz	%
Indicated	28.04	5.36	6.47	4,837	5,830	54%
Inferred	19.69	5.50	6.66	3,481	4,215	38%
Exploration Target	4.17	5.43	6.59	724	883	8%
<b>Total</b>	<b>51.90</b>	<b>5.42</b>	<b>6.55</b>	<b>9,042</b>	<b>10,928</b>	<b>100%</b>

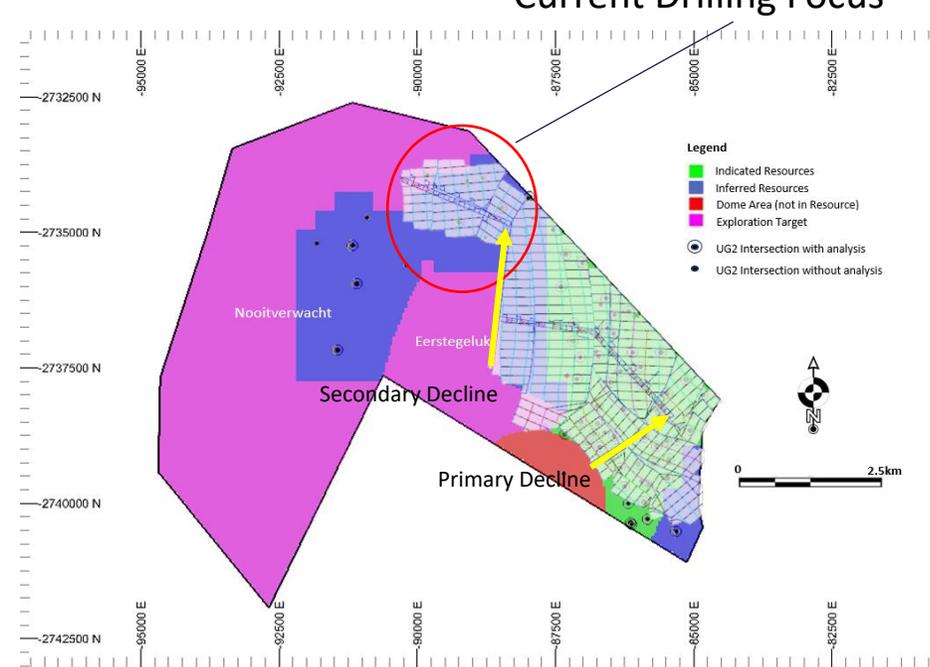
~ 79% of the tonnes in the payback period in the Indicated Mineral Resource category with the remainder in inferred. There is still a total of 4.8 Moz 7E indicated (~80% of the indicated mining inventory) in the mine plan after the payback period.

Annual Saleable Product - 6E



Source: Minxcon Scoping Study Update, February 2024

Current Drilling Focus



# BENGWENYAMA KEY PROJECT RESULTS

## 330KOZ PGM PER YEAR AT US\$771/OZ. NPV<sub>8</sub> OF US\$700M POST TAX

### 2 Mtpa UG2 Reef

#### PGM Concentrate (LOM avg)

50 Kt p.a. @ 2.5% mass pull

#### Annual production (LOM avg)

**330 Koz p.a. 6E**

130 Koz p.a. Pt

125 Koz p.a. Pd

27 Koz p.a. Rh

4 Koz p.a. Au

+ Ru, Ir, Ni, Cu

#### Chrome Conc.

140 Kt p.a.

### Peak Funding Requirement

USD403 million (incl. ~15% contingency)

### EBITDA (LOM avg)

USD200 million pa

### Free cashflow (post-tax)

USD135 million p.a.

