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

RESULTS ANNOUNCEMENT: FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2026

Shareholders of Southern Palladium Limited (**ASX:SPD**/**JSE:SDL**)(**Southern Palladium** or **the Company**) are advised that Southern Palladium has today published its Financial Report for the year ended 30 June 2026.

The Financial Report can be accessed on the Company's website, www.southernpalladium.com and on the JSE cloudlink https://senspdf.jse.co.za/documents/2026/jse/isse/sdle/ye26.pdf .

As previously advised, the Company's Annual General Meeting will be held on Monday, 30 November 2026.

The Company anticipates that it will release its Annual Report on or about Wednesday, 28 October 2026.

A summary of key corporate and operational highlights for the year are provided below:

HIGHLIGHTS:

- Operating loss from operations for the year increased to A$10,466,226 (30 June 2025: loss of A$4,779,488)
- Basic loss per share increased by 67.92% to A$0.089 (30 June 2025: loss of A$0.053)
- Headline loss per share increased by 67.92% to A$0.089 (30 June 2025: loss of A$0.053)

COMMENTARY:

During the financial year, the Company's primary focus was the advancement of its 70% interest in the Bengwenyama Platinum Group Metals Project (the Project), located on the Eastern Limb of the Bushveld Complex in South Africa. The Company successfully completed the Pre-Feasibility Study and has now progressed into the Definitive Feasibility Study phase.

RESULTS ANNOUNCEMENT:

This results announcement is the responsibility of the directors and is only a summary of the information in the Financial Report.

Any investment decisions by investors and/or shareholders should be based on a consideration of the Financial Report as a whole (which includes the auditor's report prepared by BDO Audit Pty Ltd (BDO Audit), who expressed an unmodified audit opinion) and investors and shareholders are encouraged to review the Financial Report, which is available as detailed herein. Copies of the Financial Report may also be requested from the Company via email at andrew.cooke@southernpalladium.com or from the Sponsor at sponsorteam@merchantec.com, at no charge.

For and on behalf of the Board

Roger Baxter
Executive Chairman

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28 September 2026

JSE Sponsor
Merchantec Capital

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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LinkedIn

Company website

Southern Palladium Limited

A.B.N 59 646 391 899

FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

Southern Palladium Limited
ABN 59 646 391 899
and Controlled Entities

Directors	Roger Baxter Johan Odendaal Daniel Van Heerden Lindi Nkosi-Thomas Mike Stirzaker Robert Thomson
Company Secretary	Andrew Cooke
Registered & Principal Office	Level 1, 283 George Street, Sydney NSW 2000 Australia
Contact Information	info@southernpalladium.com
Share Registry	Computershare Investor Services Pty Limited Level 3, 60 Carrington Street Sydney NSW 2000 Australia
Auditor	BDO Audit Pty Ltd Level 9, Mia Yellagonga Tower 2 5 Spring Street, Perth WA 6000, Australia
Bankers	Commonwealth Bank Australia Commonwealth Bank Place South, Level 1, 11 Harbour Street, Sydney, NSW 2000, Australia
Stock Exchange Listing	Southern Palladium Limited shares are dual listed with a primary listing on the Australian Securities Exchange (ASX code: SPD) and a secondary listing on the Johannesburg Stock Exchange (JSE code: SDL)
Website	www.southernpalladium.com
Corporate Governance Statement	www.southernpalladium.com/site/about/corporate-governance

DIRECTORS REPORT

The directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of Southern Palladium Limited (referred to hereafter as the Company) and the entities it controlled at the end of, or during, the year ended 30 June 2026.

BOARD OF DIRECTORS

The names and positions of the directors of the Company in office during the financial year and until the date of this report are set out below. Directors who were in office for this entire period unless otherwise stated, are:

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

PRINCIPAL ACTIVITIES

During the financial year the principal activity of the Company was the advancement of its Bengwenyama Platinum Group Metal (PGM) project in South Africa. The Company successfully completed the Pre-Feasibility Study and has now progressed into the Definitive Feasibility Study phase.

FINANCIAL PERFORMANCE

The Group's net loss from operations for the year was $10,466,226 (2025: $4,779,488)

At 30 June 2026, the Group had net working capital of $23,659,661 (2025: $9,273,507).

The Directors believe there are sufficient funds to meet the Group's working capital requirements and as at the date of this report the Group believes it can meet all liabilities as and when they fall due.

This report is prepared on the going concern basis which assumes the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

DIVIDENDS

No dividends have been paid or declared since the start of the financial year. The directors do not recommend the payment of a dividend in respect of the year ended 30 June 2026.

REVIEW OF OPERATIONS

The Company's primary focus during the financial year was the ongoing advancement of its development programme at the Bengwenyama PGM project. 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 holds a 70% interest in Miracle Upon Miracle Investments (Pty) Ltd (MUM), which owns 100% of the Project. The remaining 30% interest in MUM is held by the Bengwenyama Traditional Council on behalf of the Bengwenyama Community. The Community also holds an indirect interest in Southern Palladium through its investment vehicle, Nurinox Investments (Pty) Ltd.

MUM's tenement area stretches over two farming areas:

(a) the Farm Eerstegeluk 327KT (previously known as Eerstegeluk 322KT); and
(b) the Farm Nooitverwacht 324KT;
measuring 5,280 ha in extent and located in the Magisterial District of Sekhukhune, Limpopo Province, Republic of South Africa.

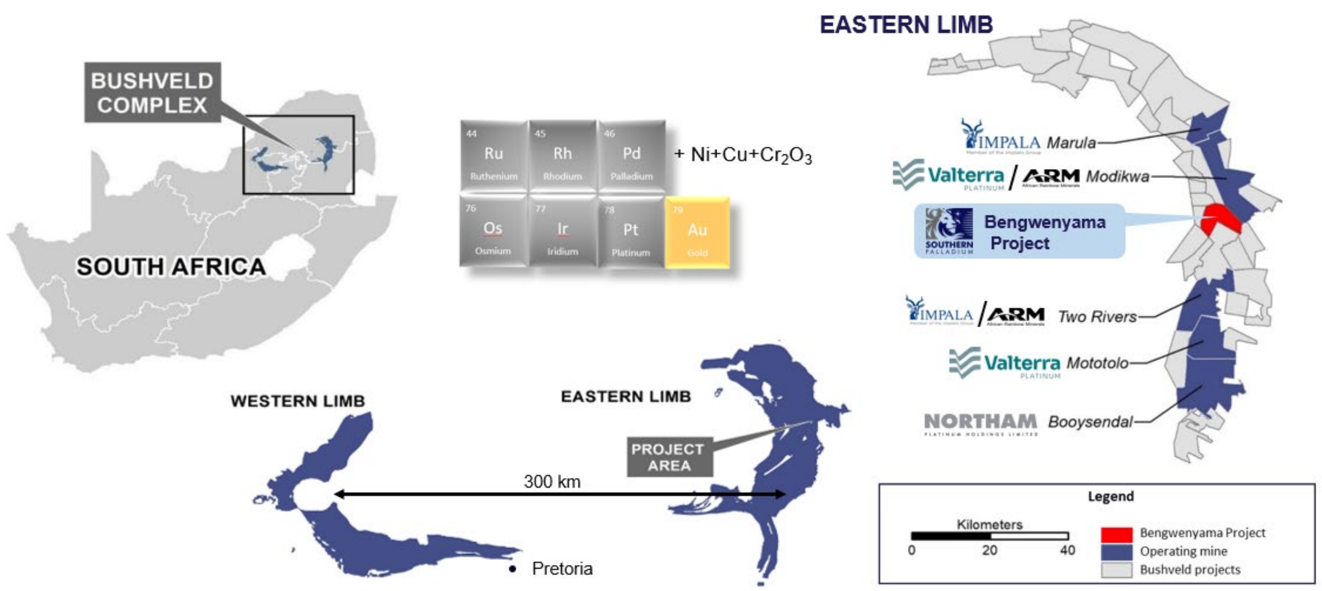
BENGWENYAMA PGM PROJECT

The Bengwenyama PGM-Chrome Project is situated on the Eastern Limb of South Africa's Bushveld Complex, which hosts approximately 83% of the world's known platinum group metal reserves. The Project covers approximately 5,280 hectares across the farms Eerstegeluk 327 KT and Nooitverwacht 324 KT in Limpopo Province.

The Project contains two regionally continuous and economically significant reefs, the UG2 Reef and the Merensky Reef. These reefs extend from approximately 50 metres below surface to depths of approximately 1,100 metres over a downdip extent of approximately 10 kilometres. The Company's current development strategy is focused on the high-grade UG2 Reef, which also contains significant quantities of recoverable chromite.

Bengwenyama benefits from its location within an established mining region, with access to existing power, water, road, processing, smelting and refining infrastructure, as well as an experienced regional mining workforce and established service providers.

Figure 1: Bengwenyama Project Location



During the year, Southern Palladium advanced the Project through the Definitive Feasibility Study (DFS), including resource, metallurgical and geotechnical drilling; mine design optimisation; processing test work; infrastructure engineering; environmental approval updates; and early development planning.

Mine design work focused on simplifying the underground layout and reducing development requirements. The initial reef intersection was repositioned at approximately 80 to 85 metres below surface to avoid oxidised near-surface ore and improve the consistency of early PGM and chromite recoveries.

Early development planning progressed in parallel with the DFS. Requests for quotation were issued for the proposed South Decline box-cut and decline development, and planning advanced across contractor mobilisation, explosives licensing, security, operating procedures, workforce requirements and the transition from the study team to an owner's project and operational team.

Surface geotechnical drilling and test-pitting were completed across the proposed South Decline, North Decline and processing plant areas. These investigations provided inputs into civil designs, infrastructure layouts and final decline positioning. An independent peer review by experienced mining professionals also assessed the mine design, decline strategy and principal execution assumptions.

The Environmental Guarantee required in connection with future rehabilitation obligations was lodged with the Department of Mineral and Petroleum Resources (DMPR) in October 2025. Throughout the reporting period, the Company continued its engagement with the DMPR regarding the Mining Right application and progressed the operating approvals required for early development.

SUBSEQUENT EVENT – MINING RIGHT GRANTED

On 7 August 2026, the DMPR formally granted the Bengwenyama Mining Right for an initial period of 30 years, after which MUM will be entitled to apply for renewal.

The Mining Right permits the extraction of platinum group metals, gold, chrome, copper, cobalt, silver and nickel over the full Project area. Its grant represents a major regulatory milestone and materially de-risks the Project's transition from feasibility studies to mine development.

Following the grant, the Board approved the planned commencement of early box-cut and decline development, subject to receipt of the remaining waste management, water use and operating approvals.

During the year, the Company continued building the internal owner's team required for project execution and operational readiness. This included appointments across project management, underground mining, commercial and technical disciplines. Subsequent to year-end, experienced Project Director Michiel Breed was appointed to lead project execution, supported by Mining Manager France Modau.

RESOURCES AND RESERVES

The Bengwenyama Mineral Resource remains one of the largest undeveloped high-grade PGM resources on the Eastern Limb of the Bushveld Complex.

The combined Mineral Resource for the UG2 and Merensky reefs, as announced on 23 October 2024, totals 40.25 million ounces of 7E and 4E PGMs. The estimate incorporates Measured, Indicated and Inferred Mineral Resources and is reported in accordance with the JORC Code (2012).

The UG2 Reef contains a Measured and Indicated Mineral Resource of 25.69 million tonnes, containing 8.17 million ounces of 7E PGMs. This includes a Measured Mineral Resource of 7.17 million tonnes at 10.00 g/t 7E, containing 2.30 million ounces. Measured Mineral Resources therefore represent approximately 28% of the UG2 Measured and Indicated resource ounces.

