10 August 2026

Mining Right Granted for Southern Palladium's Bengwenyama World-class PGM-Chrome Project

Highlights:

- **The granting of the Mining Right by the South African Department of Mineral and Petroleum Resources (DMPR) marks the achievement of a substantial regulatory milestone in the development of Southern Palladium's world-class tier-1 Bengwenyama Platinum Group Metals (PGM)-chrome Project.**
- **The Mining Right is granted for an initial period of 30-years after which the Company is entitled to apply for a renewal.**
- **The DMPR's grant of the Mining Right reflects government confidence in the Bengwenyama Project and recognises Southern Palladium's commitment to a rigorous and transparent approval process. The Company remains focused on developing the project in line with leading standards of safety, corporate governance, community engagement and operational excellence.**
- **Recent Definitive Feasibility Study (DFS) metallurgical results have reinforced Bengwenyama's position as a world-class tier 1 PGM project, with the added benefit of significant high-grade chrome co-production. At full steady state stage 2 production, the Bengwenyama Project will produce over 400 koz of PGMs and 1 million tons of high-grade chrome concentrate per annum.**
- **The Mining Right grant opens the way for Southern Palladium, in conjunction with its partners, the Bengwenyama Community, to proceed to mine development at the Bengwenyama Project.**
- **The Board has approved the commencement of early box-cut and decline development before the end of 2026, subject to completion of the relevant waste management and water use permitting processes.**
- **The DFS works program is now expected to be delivered in the first quarter of 2027. This revised timetable reflects a one quarter extension to ensure that the significant value arising from the excellent metallurgical test results is fully incorporated into the DFS plant design and optimisation work.**
- **Project execution and operational readiness planning are supported by the building of Southern Palladium's internal owners' team, with an experienced Project Director Mr Michiel Breed and underground PGM Mining Manager Mr France Modau already appointed and leading preparations for project execution.**

Southern Palladium Limited (ASX:SPD and JSE:SDL) ('Southern Palladium' or 'the Company') is pleased to confirm that its Mining Right application for the Bengwenyama Platinum Group Metals (PGM) project has been formally granted by the South African Department of Mineral and Petroleum Resources (DMPR).

The grant of the Mining Right marks the completion of a comprehensive regulatory engagement process between the Company and the DMPR following the lodgement and acceptance of the Mining Right application in October 2023 (*refer ASX Announcement 2 October 2023*).

The Company has also worked tirelessly, cooperatively and constructively with the Bengwenyama Community and is grateful for their collaboration, support and commitment during the process and for their on-going support for what will potentially be the next major world-class, tier-1 PGM-chrome project located in South Africa's Bushveld complex.

Southern Palladium is now well positioned to accelerate multiple workstreams to support the finalisation of the DFS, which is scheduled to be published Q1 2027. The Company is confident the DFS will add materially to the Project's value.

Managing Director, Johan Odendaal, commented: *"Securing the Bengwenyama Mining Right is a pivotal catalyst for driving the Bengwenyama Project from studies to execution. With the Mining Right in hand, we can continue to progress the DFS completion, fast-track the project execution plan and operational readiness activities, to mobilise contractors for decline and box-cut works and start early works at the Project. The significant improvement in our metallurgical results recently announced, including the step-change in chromite recoveries and the inclusion of a dense media separation (DMS) component in the plant, combined with our mine design optimisations, means the team can confidently convert technical outcomes into constructible workstreams and turn-key schedules. The Mining Right materially de-risks the pathway to early development."*

Executive Chairman, Roger Baxter added: *"The grant of the Mining Right is the result of constructive and sustained engagement with the DMPR leadership and regulators and the Bengwenyama Community and demonstrates the strength of government support and our social licence to operate. The Project's location in the Bushveld Complex, the premier PGM jurisdiction globally, gives the Bengwenyama Project compelling geological, processing, smelting, refining and infrastructure advantages. With global demand for PGMs remaining firm, driven by multiple, large-scale industrial sectors and emerging technologies such as hard drive storage devices that use PGMs, and ongoing supportive fundamentals, the Project is exceptionally well-positioned to deliver strategic, long-term value for stakeholders while continuing to prioritise responsible development and meaningful benefits for our partners, the Bengwenyama Community as well as the broader region."*

Mining Right details

The Mining Right application was granted by the DMPR on 7 August 2026 in accordance with Section 23(1) of the Minerals and Petroleum Resources Development Act, 2002 and is granted for an initial period of 30-years after which the Company is entitled to apply for a renewal.

The Mining Right permits the mining and extraction of PGMs, Gold, Copper, Chrome, Cobalt, Silver and Nickel over the full extent of the Bengwenyama Project, comprising the farms Nooitverwacht 324 KT and Eerstegeluk 327 KT located in the Limpopo Province of South Africa. The Mining Right covers a total area of 5,280 ha.

The Project is 100% held by Miracle Upon Miracle Investments (Pty) Ltd (MUM), in which Southern Palladium holds a 70% ownership interest and the Bengwenyama Traditional Council on behalf of the Bengwenyama Community holds a 30% ownership interest. The Bengwenyama Traditional Council also owns a 5.7% ownership interest indirectly in Southern Palladium through the Community investment vehicle Nurinox (Pty) Ltd.

The granting of the Mining Right was preceded by several recent regulatory milestones, including the grant of the Environmental Authorisation in June 2025 (with reference to the National Environmental Management Act, 1998 (*refer ASX Announcement 2 July 2025*).

Southern Palladium also lodged its Environmental Guarantee with the DMPR as part of the Project's development requirements. This guarantee is specifically intended to ensure that funds are available for the future rehabilitation and restoration of any areas disturbed by MUM's mining activities (*refer ASX Announcement 7 October 2025*).

The completion of an optimised Pre-Feasibility Study in July 2025 delivered an estimated after-tax NPV US$857m with a material reduction in peak-funding requirement through a staged development approach (*refer ASX Announcement 10 July 2025*). The Company confirms that all the material assumptions underpinning this NPV continue to apply and have not materially changed.

Due to the excellent metallurgical results which have nearly trebled chrome recoveries, the board has agreed to take additional time to finalise the DFS to ensure the processing plant design captures the extra value created. Given the Company's fundamental value of zero harm and safe working practices, some 29 days of drilling activity were lost in the first half of 2026 due to the unseasonably heavy rains in the Limpopo area. The DFS works programme is progressing smoothly and is now expected to be completed in the first quarter of 2027. The Company is finishing additional detailed geotechnical and infill drill programme (*refer ASX Announcement 2 September 2025*) designed to assist in the optimisation of mine development and processing development planning.

The company has also continued to build the capability of its owner's team with the appointment of a very experienced Project Director, Mr Michiel Breed, who joins with effect from 1 September 2026 and a seasoned underground Mining Manager, Mr France Modau, who joined in June 2026.

Mr Breed, who has over 20-years of mining and project management experience, is a qualified Mining Engineer, B.Eng (Mining Engineering) and Project Manager, M.Eng (Project Management) both from the University of Pretoria. Over the past several years Mr Breed successfully led the management and construction of a large box-cut and decline development at a substantial coal operation in Mpumalanga for a substantial coal mining company.

Mr Modau is a qualified Mining Engineer (Bsc Mining Engineering from the University of the Witwatersrand) and Section Manager (2.6.1) with 12 years of PGM mine management experience. He distinguished himself in his last role of transforming a loss-making operation into a profitable enterprise for the first time in its history during his tenure at a substantial PGM mining company.

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