### Costs (LOM avg)

Cash Costs - USD717/ 6E oz

AISC - USD836/ 6E oz

### NPV<sub>8%</sub> (post-tax)

USD700 million \*

### IRR (post-tax)

21%

### Payback period

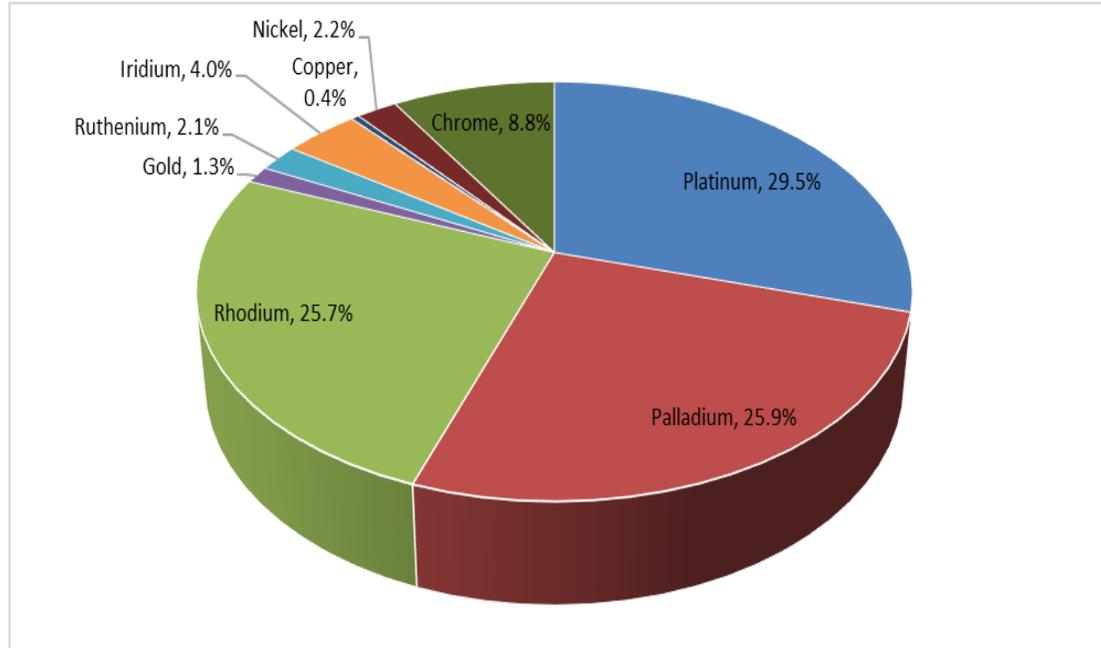
4.5 years

(from start of plant production)