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

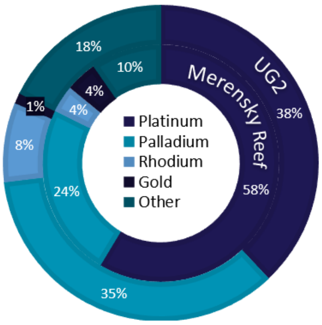
Reef	Resource Category	Tonnes	Thickness	Pt	Pd	Rh	Au	Ir	Os	Ru	4E	7E	Cu	Ni	Moz (4E)	Moz (7E)	Total Moz[1]
		Mt	(m)	(g/t)									(%)				
Merensky	Indicated	25.11	2.02	1.62	0.64	0.10	0.12	0.03	0.03	0.21	2.49	2.76	0.04	0.12	2.01	2.23	2.23
Merensky	Inferred (7E)	62.54	1.81	2.09	0.86	0.14	0.18	0.04	0.04	0.26	3.22	3.55	0.05	0.14	6.47	7.13	7.13
Merensky	**Total (7E)**	**87.66**	**1.87**	**1.96**	**0.80**	**0.13**	**0.16**	**0.04**	**0.04**	**0.24**	**3.01**	**3.32**	**0.04**	**0.13**	**8.48**	**9.36**	**9.36**
Merensky	Inferred (4E)	59.44	1.96	2.01	0.93	0.10	0.17				3.18				6.08		6.08
Merensky	**Total (4E)**	**147.10**	**1.90**	**1.98**	**0.85**	**0.11**	**0.17**				**3.08**				**14.56**		**15.44**
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
UG2	**Total (7E)**	**58.70**	**0.71**	**3.67**	**3.57**	**0.76**	**0.11**	**0.26**	**0.17**	**1.23**	**8.12**	**9.78**	**0.04**	**0.17**	**15.33**	**18.46**	**18.46**
UG2	Inferred (4E)	36.12	1.30	3.00	2.01	0.44	0.07				5.47				6.35		6.35
UG2	**Total (4E)**	**94.82**	**0.93**	**3.42**	**2.98**	**0.64**	**0.10**				**7.11**				**21.68**		**24.81**
Combined Total (7E)		**146.35**	**1.40**	**2.64**	**1.91**	**0.38**	**0.14**	**0.13**	**0.09**	**0.64**	**5.06**	**5.91**	**0.04**	**0.14**	**23.81**	**27.82**	
Combined Total (4E)		**241.92**	**1.52**	**2.54**	**1.68**	**0.32**	**0.14**				**4.66**				**36.24**		
Combined Total (7E&4E)[1]																	**40.25**

Note:

1. 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.
2. All elements have been estimated individually, and their combined grade will vary slightly from the estimated composite 4E and 7E modelled grades.

Several historical drillholes in the Nooitverwacht Extension area were not assayed for the minor PGEs. Consequently, a 7E Mineral Resource cannot presently be stated for that portion of the Inferred Mineral Resource, although the 4E ounces contribute to the combined Mineral Resource total. The maiden Ore Reserve, announced in October 2024, comprises Measured and Indicated Mineral Resources from the UG2 Reef converted to a Probable Ore Reserve after applying a defined set of realistically assumed Modifying Factors.

Figure 2: Merensky and UG2 Reef Prill Split



No Inferred Mineral Resources have been included in the Ore Reserve. The Ore Reserve was estimated using a long-term 6E basket price, before payabilities, of US$1,557 per ounce.

The Phase 2 drilling programme undertaken during the year was designed to increase confidence in the early mining areas and provide additional geological, geotechnical and metallurgical information for the DFS.

Table 2: Probable Reserve Estimation as at 28 October 2024 (UG2 reef)

Ore Reserve Category	Tonnes	Pt	Pd	Rh	Au	Ir	Os	Ru	4E	6E	Cu	Ni	Cr_2O_3	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
Total	**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**

Drilling continued to confirm the position, continuity and quality of the UG2 Reef and supported the existing geological interpretation. Unseasonably heavy rainfall resulted in 29 drilling days being lost during the first half of 2026. Additional geotechnical and infill drilling continued after year-end to support final mine development and processing design.

There was no change to the reported Mineral Resource or Ore Reserve during the year. The Mineral Resource and Ore Reserve estimates will be reviewed as part of the completion and independent assessment of the DFS.

The information in Tables 1 and 2 above is extracted from the following ASX announcements:

- Bengwenyama Mineral Resource Update: Total (UG2 & MR) Mineral Resource now 40.25Moz Merensky Reef Indicated Resource +17% to 2.23Moz (7E) dated 23 October 2024; and
- Prefeasibility Study Results: Project NPV8 of USD1.059bn Maiden JORC Ore Reserve of 6.29 million oz @ 6.17g/t PGM (6E) dated 28 October 2024

both of which are available to view on the Company's website. 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.

PROJECT STUDIES

Prefeasibility Studies

The October 2024 Pre-Feasibility Study contemplated the development of a 2.4 Mtpa underground operation through the simultaneous development of the North and South declines.

The Optimised Pre-Feasibility Study (OPFS), completed in July 2025, introduced a staged development strategy designed to lower the initial capital requirement and improve project fundability. Stage 1 comprises development of the South Decline and production of approximately 1.2 Mtpa. Stage 2 adds the North Decline and expands production to approximately 2.4 Mtpa.
The OPFS estimated an after-tax project NPV_8 of US$857 million and an internal rate of return of 26.4%, on a 100% project basis. Peak funding was estimated at US$279 million, representing a reduction of approximately US$173 million, or 38%, from the original PFS. Stage 2 expansion capital is intended to be funded substantially from Stage 1 operating cash flows.

Stage 1 is designed as an economically viable standalone operation producing more than 200,000 PGM ounces annually. The addition of Stage 2 is expected to increase annual PGM production to more than 400,000 ounces while delivering improved economies of scale.

Definitive Feasibility Study

The DFS progressed across multiple technical disciplines during the year, including:

- Mineral Resource, metallurgical and geotechnical drilling;
- underground mine design and scheduling;
- processing flowsheet optimisation;
- surface infrastructure and civil engineering;
- power and water supply planning;
- tailings and waste management;
- environmental and operating approvals;
- processing and offtake assessments;
- project execution planning; and
- operational readiness.

The principal value enhancement identified during the year arose from the metallurgical optimisation programme. Test work demonstrated that Bengwenyama ore responds well to a conventional processing flowsheet incorporating dense media separation (DMS), a coarser primary grind, interstage chromite recovery and staged PGM flotation.

Figure 3: Bengwenyama - Eerstegeluk - Project Area looking South

The selected primary grind of approximately 30% passing 75 microns preserves chromite particle size and improves chromite liberation while maintaining strong PGM recovery. DMS test work demonstrated that approximately 24% to 31% of run-of-mine material could potentially be rejected ahead of milling and flotation. This increased the tested PGM feed grade from approximately 5.2 g/t to approximately 7.2 g/t 3E, with PGM losses of only approximately 1.2% to 2.2%. Rejecting barren footwall material before milling has the potential to reduce downstream equipment sizing, power requirements and operating costs.

Chromite recovery was estimated at 85.6% at a concentrate grade of approximately 42.2% Cr_2O_3, compared with the PFS assumption of 30% recovery at approximately 42% Cr_2O_3.

At the Stage 2 processing rate of approximately 2.4 Mtpa, these results have the potential to increase chrome concentrate production from approximately 350,000 tonnes per annum under the initial PFS assumptions to approximately 1.05 million tonnes per annum. At Stage 1, chrome concentrate production is expected to be approximately 500,000 tonnes per annum.

The improved recovery profile elevates chrome from a secondary by-product credit to a strategically important co-product and potential standalone revenue stream. This is expected to improve the Project's resilience across commodity price cycles.

Overall PGM recovery was estimated at 87.6%, compared with the PFS assumption of 85.3%. Estimated full-plant PGM concentrate grades improved materially to approximately 404 g/t 3E, with an estimated concentrate mass pull of approximately 1.2%. The lower mass pull and higher concentrate grade are expected to support more attractive smelting, refining and offtake alternatives.

The results support a conventional, low-risk processing route based on established technologies already used within the South African PGM industry. The DFS is also assessing alternative flotation equipment and processing configurations that could further reduce the plant footprint, energy consumption, capital cost and construction schedule.

The DFS timetable was extended to the first quarter of 2027 to allow the substantial value associated with the improved PGM and chromite recoveries to be incorporated fully into the plant design, capital estimate, operating cost model and execution schedule.

SUSTAINABILITY

Social

Southern Palladium recognises that meaningful participation by the Bengwenyama Community and the maintenance of a strong social licence to operate are fundamental to the successful development of the Project.

The lawful residents of the farms Eerstegeluk and Nooitverwacht are members of the Bengwenyama-ya-Maswazi Traditional Community, represented through the Royal Family, Traditional Council and other recognised Community representatives.

The Bengwenyama Community holds a 30% direct interest in MUM and therefore in the Bengwenyama Project. Through Nurinox Investments, the Community also holds an indirect shareholding in Southern Palladium. Together, these interests provide the Community with an effective economic interest of approximately 34% in the Project.

Figure 4: Community Feedback Meetings

Southern Palladium maintains a structured engagement programme intended to promote transparency, inclusivity and awareness of the Project's activities and development plans. During the year, engagement included:

- regular operational and exploration meetings with Community representatives;
- monthly meetings involving broader Royal Family, Traditional Council and Community representation;
- quarterly feedback meetings open to the broader Community; and
- direct engagement on employment, procurement, environmental management, skills development and the transition to mine development.

On 28 March 2026, Southern Palladium hosted a Community Engagement Day at the Bengwenyama Project. The event was attended by members of the Royal Family, Traditional Council and broader Community and included presentations on the Project's development status, planned activities and anticipated opportunities.

During the period, MUM and Southern Palladium also hosted community soccer and netball tournaments. Participation in the soccer tournament increased from eight to sixteen teams and was expanded to include teams from Ga-Phasha, Mampuru and Malekane. The netball tournament was similarly well supported.

Services associated with the tournaments, including sanitation facilities, water supply, venue hire, photography, sound systems and printing, were procured locally wherever practicable. This ensured that a meaningful portion of the economic benefit generated by the events remained within the host communities.

The Khomanani Centre on the Eerstegeluk farm continued to serve as the Project's local operating base. Security, sanitation, diesel supply, electrical and other support services were sourced from Community-based service providers where available. Preferential employment and procurement opportunities continued to be provided to qualifying local residents and businesses.

Engagement during the year increasingly focused on preparing the Community for the Project's transition from exploration and feasibility studies into development. This included discussions regarding future employment, skills development, local procurement, contractor participation and the implementation of commitments under the Social and Labour Plan.

The grant of the Mining Right after year-end followed sustained engagement with the Community and the DMPR. The Company acknowledges the Community's collaboration and support throughout the approval process and remains committed to developing Bengwenyama responsibly, safely and in a manner that delivers enduring benefits to the Community and the wider *region.*

Environmental Responsibility and Stewardship

Southern Palladium is committed to responsible environmental management throughout the planning, development and future operation of the Bengwenyama Project. Environmental considerations are integrated into project design, technical studies, contractor activities and decision-making processes.

The Environmental Authorisation for the Bengwenyama Project was granted during 2025 following the completion of the required environmental impact assessment, specialist studies and stakeholder consultation processes. This represented a significant regulatory milestone and established the environmental management framework within which the Project will be developed.

In October 2025, Southern Palladium lodged the required Environmental Guarantee with the Department of Mineral and Petroleum Resources. The guarantee provides financial security for the rehabilitation and restoration of land that may be disturbed by future mining activities and fulfilled an important condition associated with the Mining Right approval process.

During the year, environmental work focused on maintaining compliance with the approved environmental management programme and advancing the additional authorisations required for early mine development and future operations. These workstreams included operational environmental approvals, water use authorisation, waste management planning, tailings management, infrastructure design and rehabilitation planning.

The Project's staged development strategy allows environmental management measures to be incorporated progressively as the operation expands. Mine and infrastructure layouts are being refined to reduce unnecessary disturbance, limit the development footprint and make use of existing regional infrastructure wherever practicable.

The revised processing design also offers potential environmental benefits. Dense media separation is expected to reject approximately 24% to 31% of barren footwall material before milling and flotation. This could reduce the volume of material requiring energy-intensive processing, decrease power consumption and reduce the quantity of material reporting to the tailings storage facility.

