



**BENGWENYAMA**

**Buhlebetfu**

**Bohwabarena**

# OUR TREASURE NEWSLETTER

## YEAR IN REVIEW KEY POINTS



Overview of the past six months



Update on our community and stakeholder engagement forums



A chance of a lifetime for young Geologist



Local businesses benefit from Southern Palladium exploration



Operational update



## OVERVIEW OF THE PAST 6 MONTHS

Message from Johan Odendaal, Managing Director of Southern Palladium

**Southern Palladium Limited ("Southern Palladium") is currently developing the Bengwenyama Platinum Group Metals Project, located near Steelpoort on the Eastern Limb of the Bushveld Complex in South Africa**

Miracle Upon Miracle Investments (Pty) Ltd ("MUM") holds the prospecting rights for the exploration of two farms, namely Eerstegeluk and Nooitverwacht. The Bengwenyama community, holds its interest in the project through its 100% shareholding in Nurinox Investments (Pty) Ltd.

To facilitate the exploration of the farms, a share exchange took place in early 2022. As a result, 70% of the shares in MUM, including some of the Nurinox shares, were exchanged for shares in a newly established company called Southern Palladium. This arrangement ensures that Nurinox now holds shares in both MUM and Southern Palladium.

Southern Palladium is listed on the Australian and Johannesburg Stock Exchanges. The purpose of the listing was to raise initial capital for the completion of a drill program up to the pre-feasibility level and to secure a mining right. Additional capital will be raised in the future to carry out final feasibility studies and construct the mine.

The Bengwenyama project represents one of the last remaining large, shallow deposits along the Eastern Limb of the Bushveld Complex available for development. Southern Palladium is currently exploring two reefs, namely the UG2 and

Merensky reefs. These shallow orebodies have the potential to be accessed through shallow underground mining operations. The orebody contains six Platinum-Group Metals ("PGMS"), which include Platinum, Palladium, Rhodium, Iridium, Osmium, and Ruthenium, along with other metals such as Gold, Nickel, Copper, and Chrome. Notably, Platinum, Palladium, and Rhodium are widely used in catalytic converters, contributing to the reduction of pollutants in vehicle emissions. The company is in the process of conducting drill tests to evaluate the quality and quantity of the ore. Since August 2022, drilling activities have been ongoing, with over 13,000 metres drilled thus far. The focus has been on upgrading the geological model and enhancing our understanding of the orebody. Ultimately, the company's operations will revolve around mining and processing.

Southern Palladium places significant importance on close collaboration with local communities to ensure sustainable operations and to deliver economic benefits to the region. The Bengwenyama Traditional Council, responsible for community affairs, along with the directors of Nurinox, consistently hold meetings in villages within the lease area and neighbouring farms. The purpose of these meetings is to inform the community about exploration activities and dispel any misinformation that may arise.

Despite being in the exploration phase, several tenders have already been awarded since the start of drilling. Additionally, the company provides compensation to individual households affected by drilling activities conducted in close proximity to their homes. Recently, a working group composed of 14 representatives

from seven villages was elected to assist with a survey, involving data collection for the Social and Development Plan and Upliftment Programme. This initiative helps the company gain a better understanding of the community's composition, as well as the businesses operating on the farms and in the surrounding areas.

In early April, management conducted an onsite inspection in collaboration with the Department of Mineral Resources and Energy (DMRE), which was successfully completed. The DMRE commended the company for its close consultation with the Bengwenyama community in managing the drilling program.

I would like to extend my heartfelt gratitude to the Bengwenyama community for their unwavering support throughout the past six months. Your dedication and commitment have been instrumental in our progress thus far, and we deeply appreciate the trust you have placed in us.

As we move forward, I am filled with anticipation for the successful execution of the planned activities for the remainder of the year. Your support and involvement are vital to the continued growth and success of the Bengwenyama Platinum Group Metals Project. Together, we will work towards sustainable operations, economic benefits for the region, and a mutually beneficial partnership.

Once again, thank you for your ongoing support, and I look forward to our collective achievements in the future.

**Johan Odendaal**

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## BENGWENYAMA PROJECT UPDATES



13,000 metres drilled across 47 drillholes



34% increase in Indicated and Inferred Resource since drilling activities started



Bengwenyama community significant shareholder in project



Survey underway for Social and Development Plan and Upliftment Programme



The Bengwenyama project represents one of the last remaining large, relatively shallow deposits along the Eastern Limb of the Bushveld Complex available for development

# UPDATE ON OUR COMMUNITY AND STAKEHOLDER ENGAGEMENT FORUMS



During the quarterly sectional community meetings, held in late June 2023 and early July 2023, the Nurinox team participated in various meetings with our key communities, where the team presented an update on the Bengwenyama project.