### EBITDA margin

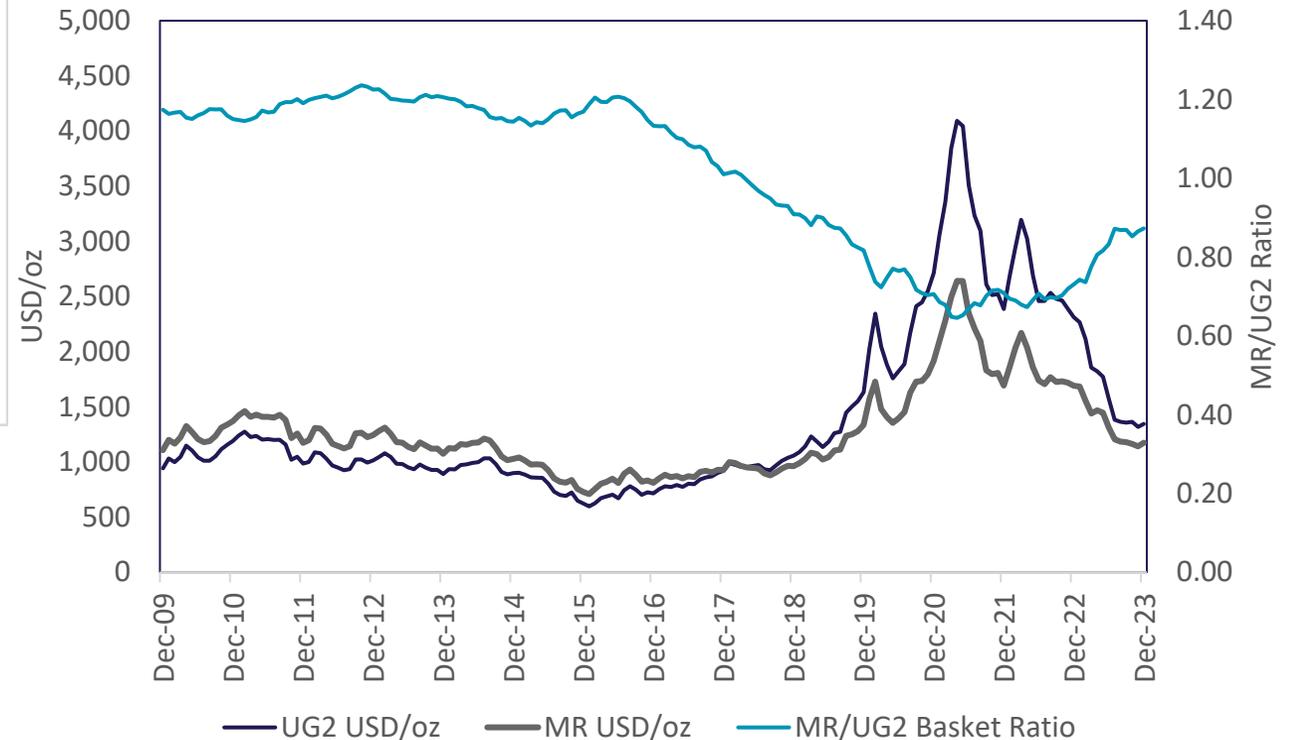
43%

# BENGWENYAMA: NEARLY 90% OF REVENUES DRIVEN BY PLATINUM, PALLADIUM, RHODIUM AND A CHROME BY-PRODUCT



*“The Bengwenyama project does not require nickel and copper credits to be economic”*

Basket Price:  
USD1400/6E Oz



# BENGWENYAMA: IT'S ALL ABOUT THE GRADE



Company	Mine/Project	Tonnes	Grade 4E	Production 4E	AISC	AISC
		Milled		p.a	ZAR/t	USD/4E oz
		Mtpa	g/t	kozpa		