The substantial increase in chromite recovery is also expected to reduce the chromite content of the final tailings. The improved recovery of both PGM and chromite products, together with the smaller downstream processing requirement, has the potential to reduce the overall processing and tailings footprint relative to the earlier PFS design.

Exploration and drilling activities continued to be managed in accordance with the approved environmental management programme. Drill sites were assessed before establishment to identify sensitive environmental features and were rehabilitated following completion of drilling activities.

Mobile sumps were used to circulate and reuse drilling water, reducing water consumption, seepage and the need to excavate permanent sumps. Drill mud and other regulated waste materials were transported to appropriately licensed disposal facilities.

Raw water used for exploration activities was sourced through authorised regional water infrastructure rather than being abstracted directly from nearby river systems. Engagement continued with the relevant regional water user association regarding the Project's longer-term bulk-water requirements and water-use approvals.

An appropriately qualified Environmental Compliance Officer continued to monitor activities at the Project. Environmental monitoring provides for early identification of potential risks, implementation of corrective measures and verification of compliance by employees, contractors and service providers.

The Company will continue advancing the outstanding water-use, waste-management and associated operating approvals required before early development activities commence. Environmental performance requirements will also be incorporated into contractor appointment, mobilisation and performance-management processes.

Health and Safety

Southern Palladium's fundamental safety objective is to achieve Zero Harm. The health, safety and wellbeing of employees, contractors, Community members and other stakeholders remain central to the planning and development of the Bengwenyama Project.

Activities at Bengwenyama are conducted in accordance with the South African Mine Health and Safety Act and applicable regulations, standards, policies and codes of practice. Legal appointments are made for relevant activities, supported by defined responsibilities, reporting lines and contractor management requirements.

The Project maintains a comprehensive safety file, emergency response plan, incident reporting process and applicable operating procedures. Health and safety inductions are compulsory for all employees, contractors and visitors before entering operational work areas.

Daily toolbox talks and pre-shift safety meetings are used to communicate planned activities, identify hazards and confirm the controls required before work commences. Personal protective equipment is provided and its use is enforced across all operational areas.

Particular attention during the year was given to drilling-related risks, including drill-rig operation, moving machinery, vehicle movements, lifting activities, working in remote areas, adverse weather and interaction between multiple contractors.

Unseasonably heavy rainfall affected the Project area during the first half of 2026. In line with the Company's safety-first approach, drilling was suspended whenever conditions were considered unsafe. This resulted in the loss of 29 drilling days but ensured that schedule considerations did not override employee and contractor safety.

As the Project transitions from drilling and feasibility studies to early construction and underground development, the nature and scale of the safety risk profile will change materially. The commencement of box-cut and decline development will introduce increased exposure to mobile equipment, ground-control risks, explosives, excavation, lifting operations, contractor interfaces, electrical installations and underground working environments.

Preparations for this transition include:

- development-specific risk assessments and operating procedures;
- strengthened contractor prequalification and safety management requirements;
- appropriate legal and operational appointments;
- emergency preparedness and response planning;
- competency verification and task-specific training;
- permit-to-work and isolation procedures;
- planned task observations and workplace inspections;
- fatigue and fitness-for-work management;
- incident, hazard and near-miss reporting; and
- regular management review of leading and lagging safety indicators.

Operational readiness planning will ensure that safety systems are implemented before development activities commence and that all contractors operate in accordance with Southern Palladium's standards. Management will continue to reinforce visible safety leadership, personal accountability and the authority of every employee and contractor to stop work where conditions are unsafe.

The Company recognises that Bengwenyama is moving from a study-stage project into a development-stage operation and that a strong safety culture must be deliberately established from the outset. Safety performance will therefore be treated as a principal measure of project and management performance.

Governance

Southern Palladium is committed to maintaining high standards of corporate governance, ethical conduct, transparency and accountability across its Australian corporate activities and South African project operations.

The Company operates within the governance and disclosure requirements applicable to an entity listed on both the Australian Securities Exchange and the Johannesburg Stock Exchange. The Board oversees corporate strategy, capital allocation, risk management, regulatory compliance, sustainability and the advancement of the Bengwenyama Project.

The Board is supported by its committees, executive management, appropriately qualified technical consultants and the management structures of Miracle Upon Miracle Investments. Defined delegations of authority and approval processes govern expenditure, contracting, financial commitments and material project decisions.

During the year, governance attention increasingly focused on the transition from feasibility studies to project execution. This included oversight of:

- DFS scope, schedule and expenditure;
- Mineral Resource and Ore Reserve reporting;
- mine and process design changes;
- environmental and regulatory compliance;

- early development planning;
- contractor procurement and appointment;
- funding and capital management;
- operational readiness;
- Community and stakeholder engagement; and
- the development of the internal owner's team.

Material project decisions are supported by appropriately qualified technical specialists and are subject to management and Board review. During the year, an independent peer review by experienced mining professionals assessed the principal mine design assumptions, decline strategy and execution parameters. This provided additional assurance over the technical basis of the development plan.

The DFS, Mineral Resource and Ore Reserve workstreams are also subject to Competent Person oversight and will undergo appropriate independent review before completion and public release. Technical information is reported in accordance with the JORC Code (2012) and applicable ASX and JSE disclosure requirements.

The Company maintains policies addressing occupational health and safety, environmental and water stewardship, human rights, anti-bribery and corruption, diversity, stakeholder engagement, sustainable development, securities trading, continuous disclosure, whistleblower protection and risk management.

Project activities are conducted in accordance with applicable South African mining, environmental, water, labour, health and safety, security and corporate legislation. The Company maintains regular engagement with the DMPR and other relevant national, provincial and local regulatory authorities.

The grant of the Mining Right on 7 August 2026 followed a comprehensive regulatory process and sustained engagement between the Company, MUM, the DMPR and the Bengwenyama Community. The Mining Right is valid for an initial period of 30 years and permits the extraction of PGMs, gold, chrome, copper, cobalt, silver and nickel across the full Project area.

The Bengwenyama Community's direct ownership in MUM and indirect ownership in Southern Palladium provide an important foundation for participative governance. Engagement with the Royal Family, Traditional Council and other recognised Community representatives supports transparency, local participation and consideration of Community interests in project planning.

As Bengwenyama progresses into development, the Company will continue strengthening its governance framework to address the increased operational, financial, safety, environmental and contractor-management risks associated with construction and underground mining. This will include clear accountability, disciplined change control, transparent procurement, regular project assurance and timely reporting to the Board and stakeholders.

Tenements

The Group held the tenements set out in the table below during the year. The Project 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 Exploration tenement is 100% held through MUM.

Farm name	**Extent (ha)**
Nooitverwacht 324 KT	2,971.01
Eerstegeluk 327 KT	2,308.73
Total	**5,279.74**

RISKS OVERVIEW

The Board is responsible for the Company's risk management and control framework. The material business risks that the Company faces that could influence the Company's future prospects, and how these are managed, are outlined below.

Development

The future exploration and 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. This is managed where possible by the employment of competent personnel and reputable consultants with the relevant skills and experience to deal with these issues, extensive technical analysis and planning, and undertaking field exploration activities.

Reserve estimates risk

The estimated quantities of reserves are based upon interpretations of geological, geophysical and engineering models and assessment of the technical feasibility and commercial viability of production. Estimates that are valid at a certain point in time may alter significantly or become uncertain when new information becomes available through field research, additional drilling or technical analysis. As reserves estimates change, development and production plans may be altered in a way that may adversely affect the PGM mine's operations and financial results. The Company prepares its reserve estimates in accordance with the JORC 2012 standard and 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 current or future permit applications or existing permit renewals will be approved, renewed or renewed in full, and that they will be granted without undue delay, or that the Company (or the holder) can economically comply with any conditions imposed on any granted exploration permits. A failure to obtain any approval would mean that the Group may be restricted, either in part or absolutely, from 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, DMPR, regarding its tenement compliance management.

Future funding needs

Further funding will be required by the Company in the future to support its ongoing operations and implement its strategies. There can be no assurance that such funding will be available on satisfactory terms or at all at the relevant time. Any inability to obtain sufficient financing for the Group's activities and future projects may result in the delay or cancellation of certain activities or projects, which would likely have a material adverse impact on the potential growth of the Company. The annual capital and operating budgeting processes are approved by the Board to ensure appropriate allocation of resources.

Reliance on key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Group depends substantially on its directors and its small management team. Loss of key personnel may have an adverse impact on the Company's performance. The Company remunerates and incentivises at appropriate market rates to reduce the risk of losing key personnel.

Sovereign risk

The Company has considered the 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 productive relationship with key local and government representatives.

Commodity prices and exchange rates

The Company's Bengwenyama project is in the development stage. 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 equity funds have been raised in Australian dollars and expenditure is largely expended in South African Rand or US dollars. 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.

Cyber security

The integrity, availability, and confidentiality of data within the Company's information and operational technology systems may be subject to intentional or unintentional disruption. The Company has developed robust storage and backup systems to avoid a total loss of intellectual property relating to the Company's project in South Africa. The Group does not retain a substantial amount of customer data so that aspect of cyber security risk is limited.

Climate change

The Group is likely to be subject to increasing regulations and costs associated with climate change and, specifically, management of carbon emissions. Strategic, regulatory and operational risks and opportunities associated with climate change and the energy transition are progressively being incorporated into Company policy, strategy and risk management processes and practices. The Company is exploring energy alternatives to drive its project development strategy. The Company is also developing a formal rehabilitation strategy for post mining restoration of the project site.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

No other significant changes to the Company's state of affairs have occurred during the year.

AFTER REPORTING DATE EVENTS

On 7 August 2026, MUM was granted a Mining Right on the Bengwenyama PGM project for an initial period of 30 years, with the right to apply for renewal upon expiry. No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Group intends to continue its exploration and development activities on its Bengwenyama PGM Project in South Africa.

ENVIRONMENTAL REGULATION

The Group has an environmental rehabilitation policy that is applied to each tenement upon grant. The policy has been adhered to and no breaches have occurred during the year. Exploration activities are undertaken in accordance with approved plans and governing laws and regulations.

INFORMATION ON DIRECTORS

Roger Baxter
Executive Chairman
Special responsibilities: Member of Audit and Steering and Nomination and Remuneration Committee

Roger was the CEO of the Minerals Council South Africa (MCSA) stepping down in June 2023. He led the brand rejuvenation and modernisation of the MCSA into a much more effective, strategically driven, agile, assertive and capable organisation. He is recognised for his roles in guiding the mining sector to achieve the best safety and health performance on record, addressing key legacy issues, in helping the industry navigate the COVID-19 crisis, in the fight against corruption, in negotiating economic and mineral policy with government and in driving significant structural and institutional reforms in the economy. He was awarded the "2020 Mining Thought Leader of the Year" by Mining Review Africa, was listed in the "top 100 most influential people in Africa's mining sector" for over a decade and was awarded the Brigadier Stokes Platinum medal for meritorious leadership contribution to the mining sector by the SAIMM. Roger was inducted into the South African Mining Hall of Fame in 2024 for his leadership contribution to the mining sector in South Africa in the post-1994 democratic era. He was the founding Chairman of the World Platinum Investment Council, the past President of MIASA, the past Chairman of the ACG of the ICMM and a past director of BUSA. Roger holds a Bachelor of Commerce (Honours) from the University of Natal in South Africa.

Current Other Public Company Directorships: Nil

Other Public Company Directorships in the past 3 years: Nil

Equity interests held as at the date of this report:
257,810 fully paid ordinary shares held directly.
250,000 Incentive Options with an exercise price of $0.70 per option, expiring on 30 September 2027.
275,229 Milestone Performance Rights, which with 2 years expiry dates following satisfaction of the applicable vesting conditions.