**The first meeting was held on 3 June 2023 in the community of Garapola.**

The team gave an update on the project and reminded community members that MUM/ Southern Palladium will meet with them every quarter to give an update on the Bengwenyama project and to listen to their concerns. The team also informed the community that the company is currently working on compiling a Social Upliftment Development Plan for the intended mining right application. Community members expressed their gratitude to the team for the project update and highlighted the challenge of unemployment within the community.

**The following day, 4 June 2023, the team met with the members of the Maelebe village.**

The chairperson of the meeting, Mr BJ Nkosi, expressed his gratitude to various members of the community for supporting the success of the project and encouraged them to support their community projects using the slogan "YES WE CAN", which was adopted in February 2022. The community members went on to condemn any stoppage of the Bengwenyama project and stressed that if community members have grievances, they should share them with the relevant people.

**On the same day, at 16:00, the team met with the Mahlakwaena community.**

A project update was presented, and the community members indicated that they require training and skills that can be used when the mining project begins, along with the community hall challenge. Mr V Nkosi, a representative of a Small and Medium sized Enterprise (SME) from the community, requested that the team have a procurement programme that will assist the local emerging SMEs to prepare for the construction of the project.

**The fourth meeting was held on 10 June 2023, in the township of Ga Mapodile.**

The team presented a progress report on the project and touched on the new ways the company plans to communicate with the Bengwenyama community by way of Facebook and this newsletter. Community members expressed their gratitude for the update and their support of the project and its success.

**On 14 June 2023, the team met with the Soupiane (Lelo) community.**

The team shared the project update and addressed the ways the company will communicate which include Facebook and this newsletter. The community welcomed the decision by the board to have a notice board in the village and raised the challenge of job security.

**On the same day, at 16:00, the team met with the members of Stocking village.**

The team presented the project progress report and the new way of communication. Community members expressed their gratitude for the update and encouraged the team to ensure that the project is a success for community members to benefit. The community also raised the issues of access to water and roads.

**On 2 July 2023, the team met with the members of Molawetsi village.**

The team presented the progress report and the new means of communication. Community members expressed their gratitude for the presentation and one of the local SMEs proposed the availability of transport for the GEOMECH employees to different sites.

**On the same day, at 10:00, a stakeholder engagement meeting, which included the royal family, the traditional council and the ward management team, was held.**

The purpose of the meeting was for stakeholders to submit inputs for consideration for the Social Upliftment Development Plan.



## Questions asked to develop the Social Upliftment Development Plan



What are the areas or systems of support that the community is lacking the most? This can be infrastructure, services, training, access to supplies/services, etc.



What areas do you think, with improvement, the community will benefit the most from? Please elaborate on how the community could benefit from these areas.



Are there particular ideas that you recommend for investigation? These can be big or small.

# COMMUNITY PROJECTS



## A chance of a lifetime for young geologist

**Bachelor of Sciences graduate, Lerato Mahlare was not expecting to get a job so soon after graduating, given South Africa's high youth unemployment and the struggle many find to secure their first employment.**

After concluding his studies in Geology and Environmental Management from the University of Johannesburg, he spent a few months applying for jobs at several mining companies with little success. A member of the community in Eerstegeluk alerted him to an opportunity which they saw on a community forum, for a Junior Geologist for the Southern Palladium Bengwenyama exploration project.

*"I saw this position and immediately thought I would not get in, but I applied anyway. Most companies required some level of experience, which is something I did not have as I was fresh out of school. To my surprise they called me for an interview," says Lerato.*

Southern Palladium is undertaking a two-year exploration programme targeting the delivery of a pre-feasibility study for a potential new mine. A position for a junior geologist became available at its Bengwenyama project, which is located on the eastern limb of the Bushveld Complex. After a rigorous interview process, he got the job.

*"When I got a call, it felt surreal. I feel very blessed that I was given this opportunity to be part of a project of this nature," he said.*

Project Geologist, Sherlock Rathogwa, who is one of the senior geologists on the project and his supervisor, was pleased that they managed to find someone from the local community.

*"As part of our community development mandate, it was important for us that we choose someone from our host communities. We were lucky that we not only found someone local, but also someone who is hard working, shows initiative and is a team player," he added.*

Lerato's responsibilities have grown from assisting senior geologists to having

responsibilities of his own. This has made him feel proud to be a part of the community of geologists in the country and he has high hopes for the future.