Marula

2.0

3.78

210

2,200

1,150



Modikwa

2.6

3.58

240

2,700

1,550



Bengwenyama

2.0

5.42

290

2,706

970



Two Rivers

3.6

2.54

240

2,050\*

1,650



Mototolo

2.8

3.36

250

2,250

1,450



Booyendal

6.4

2.48

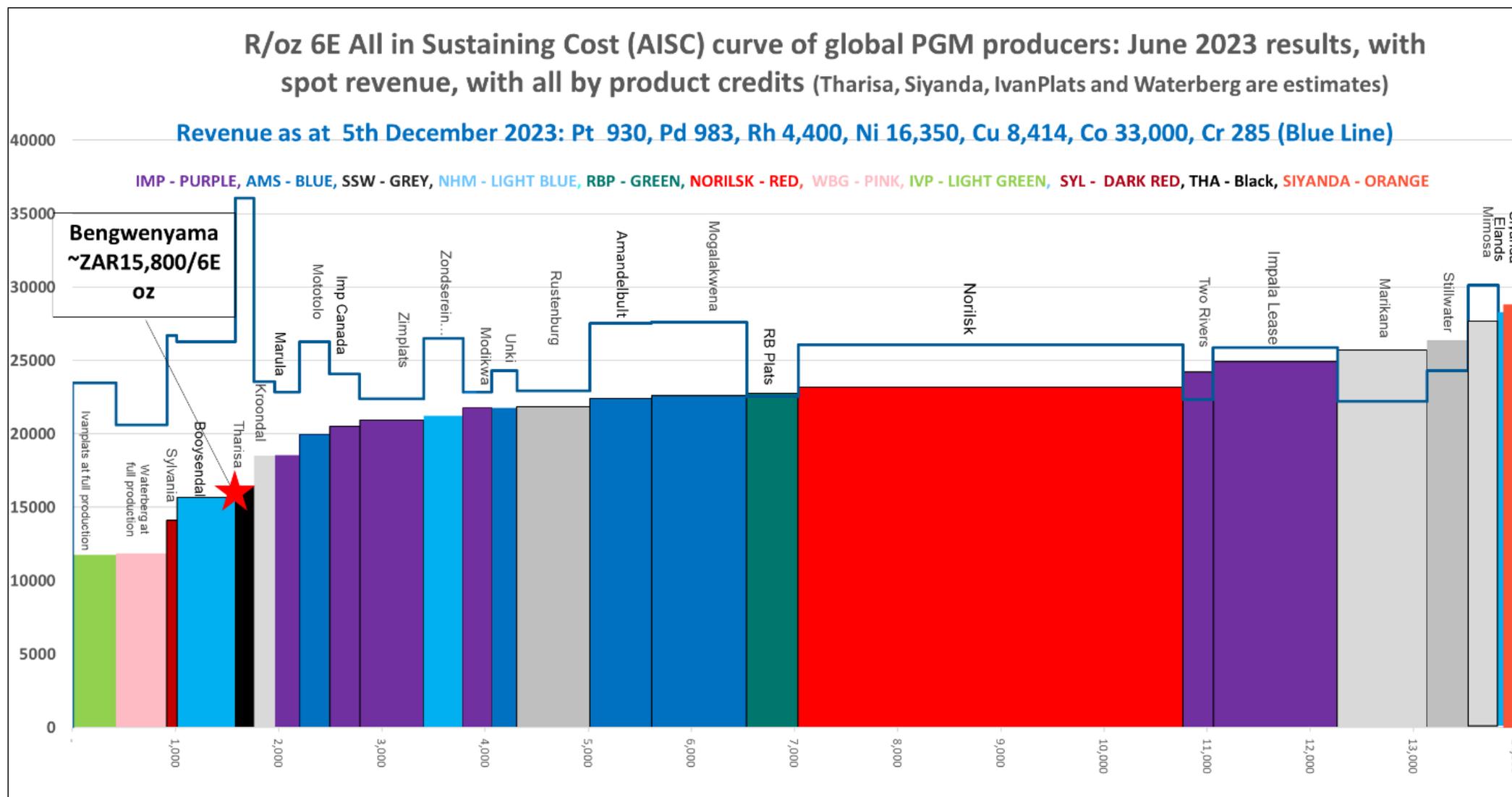
450

1,550

1,200

Note: \* Two Rivers – capital not split and includes the new Merensky reef expansion capital development