Johan Odendaal
Managing Director
Special responsibilities: Nil

Mr Odendaal is a Mineral Economist and holds a B.Sc. degree in Geology, a B.Sc. Hons degree in Mineral Economics and a M.Sc. degree in Mining Engineering. Johan is director and co-founder of mining consulting firm Minxcon (Pty) Ltd (2005) and has 36 years' experience in the mining and financial industry. This includes 19 years as an independent mining consultant and 12 years as a financial analyst involved in mine-financial analysis and valuations and corporate advisory. He headed Mining Research at a leading South African broking firm and spent several years at Merrill Lynch as Vice President. Mr Odendaal is the Chief Executive Officer of Miracle Upon Miracle Investments (Pty) Ltd (Holder of the PGM prospecting right).

Current Other Public Company Directorships: Nil

Other Public Company Directorships in the past 3 years: Nil

Equity interests held as at the date of this report:
Indirect interest through a trust in 12,656,992 fully paid ordinary shares.
100,000 fully paid ordinary shares held directly.
125,000 Incentive Options with an exercise price of $0.70 per option, expiring on 30 September 2027.
302,752 Milestone Performance Rights, which with 2 years expiry dates following satisfaction of the applicable vesting conditions.

Daniel Van Heerden
Non-executive Director
Special responsibilities: Nil

Mr Van Heerden holds a M.Com., a B. Eng Mining Engineering and has a valid Certificate of competence signed by the Government Mining Engineer. He has over 30 years' experience in the mining industry and has obtained significant experience in managing mining operations in South Africa and abroad, both underground and open cast, for world-class major mining companies and for junior mining companies. He was responsible for new business development for two major mining companies and has experience in mining mergers and acquisitions. He is currently heading the Mining Engineering division of

INFORMATION ON DIRECTORS (CONTINUED)

Minxcon, where he is involved in activities such as valuation, due diligence, finance structuring, change management required post the event, feasibility studies, life of mine plans, technical reviews and writing of technical reports for various commodities.

Current Other Public Company Directorships: Nil

Other Public Company Directorships in the past 3 years: Nil

Equity interests held as at the date of this report:
Indirect interest through a trust in 12,656,992 fully paid ordinary shares and close family members in 30,000 fully paid ordinary shares.
100,000 fully paid ordinary shares held directly.
125,000 Incentive Options with an exercise price of $0.70 per option, expiring on 30 September 2027.
96,330 Zero Exercise Price Options (ZEPOs) are held, with various expiry dates between March 2028 and December 2030.

Lindi Nkosi-Thomas
Non-executive Director
Special responsibilities: member of Nomination and Remuneration Committee

A practising lawyer, Lindi is a Senior Counsel and a member of the Johannesburg Bar, having been called to the Bar in November 1994. In 2009 she was conferred the status of silk by the President of the Republic of South Africa. As Senior Counsel, Lindi has acted in various litigious matters of national importance and has advised state-owned companies and the South African Government on numerous litigious matters and transactions of considerable scale. Between 2006 and 2023, Ms Nkosi-Thomas has also acted as a Judge of the High Court of South Africa on multiple occasions and continues to do so from time to time.
Among her various directorships, Ms Nkosi-Thomas serves as Chair of Miracle Upon Miracle Investments (MUM), the private company which owns the rights to the Bengwenyama PGM project through a joint ownership structure in which Southern Palladium holds a 70% stake in MUM, and the remaining 30% is held by a company wholly-owned by the local Bengwenyama community.

Current Other Public Company Directorships: Nil

Other Public Company Directorships in the past 3 years: Nil

Equity interests held as at the date of this report:
382,300 fully paid ordinary shares held directly.
125,000 Incentive Options with an exercise price of $0.70 per option, expiring on 30 September 2027.
96,330 Zero Exercise Price Options (ZEPOs) are held, with various expiry dates between March 2028 and December 2030.

Mike Stirzaker
Non-executive Director
Special responsibilities: Chair of Audit Committee and member of Steering and Nomination and Remuneration Committee

Mr Stirzaker qualified as a Chartered Accountant whilst working with KPMG. He has over 40 years' commercial experience, mainly in mining finance and mining investment with various companies including being Joint Managing Director of boutique resource adviser, RFC Group Limited, a partner of Tennant Metals, Finance Director of Finders Resources Limited, and from 2010 to 2019 was a partner at the private equity mining fund manager, Pacific Road Capital.

Current Other Public Company Directorships:
Energy Fuels Inc. (appointed 2 October 2024)
Firestone Diamonds Limited

Other Public Company Directorships in the past 3 years:
Base Resources Limited (resigned 2 October 2024)
Akora Resources Limited (ASX: AKO) (resigned 31 January 2024)

INFORMATION ON DIRECTORS (CONTINUED)

Equity interests held as at the date of this report:
1,880,000 ordinary shares held indirectly
125,000 Incentive Options with an exercise price of $0.70 per option, expiring on 30 September 2027.
96,330 Zero Exercise Price Options (ZEPOs) are held, with various expiry dates between March 2028 and December 2030.

Robert Thomson
Non-executive Director
Special responsibilities: Chair of Nomination and Remuneration Committee and member of Audit and Steering Committee

Mr Thomson is a Mining Engineer with extensive experience (gold and base metals) in site operations, the development of exploration projects into sustainable mining operations and businesses in Asia, Africa Canada and Australia. He has a Bachelor of Engineering (Mining) from the University of Queensland, an MBA from the University of Wollongong and is a Fellow of the Australasian Institute of Mining and Metallurgical Engineers. He also has extensive corporate and industry experience with local and international mining companies in senior executive roles and as a non-executive director of publicly listed companies on the ASX and formerly on the AIM Exchange and the TSX-V.

Current Other Public Company Directorships: Nil

Other Public Company Directorships in the past 3 years:
Pacific Nickel Mines Limited (resigned 21 July 2026)

Equity interests held as at the date of this report:
1,545,170 ordinary shares held indirectly.
96,330 Zero Exercise Price Options (ZEPOs) are held, with various expiry dates between March 2028 and December 2030.

COMPANY SECRETARY

Andrew J. Cooke LLB

Mr Cooke is a lawyer with over 30 years' experience in law, corporate finance and as a Company Secretary of listed resource companies. He is responsible for corporate administration together with stock exchange and regulatory compliance.

DIRECTORS' MEETINGS

The following table sets out the number of directors' meetings held during the financial year and the number of meetings attended by each director (while they were a director or committee member).

	Board of Directors		Nomination & Remuneration Committee		Audit Committee	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
Roger Baxter	15	15	1	-	6	6
Johan Odendaal	14	14	-	-	-	-
Daniel Van Heerden	14	13	-	-	-	-
Lindi Nkosi-Thomas	15	13	1	1	-	-
Mike Stirzaker	15	15	1	1	6	6
Robert Thomson	15	15	1	1	6	6

REMUNERATION REPORT (AUDITED)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

a) Principles used to determine the nature and amount of remuneration
b) Key management personnel
c) Details of remuneration
d) Share-based compensation
e) Additional information
f) Other transactions of Key Management Personnel
g) Equity instrument disclosures relating to Directors and Key Management Personnel
h) Voting of shareholders at last year's annual general meeting

a) Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Nomination and Remuneration Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity. The Company engaged a remuneration consultant in the prior year but not in the current year.

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors' remuneration
Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

For the financial year commencing 1 July 2021 and in respect of each financial year thereafter and until otherwise determined by a resolution of Shareholders, the maximum aggregate remuneration payable by the Company to all non-executive Directors for their services as Directors including their services on a Board committee or sub-committee and including superannuation is limited to $750,000 per annum (in total).

Each non-executive Director has entered into a deed of appointment with the Company.

b) Key management personnel

The directors and other key management personnel of Southern Palladium Limited during the year were:

Mr Roger Baxter – Executive Chairman (Appointed 8 October 2024)
Mr Johan Odendaal – Managing Director (Appointed 27 May 2021)
Mr Daniel Van Heerden – Non-executive Director (Appointed 27 May 2021)
Ms Lindi Nkosi-Thomas – Non-executive Director (Appointed 10 June 2024)
Mr Mike Stirzaker – Non-executive Director (Appointed 4 December 2020)
Mr Robert Thomson – Non-executive Director (Appointed 4 December 2020)

c) Remuneration expenses for key management personnel

The following table shows details of the remuneration expense recognised for the Group's executive key management personnel for the current and previous financial year measured in accordance with the requirements of the accounting standards.

		Salary & Fees	Superannuation	Share-based payments (i)	Total	Performance based
Non-Executive Directors:		$	$	$	$	%
Daniel Van Heerden	**2026**	**51,050**	**-**	**59,263**	**110,313**	**-**
	2025	43,206	-	14,230	57,436	-
Lindi Nkosi-Thomas	**2026**	**56,300**	**-**	**59,263**	**115,563**	**-**
	2025	43,206	-	14,230	57,436	-
Mike Stirzaker	**2026**	**77,054**	**9,246**	**59,263**	**145,563**	**-**
	2025	70,925	8,156	109,435	188,516	50.5
Robert Thomson	**2026**	**66,964**	**8,036**	**54,467**	**129,467**	**-**
	2025	53,587	6,163	95,205	154,955	61.4
Executive Directors:						
Roger Baxter	**2026**	**199,911**	**23,989**	**136,762**	**360,662**	**35.3**
	2025	122,500	14,088	28,459	165,047	-
Johan Odendaal	**2026**	**130,251**	**-**	**144,684**	**274,935**	**50.9**
	2025	108,504	-	14,230	122,734	-
Total Key Management Personnel	**2026**	**581,530**	**41,271**	**513,702**	**1,136,503**	**23.5**
	2025	441,928	28,407	275,789	746,124	25.5

i) In accordance with AASB 2 Share-Based Payments (SBP), the fair value of SBP is determined at the date of grant. Options have been valued using the Black-Scholes option pricing model. Options and Performance rights have been valued at the share price grant date. The fair value per incentive option was $0.1522. The fair value per ZEPO and per performance right on grant date was $1.215. SBP expense is allocated to each period evenly over the period from grant date to vesting date. The value disclosed is the portion of SBP expense recognised as an expense in each reporting period.

Non-Executive Director Remuneration

Non-executive directors receive fixed remuneration in the form of director fees, statutory superannuation contributions (where applicable) and equity-based remuneration approved by shareholders. Equity-based remuneration may comprise options, performance rights or shares issued to non-executive directors to align their interests with those of shareholders and to assist the Company in attracting and retaining directors with the appropriate skills and experience.

The grant of equity instruments to non-executive directors is subject to shareholder approval where required by the ASX Listing Rules. The fair value of equity instruments granted is determined in accordance with AASB 2 Share-based Payment and is recognised as remuneration over the relevant vesting period.

Non-executive directors do not participate in short-term incentive plans or receive cash bonuses linked to the Company's financial performance. The Board considers that the combination of fixed fees and, where applicable, equity-based remuneration aligns directors' interests with the long-term interests of shareholders and promotes the creation of sustainable shareholder value.

REMUNERATION REPORT (AUDITED)

The Company had four non-executive directors during the financial year. Non-executive directors may also receive equity-based remuneration from time to time, subject to shareholder approval and compliance with the ASX Listing Rules and the Corporations Act 2001.

Name	Daniel Van Heerden
Title	Non-executive director
Remuneration	A fixed cash remuneration package of $39,200 from 1 July 2025 to 30 September 2025, which increased to $55,000 from 1 October 2025 to 30 June 2026.

Name	Lindi Nkosi-Thomas
Title	Non-executive director
Remuneration	A fixed cash remuneration package of $39,200 from 1 July 2025 to 30 September 2025, which increased to $55,000 from 1 October 2025 to 30 June 2026. The employee also received Committee Member Fees of $5,250 during the year.

Name	Mike Stirzaker
Title	Non-executive director
Remuneration	A fixed cash remuneration package of $67,200 from 1 July 2025 to 30 September 2025, which decreased to $65,000 from 1 October 2025 to 30 June 2026, inclusive of statutory superannuation contributions. In addition, the employee received Committee Member Fees of $20,750, inclusive of statutory superannuation contributions.