*"I hope that I can grow as much as I can from this project. I hope to become one of the senior geologists who was involved in the project from the beginning."*



## Grade 12 Math and Science learners visit drilling project at Khomanani

**Southern Palladium and MUM hosted Grade 12 Maths and Science learners, from the local school Kgahlanong Secondary, for a visit to the drilling project at Khomanani site office.**

They were accompanied by a schoolteacher and the School Governing Body. The visit included a presentation on careers in mining by Site Manager Daniel Nkosi, Lovemore Freddie Mauleli (Geologist), Sherlock Rathogwa (Geologist) and a Geometech official, Masibulele Kama.

They proceeded to the core yard and took the learners through the processes of core cutting. They also visited the site where they had an opportunity to witness the rig drilling process. The learners enjoyed the walkabout and learned a lot.

As a token of appreciation for honouring the visit, the learners were each given a Southern Palladium notebook and pens.



## Local businesses benefit from Southern Palladium exploration

**The Bengwenyama project opened new business opportunities for local entrepreneurs and SMMEs in the community and surrounding areas.**

An old, dilapidated building in Eerstegeluk needed to be renovated to enable contract workers at the drill site to be accommodated. The building was previously used as a community centre which had over the years fallen into disuse due to vandalism.

The building renovation included fixing the broken fence surrounding the building, installing a water reticulation system, providing electrification, security services, TLB, sanitation services, diesel and mobile toilets. Community members were alerted to the opportunities through community notice boards where interested parties were encouraged to apply. In keeping with Southern Palladium's mandate to empower the local economy, preference was given to local entrepreneurs and businesses.

*"Generally, it is our standard practice to start locally and if we don't find a business which meets the requirements, we open it up to adjacent communities. Our mandate is to always uplift the community we operate in and to ensure that local businesses are supported," says Executive Director, Site and Community Manager for MUM, Daniel Nkosi.*

The building has since been fully renovated and comprises accommodation rooms, a kitchen, offices and a boardroom. Workers are also able to safely go about their daily activities following the installation of new fencing and security.



**Fencing**  
Tshaba Di maketse co-owned by Regina Maite Ngele from Eerstegeluk (Tukakgomo section)



**Electrification and water reticulation**  
Mkhongose owned by Liefie (Levy) Mndebele from Nooitverwacht



**Security**  
Bapedi Security, owned by Peter Mamogale from Eerstegeluk (Gamapodile section)



**TLB**  
Sehumi Setoko (Pty) Ltd, owned by Ronnie Lesenya



**Mobile Toilets**  
Matlatametse, owned by Pearl Makgoga



**Sanitation services**  
Tshaba Di Maketse



**Diesel**  
Tubatsana Diesel depot, owned by Agnes Mojalefa

# OPERATIONAL UPDATE



The current drilling program is aimed at understanding the orebody better and gathering sufficient information to complete a pre-feasibility study.

Our drilling activities have been focused on the UG2 reef in the eastern portion of Eerstegeluk, which is closest to the Steelpoort river. Progress has been satisfactory, with all five drill rigs currently operating within this area. To date, Geomech, the drilling contractor, has drilled over 13,000 metres across 47 drillholes. This ongoing drilling has significantly improved our understanding of the orebody's grades and depths.

As a result of the continuous drilling, the total mineral resource for the project has increased from a 3PGE+Au Inferred Resource of 18.80 million ounces (Moz) to a 6PGE+Au Indicated and Inferred Resource of 25.12 Moz. This represents a 34% increase since drilling activities commenced. Combined PGE Mineral Resource now totals 25.1Moz (7E basis)<sup>1</sup>.

In the western portion of Eerstegeluk, closer to the border with the Nootverwacht farm, there is limited information available on the geological structures. Therefore, it is crucial for us to enhance our understanding of the geology in this area. Consultations with individual households are nearing completion, and drilling towards the west is planned to commence in early August.

Metallurgical test work specific to the UG2 reef is currently underway. Previous assessments of metallurgical and process recoveries were based on the similarities observed between the mineralisation in our project and that of nearby operating mines to the north and south of the Bengwenyama Project.

Geotechnical studies have also started, and they will provide the necessary foundation for detailed mine designs and planning, ensuring the overall success of the project.

<sup>1</sup> ASX: SPD and JSE:SDL announcement dated 10 July 2023 "Bengwenyama drilling and PFS progress update: Combined PGE Mineral Resource now totals 25.1Moz (7E basis). [https://www.sharenet.co.za/v3/sens\\_display.php?date=20230710095600&seq=9](https://www.sharenet.co.za/v3/sens_display.php?date=20230710095600&seq=9)