# BENGWENYAMA: AN EMERGING FIRST COST QUARTILE PRODUCER

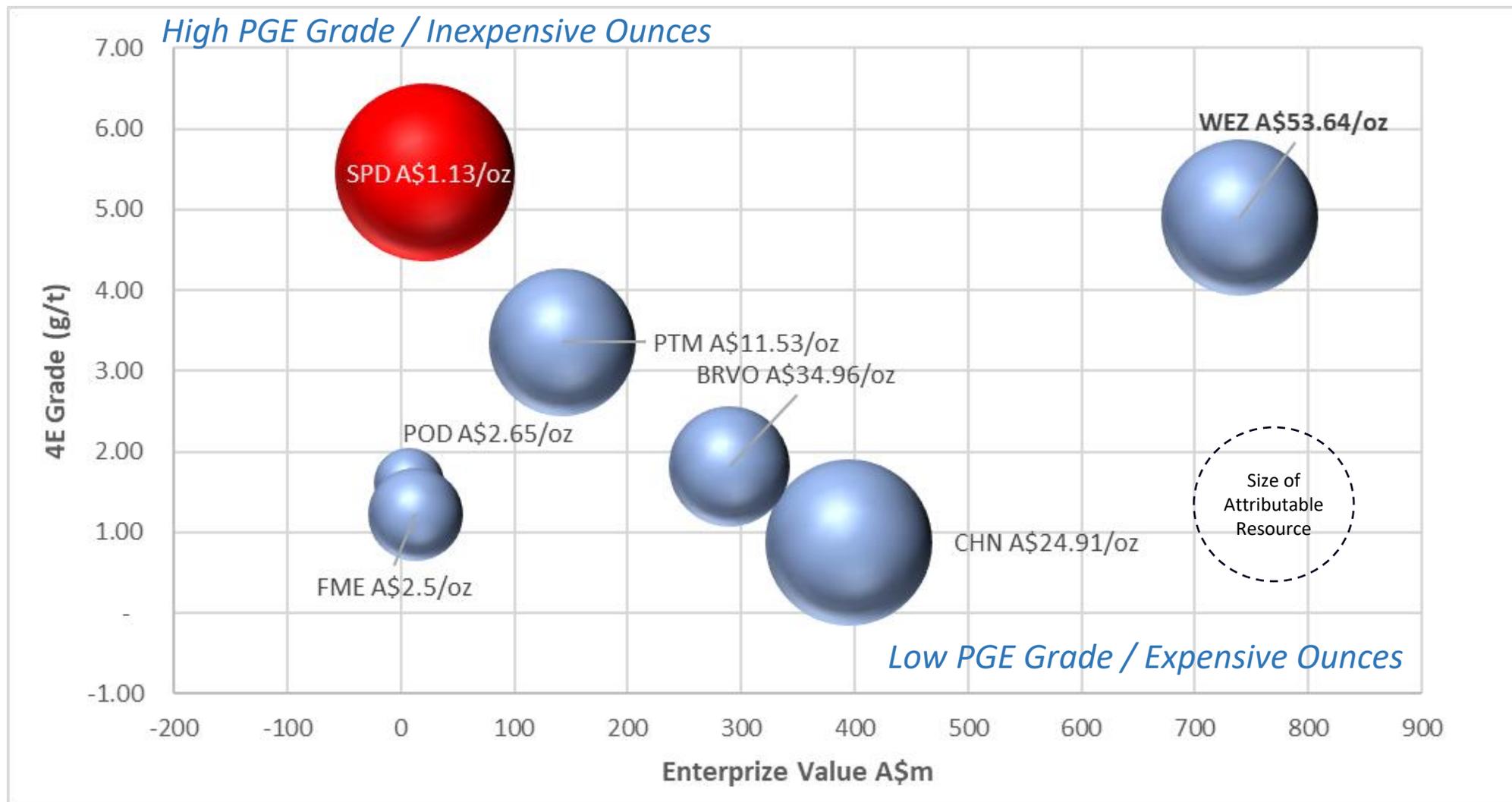


# BENGWENYAMA PROJECT SENSITIVITIES

**A 10% UPLIFT IN PGM PRICES DRIVES A 30% INCREASE IN NPV<sub>8</sub> TO +US\$900M**

Change in 6E PGM Price	-10%	-5%	Base	+5%	+10%
Pt Price (USD/oz)	1,080	1,140	<b>1,200</b>	1,260	1,320
Pd Price (USD/oz)	990	1,045	<b>1,100</b>	1,155	1,210
Rhodium Price (USD/oz)	4,500	4,750	<b>5,000</b>	5,250	5,500
Gold Price (USD/oz)	1,620	1,710	<b>1,800</b>	1,890	1,980
Ruthenium (USD/oz)	423	447	<b>470</b>	494	517
Iridium (USD/oz)	4,500	4,750	<b>5,000</b>	5,250	5,500
Basket PGM 6E Price (USD/oz)	1,345	1,420	<b>1,495</b>	1,570	1,644
<b>NPV8% - Pre-Tax (USDm)</b>	744	894	<b>1,043</b>	1,193	1,342
<b>IRR – Pre-Tax (%)</b>	20%	22%	<b>24%</b>	25%	27%
<b>NPV8% - Post Tax (USDm)</b>	<b>486</b>	<b>592</b>	<b>698</b>	<b>803</b>	<b>908</b>
<b>IRR - Post Tax (%)</b>	17%	19%	<b>21%</b>	22%	24%
<b>Payback Period</b> (From Start of Plant Production)	5.3	4.9	<b>4.5</b>	4.2	4.0
<b>Project Cashflow - Post Tax</b>	2,432	2,782	<b>3,132</b>	3,482	3,832