Name	Robert Thomson
Title	Non-executive director
Remuneration	A fixed cash remuneration package of $56,000 from 1 July 2025 to 30 September 2025, which decreased to $55,000 from 1 October 2025 to 30 June 2026, inclusive of statutory superannuation contributions. In addition, the employee received Committee Member Fees of $19,750, inclusive of statutory superannuation contributions.

Executive Director Remuneration

Remuneration and other terms of employment for the executive director are formalised in service agreements.

Details of the agreement are as follows:

Name	Johan Odendaal
Title	Managing Director
Date agreement commenced	27 May 2022
Term of agreement	2 years and extended to an ongoing basis effective from 27 May 2026
Details	A fixed annual remuneration package of $108,500 from 1 July 2025 to 30 September 2025, which increased to $137,500 from 1 October 2025 to 30 June 2026, inclusive of statutory superannuation contributions. In addition, 125,000 Incentive Options to purchase ordinary shares of the Company after meeting the vesting conditions. Option exercise price at $0.7 with expiry date 30 September 2027. 302,752 Milestone Performance rights to convert to ordinary shares of the Company after meeting the vesting conditions. Nil exercise price with 2 years expiry dates following satisfaction of the applicable vesting conditions. 3-month termination notice by either party

Name	Roger Baxter
Title	Executive Chairman
Date agreement commenced	1 October 2024
Term of agreement	1 January 2024 to next director/chairman rotation period
Details	A fixed annual remuneration package of $145,600 from 1 July 2025 to 30 September 2025, which increased to $250,000 from 1 October 2025 to 30 June 2026, inclusive of statutory superannuation contributions. In addition, 250,000 Incentive Options to purchase ordinary shares of the Company after meeting the vesting conditions. Option exercise price at $0.7 with expiry date 30 September 2027. 275,229 Milestone Performance rights to convert to ordinary shares of the Company after meeting the vesting conditions. Nil exercise price with 2 years expiry dates following satisfaction of the applicable vesting conditions.

REMUNERATION REPORT (AUDITED)

d) Share-based compensation

i) Issue of shares

No shares were issued to directors and other key management personnel as part of compensation during the year ended 30 June 2026 (2025: nil).

ii) Options and Performance Rights

The terms and conditions of each grant of options and performance rights over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Performance Rights

Performance Rights are rights to be issued shares in the Company for nil exercise price upon the achievement of Milestone Performance Conditions (MPC) and service conditions, as set out below, contingent on continued service as a Director of the Company:

Milestone Performance Conditions	Percentage of Performance Rights to Vest upon satisfaction of MPC
Independent Peer and Board approval of Definitive Feasibility Study	10%
Obtain all permits, licenses and approvals needed for Stage 1 construction	15%
Concentrate/ Offtake(s) / strategic prepay on value terms as required for Stage 1	15%
Stage 1 Financing package secured (debt/equity/partner)	15%
Stage 1 Final Investment Decision (FID)	15%
Decline constructed to UG2 orebody	15%
Stage 1 Construction — commencement and early progress	15%

On 8 December 2025, the company issued performance rights as follows:

	No. of performance rights granted	Grant date	Expiry date	Exercise price per performance right granted	Fair Value per performance right at grant date	Number of performance rights vested
Directors						
Roger Baxter	275,229	08-12-2025	2 years following satisfaction of the vesting conditions	Nil	$1.215	-
Johan Odendaal	302,752	08-12-2025	2 years following satisfaction of the vesting conditions	Nil	$1.215	-

Incentive Options

	No. of incentive options granted	Grant date	Expiry date	Exercise price per option granted	Fair Value per option at grant date	Number of options vested
Directors						
Roger Baxter	250,000	01-10-2024	30-09-2027	$0.7	$0.1522	250,000
Johan Odendaal	125,000	01-10-2024	30-09-2027	$0.7	$0.1522	125,000
Daniel Van Heerden	125,000	01-10-2024	30-09-2027	$0.7	$0.1522	125,000
Lindi Nkosi-Thomas	125,000	01-10-2024	30-09-2027	$0.7	$0.1522	125,000
Mike Stirzaker	125,000	01-10-2024	30-09-2027	$0.7	$0.1522	125,000

Incentive options granted to directors as part of their remuneration vested on a daily accrual basis over the period from 1 October 2024 to 30 September 2025. The fair value of the options was recognised as remuneration expense over the vesting period.

REMUNERATION REPORT (AUDITED)

Zero Exercise Price Options (ZEPO)

	No. of incentive options granted	Grant date	Expiry date	Exercise price per option granted	Fair Value per option at grant date	Number of options vested
Directors						
Daniel Van Heerden	96,330	08-12-2025	Various from March 2028	Nil	$1.215	24,083
Lindi Nkosi-Thomas	96,330	08-12-2025	Various from March 2028	Nil	$1.215	24,083
Mike Stirzaker	96,330	08-12-2025	Various from March 2028	Nil	$1.215	24,083
Robert Thomson	96,330	08-12-2025	Various from March 2028	Nil	$1.215	24,083

One twelfth of the ZEPOs granted shall vest each quarter over three years, contingent solely on continued service as a Director of the Company. ZEPO options are granted as part of the remuneration to directors.

iii) Relationship Between Remuneration Policy and Company Performance

The Company's remuneration framework is designed to align director remuneration with the long-term performance of the Company and the creation of shareholder value. Given the Company's primary activities relate to mineral exploration and project development, the Board considers that traditional short-term financial performance measures, such as revenue and earnings, may not be appropriate indicators of performance, particularly during the exploration and evaluation phase.

Accordingly, the remuneration of non-executive directors comprises fixed fees and, where approved by shareholders, equity-based incentives in the form of options or ZEPOs. The value ultimately realised from these equity instruments is directly linked to the Company's share price performance and therefore the value delivered to shareholders.

In assessing Company performance and determining remuneration outcomes, the Board considers a range of factors, including:

- progress in advancing its exploration and development projects;
- achievement of strategic and operational milestones;
- changes in market capitalisation and share price performance; and
- the Company's financial performance, including earnings and operating results.

The Board believes this remuneration structure is appropriate for a growth-oriented exploration company, where value creation is more closely linked to successful project advancement and market recognition of underlying asset value than to short-term accounting profits

Four-Year Performance Table

Year	Share Price ($)	Basic EPS ($)
2026	1.065	(0.089)
2025	0.67	(0.053)
2024	0.38	(0.075)
2023	0.36	(0.080)
2022	0.59	(0.18)

e) Additional information

The Group's projects are at a stage of advanced exploration progressing to development and as a result, the Group does not yet have earnings from mining. In view of that, shareholder wealth is based on the market's view of the value of future production, the Group's potential for future discovery success, and the quality and experience of its people. This is reflected in market capitalisation, which is also influenced by factors outside the Group's control, such as commodity prices and general market behaviour.

Accordingly, remuneration policy for key management personnel is in part based on the extent to which the corporate exploration and evaluation objectives are met, recognising that the time frame for success commonly exceeds one year.

f) Other transactions of Key Management Personnel

During the financial year, MUM paid/payable to Minxcon (Pty) Ltd ZAR 22,006,184 (AUD $1,944,550 equivalent) (2025: ZAR 11,940,967) (AUD $1,027,092 equivalent)) for project management of the Bengwenyama Project. (Two of the Company's Directors, Johan Odendaal and Daniel Van Heerden, are significant and controlling shareholders in Minxcon (Pty) Ltd.

Johan Odendaal is also an Executive Director to MUM, in which the Company holds a 70% equity interest. The aggregate remuneration payable to Johan Odendaal by the Company and MUM under his employment contract with the Company and arrangements with MUM is A$275,000 per annum.

Mike Stirzaker and Daniel Van Heerden were appointed as Non-Executive Directors to MUM effective 26 May 2022.

Lindi Nkosi-Thomas was appointed as Non-Executive Chairman to MUM effective 19 May 2022 (Non-executive director, 3 March 2017 to 18 May 2022).

As of 30 June 2026, MUM directors' fees paid/payable to Directors of the Company are as follows:

	30 June 2026	
	South Africa Rand (ZAR)	**AUD equivalent**
Non-Executive Directors:		
Lindi Nkosi-Thomas (Chairman)	170,000	15,022
Daniel Van Heerden	140,000	12,371
Mike Stirzaker	140,000	12,371
Managing Director:		
Johan Odendaal	1,534,573	135,600

g) Equity instrument disclosures relating to Directors and Key Management Personnel

Shareholding

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Roger Baxter	207,301	-	76,533[6]	-	283,834[3]
Johan Odendaal	12,656,992	-	100,000[7]	-	12,756,992[2]
Daniel Van Heerden	12,686,992	-	100,000[7]	-	12,786,992[5]
Lindi Nkosi-Thomas	396,500	-	46,800[6]	(61,000)[6]	382,300
Mike Stirzaker	1,263,333	-	1,100,000[7]	(483,333)[6]	1,880,000[1]
Robert Thomson	1,127,010	-	1,100,000[7]	(675,000)[6]	1,552,010[4]

Note 1: Relevant interest indirectly held through Stith Pty Ltd and Grafton Bond Investments Pty Ltd.
Note 2: Relevant Interest indirectly held through Nicolas Daniel Resources, except for 100,000 shares held directly.
Note 3: Relevant interest directly held, except for 26,024 shares held by close family members.
Note 4: Relevant interest indirectly held through Monterey Consolidated Services Pty Ltd.
Note 5: Relevant interest indirectly held through Nicolas Daniel Resources, except for 100,000 shares held directly and 30,000 shares held by close family members.
Note 6: In-market sells and purchases.
Note 7: Shares issued under options.

Performance Right holding

The number of performance rights over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Number of performance rights vested	Exercised	Expired/ forfeited/other	Balance at the end of the year
Performance rights						
Roger Baxter	-	275,229	-	-	-	275,229
Johan Odendaal	-	302,752	-	-	-	302,752
	-	**577,981**	**-**	**-**	**-**	**577,981**

Option holding

The number of options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

Incentive Options	Balance at the start of the year	Granted	Number of options vested	Exercised	Balance at the end of the year	Vested and exercisable	Unvested
Roger Baxter	250,000	-	250,000	-	250,000	250,000	-
Johan Odendaal	125,000	-	125,000	-	125,000	125,000	-
Daniel Van Heerden	125,000	-	125,000	-	125,000	125,000	-
Lindi Nkosi-Thomas	125,000	-	125,000	-	125,000	125,000	-
Mike Stirzaker	125,000	-	125,000	-	125,000	125,000	-
	750,000	**-**	**750,000**	**-**	**750,000**	**750,000**	**-**

ZEPO Options	Balance at the start of the year	Granted	Number of options vested	Exercised	Balance at the end of the year	Vested and exercisable	Unvested
Daniel Van Heerden	-	96,330	24,083	-	96,330	24,083	72,249
Lindi Nkosi-Thomas	-	96,330	24,083	-	96,330	24,083	72,249
Mike Stirzaker	-	96,330	24,083	-	96,330	24,083	72,249
Robert Thomson	-	96,330	24,083	-	96,330	24,083	72,249
	-	**385,320**	**96,332**	**-**	**385,320**	**96,332**	**288,996**

Series A & B Options	Balance at the start of the year	Granted	Number of options vested	Exercised	Balance at the end of the year	Vested and exercisable	Unvested
Johan Odendaal	100,000	-	100,000	(100,000)	-	-	-
Daniel Van Heerden	100,000	-	100,000	(100,000)	-	-	-
Mike Stirzaker	1,100,000	-	1,100,000	(1,100,000)	-	-	-
Robert Thomson	1,100,000	-	1,100,000	(1,100,000)	-	-	-
	2,400,000	**-**	**2,400,000**	**(2,400,000)**	**-**	**-**	**-**

h) Voting of shareholders at last year's annual general meeting

The Company received 96.8% of "yes" votes on its remuneration report for the 2025 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

This concludes the remuneration report, which has been audited.

SHARES UNDER OPTIONS AND PERFORMANCE RIGHTS

a) Unissued ordinary shares

Unissued ordinary shares of the Company under options and performance rights at the date of this report are as follows:

	Date options granted	Expiry date	Exercise price	Number under option
Incentive options	01 October 2024	30 September 2027	$0.7	750,000
Performance options	8 December 2025	2 years following satisfaction of the vesting conditions	Nil	577,981
Zero Exercise Price Options	8 December 2025	Various between March 2028 to December 2030	Nil	385,320

b) Shares issued on the exercise of options and vesting of performance rights

During the year ended 30 June 2026, 2,400,000 ordinary shares of the Company were issued on the exercise of options or the vesting of performance rights. (2025: 1,200,000)

RESTRICTED SECURITIES

As at 30 June 2026, the Company has no restricted securities on issue. All previously issued ordinary shares, options, and performance rights that were subject to mandatory or voluntary escrow arrangements have been released following the completion of escrow periods and achievement of relevant milestones.

INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not indemnified or agreed to indemnify the auditor of the Company against any liabilities incurred as auditor.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in Corporations Instrument 2026/183, 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.

PROCEEDINGS ON BEHALF OF THE COMPANY

No proceedings have been brought or intervened in or on behalf of the Company.

AUDITORS

Non-audit Services
No amounts paid or payable to the auditor for non-audit services provided during the year.

Auditor's independence declaration
A copy of the auditors' independence declaration can be found on the next page.
Signed in accordance with a resolution of the directors.

On behalf of the Directors

Roger Baxter
Executive Chairman

Australia, 28 September 2026

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Australia

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

As lead auditor of Southern Palladium Limited for the year ended 30 June 2026, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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

Jeremy Watkins

Director

BDO Audit Pty Ltd

Perth

28 September 2026

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This financial report is for the consolidated entity consisting of Southern Palladium Limited and its subsidiaries. The financial report is presented in Australian currency, which is Southern Palladium Limited's functional and presentation currency.

Southern Palladium Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Southern Palladium Limited
Level 1
283 George Street
Sydney NSW 2000

A description of the nature of the Company's operations and its principal activities is included in the review of operations in the directors' report.

The financial report was authorised for issue by the directors on 28 September 2026. The Directors have the power to amend and reissue the financial report.

Southern Palladium Limited
ABN 59 646 391 899
and Controlled Entities

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 $	2025 $
Interest income		1,559,596	1,042,940
Expenses			
Administration expenses	**4**	(1,843,477)	(866,356)
Employee benefits expenses		(648,556)	(470,335)
Share-based payment expenses	**21**	(513,702)	(370,994)
Share of loss of associate accounting using equity method	**6**	(292,132)	(727,671)
Impairment of Loan Receivable	**20a**	(8,727,955)	(3,387,072)
Loss before income tax expense		(10,466,226)	(4,779,488)
Income tax expense	**13**	-	-
Loss after income tax expense for the year attributable to the owners of the Company		(10,466,226)	(4,779,488)
Other comprehensive income			
Items that may be reclassified subsequently to loss:			
Exchange differences on translation of foreign operations		(344,992)	1,014,196
Other comprehensive (loss)/income for the year		(344,992)	1,014,196
Total comprehensive loss is attributable to owners of the Company		(10,811,218)	(3,765,292)
Basic/diluted (loss) per share	**12**	(0.089)	(0.053)

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

Southern Palladium Limited
ABN 59 646 391 899
and Controlled Entities

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

	Note	2026 $	2025 $
CURRENT ASSETS			
Cash and cash equivalents	**5**	18,879,207	9,919,109
Investments	**22**	5,000,000	-
Trade and other receivables		8,147	40,407
Prepayment		13,629	12,738
TOTAL CURRENT ASSETS		**23,900,983**	**9,972,254**
NON-CURRENT ASSETS			
Investment accounted for using the equity method	**6**	20,010,362	19,762,628
TOTAL NON-CURRENT ASSETS		**20,010,362**	**19,762,628**
TOTAL ASSETS		**43,911,345**	**29,734,882**
CURRENT LIABILITIES			
Trade and other payables	**7**	241,322	698,747
TOTAL CURRENT LIABILITIES		**241,322**	**698,747**
TOTAL LIABILITIES		**241,322**	**698,747**
NET ASSETS		**43,670,023**	**29,036,135**
EQUITY			
Contributed equity	**8**	76,215,493	49,135,551
Reserves	**9**	(641,892)	1,337,936
Accumulated losses	**10**	(31,903,578)	(21,437,352)
TOTAL EQUITY		**43,670,023**	**29,036,135**

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

Southern Palladium Limited
ABN 59 646 391 899
and Controlled Entities

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2026

	Contributed Equity	Accumulated Losses	Reserves	Total Equity
	$	$	$	$
Balance at 1 July 2024	41,079,861	(16,657,864)	552,746	24,974,743
Loss for the year	-	(4,779,488)	-	(4,779,488)
Exchange differences on translation of foreign Operations	-	-	1,014,196	1,014,196
Total comprehensive (loss)/income for the year	-	(4,779,488)	1,014,196	(3,765,292)
Share-based payments	-	-	370,994	370,994
Transfer from reserves	600,000	-	(600,000)	-
Shares issued during the year	8,000,000	-	-	8,000,000
Shares issue costs	(544,310)	-	-	(544,310)
Balance at 30 June 2025	49,135,551	(21,437,352)	1,337,936	29,036,135
Balance at 1 July 2025	49,135,551	(21,437,352)	1,337,936	29,036,135
Loss for the year	-	(10,466,226)	-	(10,466,226)
Exchange differences on translation of foreign Operations	-	-	(344,992)	(344,992)
Total comprehensive (loss)/income for the year	-	(10,466,226)	(344,992)	(10,811,218)
Share-based payments	-	-	513,702	513,702
Transfer from reserves	2,148,538	-	(2,148,538)	-
Shares issued on options	6,245,750			6,245,750
Shares issued during the year	20,065,001	-	-	20,065,001
Shares issue costs	(1,379,347)	-	-	(1,379,347)
Balance at 30 June 2026	76,215,493	(31,903,578)	(641,892)	43,670,023

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

Southern Palladium Limited
ABN 59 646 391 899
and Controlled Entities

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026	2025
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(2,405,806)	(1,279,285)
Interest received		419,113	119,674
Interest paid		-	(69)
Net cash (used in) operating activities	**11**	(1,986,693)	(1,159,680)
CASH FLOWS FROM INVESTING ACTIVITIES			
Loan to MUM		(8,472,330)	(2,352,497)
Investment in term deposit		(5,000,000)	-
Net cash (used in) investing activities		(13,472,330)	(2,352,497)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from shares issue		20,065,001	8,000,000
Proceeds from options exercised		6,245,750	-
Shares issue costs		(1,891,630)	-
Net cash provided by financing activities		24,419,121	8,000,000
NET INCREASE IN CASH HELD		8,960,098	4,487,823
CASH AT THE BEGINNING OF THE FINANCIAL YEAR		9,919,109	5,431,286
CASH AT THE END OF THE FINANCIAL YEAR	**5**	18,879,207	9,919,109

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

1 MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

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:

AASB 18 Presentation and Disclosure in Financial Statements

The Group adopted AASB 18 Presentation and Disclosure in Financial Statements for the reporting period commencing 1 July 2026. AASB 18 replaces AASB 101 Presentation of Financial Statements and introduces new requirements for the presentation and disclosure of information in the financial statements, particularly in relation to the statement of profit or loss, management-defined performance measures and the aggregation and disaggregation of financial information.

AASB 18 requires:

- classification of income and expenses into operating, investing, financing, income tax and discontinued operations categories in the statement of profit or loss;
- presentation of new mandatory subtotals, including operating profit and profit before financing and income tax;
- enhanced guidance on the aggregation and disaggregation of information;
- additional disclosures relating to management-defined performance measures (where applicable); and
- consequential amendments to other Australian Accounting Standards.

The Group is currently assessing the impact of AASB 18 Presentation and Disclosure in Financial Statements. While the standard is expected to affect the presentation and disclosure of certain items in the financial statements, it is not expected to have a material impact on the Group's recognised assets, liabilities, equity or profit/(loss). The standard has not been adopted by the Group as at the reporting date.).

a) Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB'), as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Accounting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Going concern

The Group experienced operating losses of $10,466,226 and negative cash flow from operations of $1,986,693 during the year ended 30 June 2026.

At 30 June 2026, the Company had net current assets of $23,659,660, including cash reserve of $18,879,207 to fund its working capital requirements.

The Company’s financial statements have been prepared on a going concern basis. There does not currently appear to be either any significant impact upon the financial position of the Company or any significant uncertainties with respect to events or conditions which may impact the financial position of the Company at the reporting date and subsequent.

1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates that are significant to the financial statements, are disclosed in note 2.

b) Cash and cash equivalents

For the purpose of the cash flows statements, cash and cash equivalents includes:
- cash on hand and at call deposits with banks or financial institutions; and
- investments in money market instruments with less than 90 days to maturity that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

c) Joint ventures

A joint venture (JV) is a type of joint arrangement in which the parties with joint control of the arrangement have rights to the net assets of the arrangement.

The Group's investment in MUM is accounted for using the equity method. Under the equity method, the investment in the JV is initially recognised at cost to the Company. In subsequent periods, the carrying amount of the JV is adjusted to recognise changes in the Company's share of net assets of the JV since the acquisition date. The statement of profit or loss and other comprehensive income reflects the Company's share of the results of the operations of the JV. In addition, when there has been a change recognised directly in the equity of the JV, the Company recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Company and the JV are eliminated to the extent of the interest in the JV. The aggregate of the Company's share of profit or loss of the JV is shown on the face of the statement of profit or loss and other comprehensive income as part of operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the JV.

When necessary, adjustments are made to bring the accounting policies in line with those of the Company. After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in the JV. At each reporting date, the Company determines whether there is objective evidence that the investment in the JV is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the JV and its carrying value, then recognises the loss as 'Share of profit or loss of a joint venture' in the statement of profit or loss and other comprehensive income. On loss of joint control over the JV, the Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the JV upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in the statement of profit or loss and other comprehensive income.

d) Share-based payments

Under AASB 2 Share-Based Payment, the Company must recognise the fair value of shares, options and performance rights granted to directors, employees and consultants as remuneration as an expense on a prorate basis over the vesting period in the Statement of Profit or Loss and Other Comprehensive Income with a corresponding adjustment to equity.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each year, the Company revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. No revision to original estimates is made in respect of options issued with market based conditions.

The Company provides benefits to employees (including directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions'). The cost of these equity-settled transactions with employees (including directors) is measured by reference to fair value at the date they are granted. The fair value is determined using an appropriate option pricing model.

1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

In relation to the valuation of the share-based payments, these are valued using an appropriate option valuation method. Once a valuation is obtained management use an assessment as to the probability of meeting non-market based conditions. Market conditions are vested over the period in which management assess it will take for these conditions to be satisfied.

e) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Valuation of share-based payment transactions

The valuation of share-based payment transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black Scholes model taking into account the terms and conditions upon which the instruments were granted.

Impairment of associates

Through the Share Exchange Agreement between the Company and its associate, Miracle Upon Miracle Investments Proprietary Limited ("MUM"), the Company acquired 70% of interests of MUM. For the financial year ended 30 June 2026, the Group's shareholding in MUM remained as 70% and retains 50% of board members on MUM's board of directors. Therefore, the Company in accordance with AASB 128 Investments in Associates and Joint Ventures, determined it has significant influence over MUM for the year ended 30 June 2026 (please refer to note 6). At each reporting date, the Company reviews for any impairment triggers that adversely reduces the value of its interest after the asset has been treated under equity accounting. The Company takes into consideration a number of impairment triggers such as but not limited to, MUM's net assets as at reporting date, exploration activities announced on the ASX and movement in share price.

Provision for impairment of MUM's receivable

The loss allowance for financial assets is based on assumptions about risk of default and expected credit loss rate. The Group uses judgement in making these assumptions and selecting the input to the impairment calculation based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

3 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 year (2025: nil); however, an impairment loss has been recognised on the receivable, which is included within the Project segment.