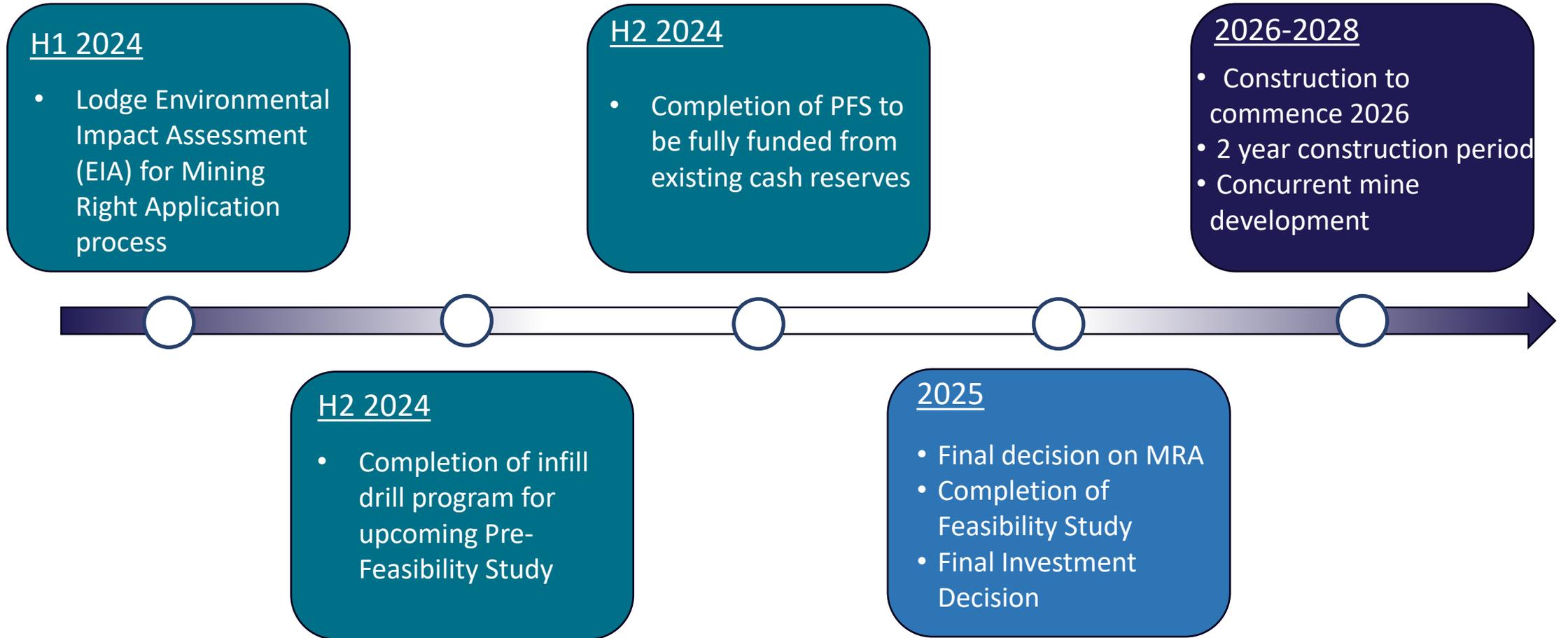
# BENGWENYAMA: VERY INEXPENSIVE OUNCES AND NOW WITH AN ATTRACTIVE SCOPING STUDY



**Note:** BRVO – Non-compliant Resource Estimate, excludes credits from base metals + chromes

**Source:** Calculations based on data sourced from Company Reports, as at 02/02/2024

# ADVANCING BENGWENYAMA TO PRODUCTION: NEXT STEPS



# OUR ACHIEVEMENTS AND GOALS

## PROJECT DELIVERY ON-TIME AND ON-BUDGET



**Community meetings**



2021/22



**A\$19m raised in IPO June 2022**



Jun 2022



**Drilling Commenced**



Aug 2022



**Drilling Intersects UG2 Reef**



Sep 2022



**Far East Block Discovery**



Mar 2023



**Resource increases by 34% to 25.12Moz**



Jun 2023



**Submit Mining Right Application**



Sep 2023



**2nd Interim Resource Estimate doubles Indicated**



4Q 2023



**Updated Scoping Study**



1Q 2024



**Complete PFS**

**Feasibility and FID**

**Construction Starts**

2H 2024

2025/2026

Fully Funded

2022

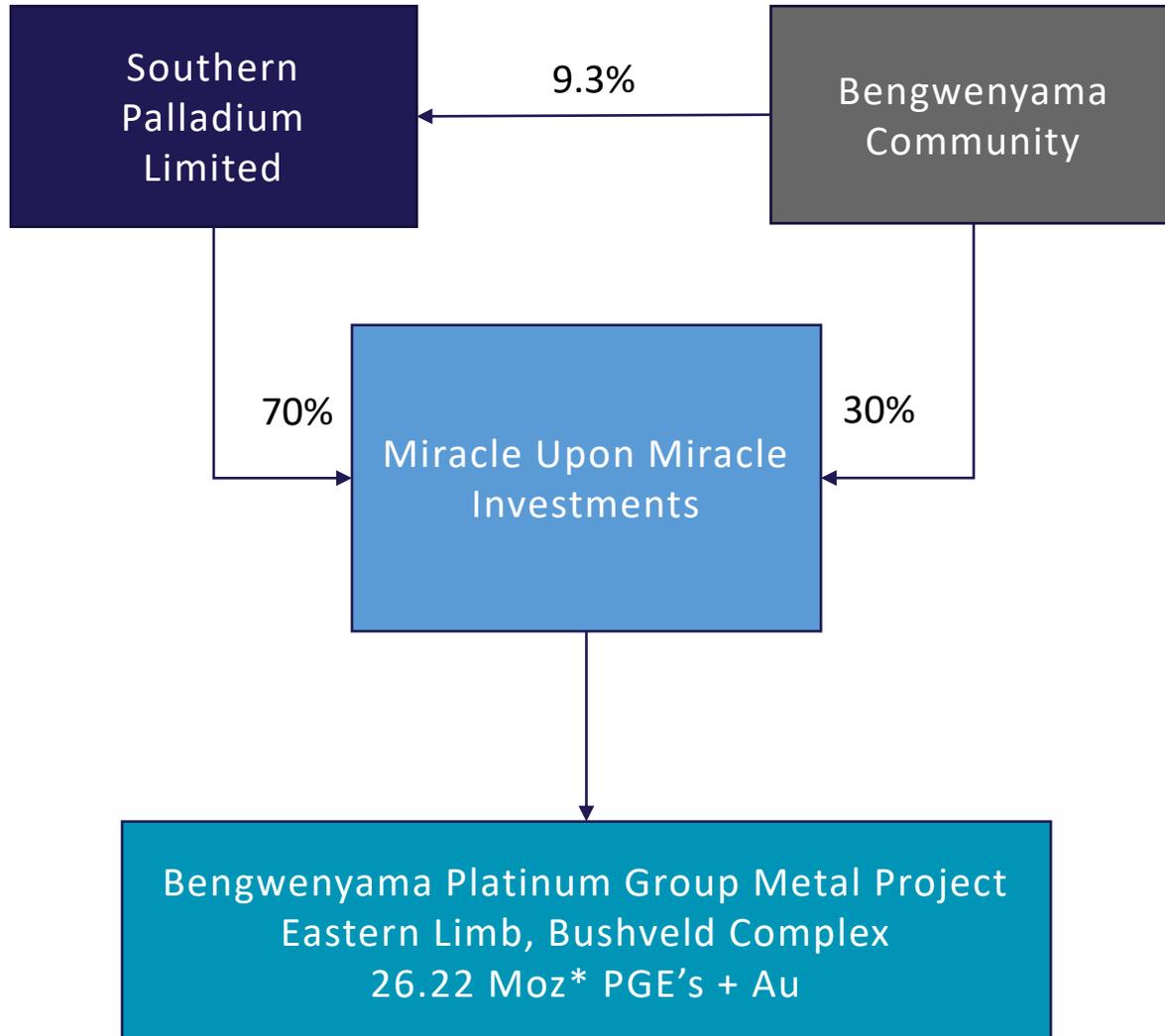
2023

2024

2025/26

# SOUTHERN PALLADIUM LIMITED (ASX:SPD,JSE:SDL)

## CORPORATE AND ASSET OWNERSHIP STRUCTURE



### BOARD OF DIRECTORS – SOUTHERN PALLADIUM ('SPD')



**Roger Baxter**  
Non-Executive  
Chairperson



**Johan Odendaal**  
Managing Director  