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:

	2026	**2025**
	$	**$**
Investment in Associate	**20,010,362**	**19,762,628**

Reportable segment (loss)

2026	**Bengwenyama Project**	**Unallocated Amount**	**Consolidated**
	$	**$**	**$**
Interest Income	1,140,483	419,113	1,559,596
Corporate expenses	-	(1,843,477)	(1,843,477)
Share-based payments	-	(513,702)	(513,702)
Employee benefits expense	-	(648,556)	(648,556)
Share of losses of joint ventures accounted for using equity method	(292,132)	-	(292,132)
Impairment expense	(8,727,955)	-	(8,727,955)
Loss before income tax expense	(7,879,604)	(2,586,622)	(10,466,226)
Income tax expense	-	-	-
Net loss for the year	(7,879,604)	(2,586,622)	(10,466,226)
Other comprehensive loss	(884,859)	539,867	(344,992)
Total comprehensive loss for the year	(8,764,463)	(2,046,755)	(10,811,218)

2025	**Bengwenyama Project**	**Unallocated Amount**	**Consolidated**
	$	**$**	**$**
Interest Income	923,265	119,675	1,042,940
Corporate expenses	-	(866,356)	(866,356)
Share-based payments	-	(370,994)	(370,994)
Employee benefits expense	-	(470,335)	(470,335)
Share of losses of joint ventures accounted for using equity method	(727,671)	-	(727,671)
Impairment expense	(3,387,072)	-	(3,387,072)
Loss before income tax expense	(3,191,478)	(1,588,010)	(4,779,488)
Income tax expense	-	-	-
Net loss for the year	(3,191,478)	(1,588,010)	(4,779,488)
Other comprehensive loss	183,152	831,044	1,014,196
Total comprehensive loss for the year	(3,008,326)	(756,966)	(3,765,292)

4 ADMINISTRATION EXPENSES

	2026 $	2025 $
The loss before income tax includes the following expenses:		
Legal fees	56,175	4,150
Audit fees	79,945	72,535
Compliance and consultancy expenses	1,242,438	450,660
Marketing expenses	287,453	87,892
Others	177,466	251,119
	1,843,477	**866,356**

5 CASH AND CASH EQUIVALENTS

Cash at bank and on hand	279,207	1,319,109
Term deposit with a maturity of less than six months	18,600,000	8,600,000
	18,879,207	**9,919,109**

The above figures do not include the cash and cash equivalents held by the Company's 70% subsidiary, Miracle Upon Miracle Investments Pty Ltd (MUM) due to that investment being accounted for under the equity method. Details of MUM's cash and cash equivalents can be seen in note 6 below.

6 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The Group acquired its 70% interest in MUM on 27 May 2022. The fair value of the assets acquired of $22,750,000 was based on the fair value of 45,500,000 shares (Consideration Shares) being issued as consideration for the acquisition of MUM. The shares were valued based on the IPO price of $0.50 per share as the acquisition was conditional on the Listing.

50% of the Consideration Shares may be clawed back by the Company for a nominal sum ($50) and then cancelled in the event that certain project milestones are not achieved within four years from the date of the IPO. The assessment period has now expired, and the relevant project milestones have been satisfied. Accordingly, the Consideration Shares remain fully vested, and no shares were clawed back or cancelled.

Whilst the company owns 70% of the voting rights, the terms of the arrangement require 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 for 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:

	2026 $	2025 $
Bengwenyama project	19,762,628	19,659,255
Exchange differences on translation of foreign operations	539,866	831,044
Share losses of joint ventures	(292,132)	(727,671)
Investment in Miracle Upon Miracle Investments Pty Ltd	**20,010,362**	**19,762,628**

6 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

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:

		Ownership interest	
Name	**Principal place of business / Country of incorporation**	**2026 %**	**2025 %**
Miracle Upon Miracle Investments Proprietary 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.

	Miracle Upon Miracle Investments Proprietary Limited	
	2026 $	**2025 $**
Summarised statement of financial position		
Cash and cash equivalents	1,420,760	385,800
Other current assets	266,836	123,484
Non-current assets	19,295,423	11,710,382
Total assets	20,983,019	12,219,666
Other current liabilities	1,014,182	461,274
Non-current financial liabilities (excluding trade and other payables and provisions)	23,372,094	14,664,919
Total liabilities	24,386,276	15,126,193
Net (Liabilities)	(3,403,257)	(2,906,527)
Group's share in %	70%	70%
Group's share in $	(2,382,280)	(2,034,569)
Investment at cost	22,392,642	21,797,197
Carrying amount	20,010,362	19,762,628

The investment at cost 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	**2026 $**	**2025 $**
Revenue	17,941	18,175
Expenses	(435,272)	(1,071,864)
Loss before income tax	(417,331)	(1,053,689)
Total comprehensive loss	(417,331)	(1,053,689)
Reconciliation of the consolidated entity's carrying amount		
Opening balance	19,762,628	19,659,255
Exchange differences on translation of foreign operations	539,866	831,044
Southern Palladium Limited's share of loss after income tax	(292,132)	(727,671)
Closing carrying amount	20,010,362	19,762,628

7 TRADE AND OTHER PAYABLES

	2026 $	2025 $
Trade creditors	128,011	620,012
Employees benefits	27,987	-
Accrued expenses	85,324	78,735
	241,322	**698,747**

Trade creditors are generally non-interest bearing and are typically settled within 30 to 60 days from the invoice date. The carrying amount of trade creditors is considered to approximate fair value due to the short-term nature of these liabilities.

8 CONTRIBUTED EQUITY

132,328,911 fully paid ordinary shares (2025: 106,950,000)	**76,215,493**	**49,135,551**

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

Movement in ordinary share capital		**Number of shares**	**Issue price**	**Share capital**
2025				
1-Jul-24	Opening balance	89,750,000		41,079,861
8-Nov-24	Conversion of performance rights	1,200,000	$0.50	600,000
19-Jun-25	Share placement	16,000,000	$0.50	8,000,000
	Shares issue costs			(544,310)
30-Jun-25	**Balance at the end of the year**	**106,950,000**		**49,135,551**
2026				
1-Jul-25	Opening balance	106,950,000		49,135,551
27-Oct-25	Placement - Tranche 1	6,600,004	$1.10	7,260,004
19-Nov-25	Share Purchase Plan	59,092	$1.10	65,001
8-Dec-25	Placement - Tranche 2	11,581,815	$1.10	12,739,996
18-Feb-26	Conversion of options expiring 27 May 2026	300,000	$0.875	262,500
25-Feb-26	Conversion of options expiring 27 May 2026	50,000	$0.875	43,750
30-Apr-26	Conversion of options expiring 27 May 2026	50,000	$0.875	43,750
11-May-26	Conversion of options expiring 27 May 2026	5,938,000	$0.875	5,195,750
27-May-26	Conversion of options expiring 27 May 2026	100,000	$0.875	87,500
28-May-26	Conversion of options expiring 27 May 2026	100,000	$0.875	87,500
1-Jun-26	Conversion of options expiring 27 May 2026	600,000	$0.875	525,000
	Transfer from options reserve			2,148,538
	Shares issue costs			(1,379,347)
30-Jun-26	**Balance at the end of the year**	**132,328,911**		**76,215,493**

9 RESERVES

	2026 $	2025 $
Share-based payment reserve	599,080	2,233,915
Foreign Currency translation reserve	(1,240,972)	(895,979)
	(641,892)	**1,337,936**

9 RESERVES (CONTINUED)

a) Nature of reserves

Share-based payment reserve
The share-based payment reserve represents the cumulative expense recognised in relation to equity-settled share-based payment arrangements, including options and performance rights granted to employees, directors and consultants.

Foreign currency translation reserve
The foreign currency translation reserve comprises exchange differences arising from the translation of the financial statements of foreign operations.

b) Movement in reserves

Reserve	Foreign Currency Translation Reserve	Share-based payment reserve	Total
Balance at 1 July 2025	(895,980)	2,233,915	1,337,936
Share-based payments recognised	-	513,702	513,702
Foreign exchange translation movement	(344,992)	-	(344,992)
Transfer on exercise of options	-	(2,148,538)	(2,148,538)
Balance at 30 June 2026	**(1,240,972)**	**599,080**	**(641,892)**

10 ACCUMULATED LOSSES

	2026 $	2025 $
Accumulated losses at beginning of financial year	(21,437,352)	(16,657,864)
Loss for the year	(10,466,226)	(4,779,488)
Accumulated losses at the end of financial year	**(31,903,578)**	**(21,437,352)**

11 NOTES TO STATEMENT OF CASH FLOWS

Reconciliation of operating profit after income tax to net cash flows from operating activities.

Operating loss after income tax	(10,466,226)	(4,779,488)
Adjustment for:		
Share of loss of associate accounting using equity method	292,132	727,671
Impairment expense	8,727,955	3,387,073
Share-based payments related to directors' options and performance rights	513,702	370,994
Non cash investing and financing activities:		
Accrued Interests	(1,140,483)	(923,265)
Other items	512,283	(472,469)
Changes in assets and liabilities:		
Decrease/(increase) in receivables and prepayment	31,369	(31,128)
(Decrease)/increase in trade and other payables	(457,425)	560,932
Net cash (outflow) from operating activities	**(1,986,693)**	**(1,159,680)**

12 LOSS PER SHARE

		2026 Number	2025 Number
Weighted average number of ordinary shares		118,908,682	91,048,630

		2026 $	2025 $
Loss attributable to ordinary shareholders			
Loss attributable to ordinary shareholders for the basic earnings	a	10,466,226	4,779,488
Loss attributable to ordinary shareholders adjusted for effect of dilution		10,466,226	4,779,488
Basic/diluted (loss) per share	b	(0.089)	(0.053)
Headline/diluted (loss) per share	c	(0.089)	(0.053)

Options, Performance Rights and Zero Exercise Price Options (ZEPOs) outstanding during the period have not been included in the calculation of diluted earnings per share as they are anti-dilutive. As the Group incurred a loss for the period, the inclusion of these potential ordinary shares would decrease the loss per share, and therefore they are excluded from the diluted earnings per share calculation in accordance with AASB 133 Earnings per Share.

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:

	2026 $	2025 $
Loss attributable to ordinary shareholders		
Loss attributable to ordinary shareholders for the headline earnings	(10,811,218)	(3,765,292)
Adjusted for:		
Exchange differences on translation of foreign operations	344,992	(1,014,196)
Subtotal of adjustments	344,992	(1,014,196)
Headline losses	**(10,466,226)**	**(4,779,488)**
Diluted headline losses	**(10,466,226)**	**(4,779,488)**

13 INCOME TAX

a) The prima facie income tax benefit on pre-tax accounting loss reconciles to the income tax amount in the financial statements as follows:		
Loss from ordinary activities	(10,466,226)	(4,779,488)
Prima facie income tax benefit calculated at 25% of taxable loss (2025: 25%)	**(2,616,557)**	**(1,194,872)**
Non-deductible items:		
Movement in unrecognised temporary differences	2,240,740	484,288
Taxable losses not recognised	375,817	710,584
Income tax expense	-	-

13 INCOME TAX (CONTINUED)

b) Tax losses:		
Unused tax losses for which no deferred tax asset has been recognised.	31,903,578	21,437,352
Potential tax benefit at 25% (2025: 25%)	7,975,895	5,359,338

Australian Tax losses may be carried forward indefinitely subject to the conditions imposed by Australian law.

14 FINANCIAL INSTRUMENTS

Financial risk management objectives

The Company's activities in relation to financial risk are currently limited to the operation of its bank account held in Australian dollars. The board of directors set up operation of the account requiring two authorised signatories for any payment, meaning that no single person can effect a transaction from end to end on their own.

Market Risk
Market risk is the risk that changes in market prices, including foreign exchange rates, interest rates and equity prices, will affect the Group's financial position or performance. The Group's exposure to market risk is limited.