**CEO MUM**

**NON-EXECUTIVE DIRECTORS**  
**Mike Stirzaker** **NED MUM**  
**Daan van Heerden** **NED MUM**  
**Rob Thomson**  
**Geoff Hiller**  
**COMPANY SECRETARY**  
**Andrew Cooke**

### BOARD OF DIRECTORS – MIRACLE UPON MIRACLE ('MUM')



**Adv. Lindi Nkosi-Thomas**  
Non-Executive  
Chairperson



**Daniel Nkosi**  
Executive Director –  
Site Manager and  
Community Affairs



**Joel Nkosi**  
Non-Executive  
Director, Deputy  
Chairman  
Bengwenyama  
Traditional Council

**EXPLORATION MANAGERS:** Minxcon – Uwe Engelmann

### Capital Structure Summary

Total number of shares issued	89.75m
<b>Market cap @ A\$0.37 cps</b>	<b>A\$33.2m</b>
Cash at Bank (31 December 2023)	A\$8.9m
<b>Enterprise Value</b>	<b>A\$24.3m</b>
Founder Deferred Shares*	1.2m
Options with exercise price (A\$0.875) at 75% premium to IPO issue price	7.34m

\* Issued if at least 2,000,000 oz of PGM (4E) Reserves have been identified, comprising at least 15 million tonnes and a grade of at least 3.0 grams per tonne within four years after the IPO date

\* Stated at 100% equity basis, 7E resource (Pt + Pd + Rh + Au + Ir + Os + Ru)

# PGM DYNAMICS ARE EXPERIENCING A CHANGE



- Platinum market to remain undersupplied throughout 2025 to 2028.
- Concerns about the long-term sustainability of several operations
- Restructuring unprofitable supply which could lead to deeper deficits
- WPIC estimates that 25% of operations showing neg. margins.

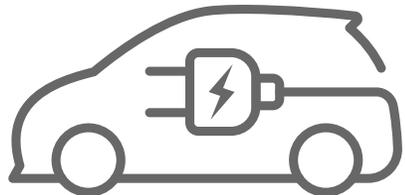


**OUR FUTURE IS GREEN**  
Green movement has sparked a significant renewed interest in **Platinum**

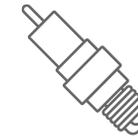
**2**

## RISING DEMAND FOR ALL PGMS

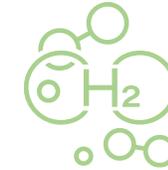
- Autocatalysts: Less economic incentive to substitute platinum for palladium in new vehicles
- Increasing confidence in hydrogen's role in decarbonising our world.
- FCEV is finding traction



## PGM USE IN VEHICLES



Autocatalysts in Internal Combustion Engine ("ICE") (**Palladium, Platinum and Rhodium** still the biggest driver)

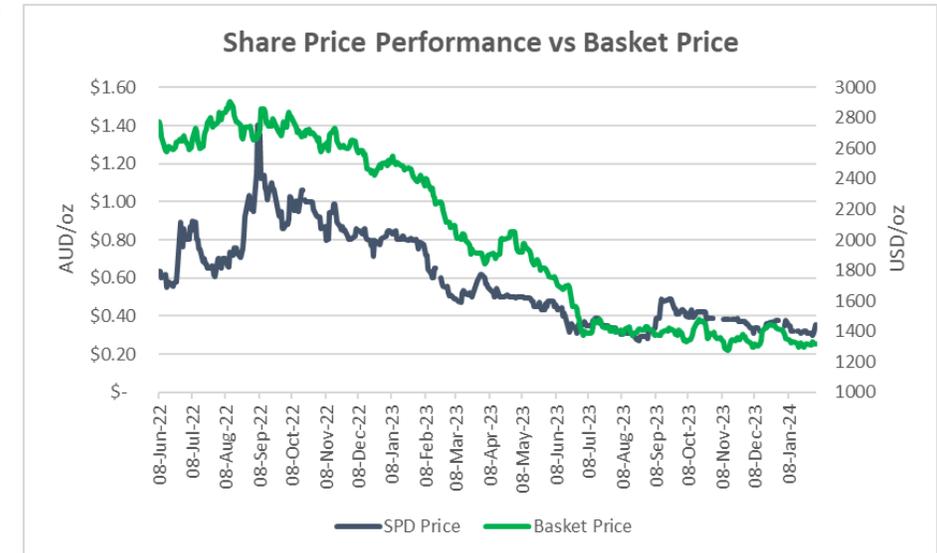


**Green hydrogen Production (PEM)**  
(**Platinum and Iridium**)



**Fuel cells**  
(**Platinum**)

## 1 APPLICATION



# INVESTMENT SUMMARY

	<b>LOCATION</b>	<ul style="list-style-type: none"><li>• The right address amongst Tier 1 operations</li><li>• Excellent access to infrastructure</li></ul>
	<b>UNLOCKING POTENTIAL</b>	<ul style="list-style-type: none"><li>• Scoping Study outlines significant upside</li><li>• Focus is now to improve knowledge of the Northern Horst Block</li></ul>
	<b>GREEN ECONOMY</b>	<ul style="list-style-type: none"><li>• Global carbon reduction and ICE emission control has stimulated renewed interest in PGMs</li></ul>
	<b>MANAGEMENT TEAM</b>	<ul style="list-style-type: none"><li>• Management team with an outstanding track record in PGMs, South Africa, mine project development and mining experience</li></ul>
	<b>RAPID ADVANCEMENT</b>	<ul style="list-style-type: none"><li>• Resource upgrade and Scoping Study completed on time</li><li>• Independently reviewed pre-feasibility by 2<sup>nd</sup> Half of 2024</li><li>• Financial advisors appointed to evaluate funding options</li></ul>
	<b>ATTRACTIVE VALUE</b>	<ul style="list-style-type: none"><li>• Project appears to be very robust.</li><li>• Very inexpensive EV/resource oz.</li><li>• Undervalued Tier 1 PGM opportunity</li></ul>