The Group does not maintain any foreign currency bank accounts and therefore has minimal exposure to foreign exchange risk. Interest rate risk arises primarily from cash and term deposits held with reputable financial institutions. The Group does not hold investments in listed equity securities and accordingly is not exposed to significant equity price risk. Management monitors market risks on a regular basis and considers the Group's exposure at 30 June 2026 to be low.

Foreign currency risk
The Company is exposed to foreign currency risk arising from financial assets and liabilities denominated in currencies other than the functional currency of the relevant entity, primarily South African Rand (ZAR) and US Dollars (USD).

The Group's exposure to foreign currency risk is primarily attributable to its investment in the South African associate, Miracle Upon Miracle Investments Proprietary Limited (MUM), and related balances denominated in South African Rand. Accordingly, movements in the AUD/ZAR exchange rate may have a significant impact on the carrying value of these balances and the foreign exchange gains or losses recognised by the Group.

The carrying value of financial instruments that are held in a currency other than the entities functional currency are as follows (expressed in Australian dollars):

	2026	2025
	$	$
Financial Assets		
Investment in associate	20,010,362	19,762,628
Financial Liabilities		
Trade payables	70,166	17,367

The sensitivity of profit or loss to changes in the exchange rates arises mainly from ZAR dollar-denominated financial instruments. A 10 percent increase in the AUD/ZAR exchange rate would increase post-tax profit by $5,262 while a 10 percent decrease in the AUD/ZAR exchange rate would decrease post-tax profit by $5,262.

Credit risk
Credit risk arises from cash and cash equivalents and deposits with banks, as well as credit exposures in respect of outstanding receivables and committed transactions.

14 FINANCIAL INSTRUMENTS (CONTINUED)

The Group's credit risk is concentrated in cash and term deposits held with Australian banking institutions. As at 30 June 2026, the Group held cash and term deposits of $23,879,206 (2025: $9,9,9,109). Management considers the risk of default by these institutions to be low and therefore does not consider any impairment provision necessary in respect of these balances.

Interest rate risk
The Company main interest rate risk arises from cash and cash equivalents and deposits with banks.

Interest rate risk - Sensitivity analysis for variable and short-term fixed rate instruments
At 30 June 2026, if interest rates had changed by lower/higher 100 basis points from the year-end rates with other variables held constant, post-tax profit for the year would have been $238,792 lower/higher (2025: change of 100 bps: $99,191 lower/higher), as a result of lower/higher interest income from cash and cash equivalents and deposits with banks.

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages liquidity risk by maintaining adequate cash reserves from funds raised by the Company in various capital raisings and continuously monitoring forecast and actual cash flows. The contractual maturities of the Group's financial liabilities, including estimated interest payments are as follows:

	Carrying amount	Contractual cash flows	Less than 1 year	1-2 year	More than 5 years
	$	$	$	$	$
2026					
Trade and other payables	241,322	241,322	241,322		
2025					
Trade and other payables	698,747	698,747	698,747	-	-

The Company has adequate cash reserves for its current level of activities.

Capital management
The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so as to maintain a capital base sufficient to allow future exploration and development of the Group's current projects and evaluation of potential acquisitions. The Group has raised capital through the issue of equity and borrowings to fund its administration, exploration and evaluation activities and does not have any external borrowings at balance date. The Group may raise additional capital through the issue of new shares or debt finance to fund exploration, development and/or asset acquisition, should the Group require additional capital to carry out those activities. There were no changes in the Group's approach to capital management during the year. The Group is not subject to externally imposed capital requirements.

15 RELATED PARTY TRANSACTIONS

Parent entity
Southern Palladium Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 19.

Joint ventures
Interests in Joint ventures are set out in note 6.

Key management personnel
Disclosures relating to key management personnel are set out in note 16 below.

Loans to/from related parties

Loans provided to MUM are set out in note 20.

16 KEY MANAGEMENT PERSONNEL DISCLOSURES

a) Directors and executives

The directors and other key management personnel of Southern Palladium Limited during the year were:

Mr Roger Baxter – Executive Chairman (Non-executive Chairman 1 January to 7 October 2024)
Mr Johan Odendaal – Managing Director
Mr Daniel Van Heerden – Non-executive Director
Ms Lindi Nkosi-Thomas – Non-executive Director
Mr Mike Stirzaker – Non-executive Director
Mr Robert Thomson – Non-executive Director

b) Key Management Personnel compensation

	2026	**2025**
	$	**$**
Short-term employee benefits	581,530	441,928
Post-employment benefits	41,271	28,407
Share-based benefits	513,702	275,789
	1,136,503	**746,124**

c) Other related parties transactions

During the financial year, MUM paid/payable to Minxcon (Pty) Ltd ZAR 22,006,184 (AUD $1,944,550 equivalent) (2025: ZAR 11,940,967 (AUD $1,027,092 equivalent)) for project management of the Bengwenyama Project. Two of the Company's Directors, Johan Odendaal and Daniel Van Heerden, are significant and controlling shareholders in Minxcon (Pty) Ltd.

Johan Odendaal is also an Executive Director to MUM, in which the Company holds 70% interests. The aggregate remuneration payable to Johan Odendaal by the Company and MUM under his employment contract with the Company and arrangements with MUM is A$275,000 per annum.

Mike Stirzaker and Daniel Van Heerden were appointed as Non-Executive Directors to MUM effective 26 May 2022.

Lindi Nkosi-Thomas was appointed as Non-Executive Chairman to MUM effective 19 May 2022. Non-executive director, 3 March 2017 to 18 May 2022).

As of 30 June 2026, MUM directors' fees are paid/payable by MUM to Key Management Personnel as follows:

	30 June 2026		**30 June 2025**	
	South Africa Rand (ZAR)	**AUD equivalent**	**South Africa Rand (ZAR)**	**AUD equivalent**
Non-Executive Directors:				
Lindi Nkosi-Thomas (Chairman)	170,000	15,022	170,000	14,622
Mike Stirzaker	140,000	12,371	140,000	12,042
Daniel Van Heerden	140,000	12,371	140,000	12,042
Managing Directors:				
Johan Odendaal	1,534,573	135,600	1,450,000	124,720

17 AUDITORS' REMUNERATION

During the financial year the following fees were paid or payable for services provided by BDO Audit Pty Ltd, the auditor of the Company, its network firms and unrelated firms.

	2026 $	2025 $
Audit services - BDO Audit Pty Ltd		
Audit and review of financial reports	**79,945**	**72,535**

18 PARENT ENTITY INFORMATION

Set out below is the supplementary information about the parent entity.

a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

Statement of Financial Position	**2026**	**2025**
	$	**$**
Current assets	23,903,013	9,973,955
Non-current assets	20,010,471	19,762,628
Total assets	43,913,484	29,736,583
Current liabilities	241,322	698,746
Total liabilities	241,322	698,746
Net Assets	**43,672,162**	**29,037,837**
Equity		
Contributed equity	76,215,493	49,135,442
Reserves	(641,892)	1,337,936
Accumulated losses	(31,901,439)	(21,435,542)
Total equity	**43,672,162**	**29,037,837**
Loss for the year	(10,465,897)	(4,779,167)
Total comprehensive loss	(10,810,889)	(3,764,971)

b) Guarantees entered into by the parent entity

The parent entity did not have any financial guarantees as at 30 June 2026.

c) Contingent liability of parent entity

The parent entity did not have any contingent liabilities as at 30 June 2026.

19 INTERESTS IN SUBSIDIARIES

Name of controlled entity	Country of incorporation	Class of shares	Ownership interest 2026 %	Ownership interest 2025 %
Parent entity				
Southern Palladium Limited	Australia			
Subsidiaries				
SPD (RSA Holding) Pty Limited (i)	Australia	Ordinary	100	100
(i) Subsidiaries of SPD (RSA Holding) Pty Limited				
SPD South Africa Proprietary Limited (ii)	South Africa	Ordinary	100	100
Associate				
Miracle Upon Miracle Proprietary Limited	South Africa	Ordinary	70	70

20 UNSECURED LOAN

		2026 $	2025 $
Loan facility to MUM*		20,561,182	12,868,401
Accrued interest		2,828,111	1,792,937
Impairment of loan receivables	a	(23,389,293)	(14,661,338)
		-	-

*Cumulative loan balance of USD 16,126,877 at year 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 A$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 30 June 2026 prime rate, being 6.50%), 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.

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.

20 UNSECURED LOAN (CONTINUED)

a) Impairment of receivables

The Unsecured Loan has been impaired to the value of $23,389,293, 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 $23,389,293 owed by MUM is capable of being repaid from MUM. During the current year, the Company recognised an additional impairment expense of $8,727,955 (2025: $3,387,072) against the loan balance.

21 SHARE-BASED PAYMENTS

		2026 $	**2025 $**
Zero Exercise Price Options	**a**	(217,870)	-
Performance Rights	**b**	(267,060)	(285,616)
Incentive Options		(28,772)	(85,378)
		(513,702)	(370,994)

Movement in Share-based Payment Arrangements

	Lead Manager Options	**Series A Options**	**Series B Options**	**ZEPO Options**	**Incentive Options**	**Performance Rights**
Balance at 1 July 2025	3,638,000	3,000,000	500,000	-	750,000	-
Granted during the year	-	-	-	385,320	-	577,981
Exercised/Acquired	(3,638,000)	(3,000,000)	(500,000)		-	-
Forfeited/lapsed	-	-	-		-	-
Balance at 30 June 2026	-	-	-	385,320	750,000	577,981
Unvested at 30 June 2026	-	-	-	288,988	-	-
Vested and exercisable at 30 June 2026	-	-	-	96,332	750,000	-
Vested and un-exercisable at 30 June 2026	-	-	-	-	-	-

a) Options issued to Employees and Directors

(i) Directors Options

385,320 ZEPO options were issued during the year ended 30 June 2026. (2025: Nil)

Details of options are set out below:

	Number	**Grant date**	**Expiry date**	**Vesting date**	**Exercise price**	**Fair Value per option at grant date**
ZEPO Options	385,320	08-12-2025	Various between March 2028 to December 2030	Various between March 2026 to December 2028	Nil	$1.215

ZEPOs were valued at their grant date fair value of $1.215 per right, based on the Company's share price at the grant date. One twelfth of the ZEPOs granted shall vest each quarter over three years, contingent solely on continued service as a Director of the Company. ZEPO options are granted as part of the remuneration to directors.

21 SHARE-BASED PAYMENTS (CONTINUED)

b) Performance Rights issued to Directors

Directors Performance Rights
577,981 performance rights were granted to directors during the year ended 30 June 2026 (2025: 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 set out below, contingent on continued service as a Director of the Company:

Milestone Performance Conditions	Percentage of Performance Rights to Vest upon satisfaction of MPC
Independent Peer and Board approval of Definitive Feasibility Study	10%
Obtain all permits, licenses and approvals needed for Stage 1 construction	15%
Concentrate/ Offtake(s) / strategic prepay on value terms as required for Stage 1	15%
Stage 1 Financing package secured (debt/equity/partner)	15%
Stage 1 Final Investment Decision (FID)	15%
Decline constructed to UG2 orebody	15%
Stage 1 Construction — commencement and early progress	15%

In accordance with AASB 2 Share-based Payment, the value of the Performance Rights will be expensed over the respective vesting periods. An expense of $267,060 (2025: $285,6160) has been recognised for the purpose of the consolidated statement of profit and loss. Details of the Performance Rights are set out below:

	Number	Grant date	Expiry date	Vesting date	Exercise price	Fair Value per performance rights at grant date
Performance Rights	577,981	08-12-2025	2 years following satisfaction of the vesting conditions	Upon satisfaction of Milestone Performance Conditions	Nil	$1.215

Performance Rights were valued at their grant date fair value of $1.215 per right, based on the Company's share price at the grant date.

c) Shares issued for services under a share-based payment arrangement during the year.

No shares were issued for services under a share-based payment arrangement during the year ended 30 June 2026 (2025: Nil).

d) Options issued for services under a share-based payment arrangement during the year.

During the year ended 30 June 2026, 385,320 ZEPO options were issued as part of Directors' remuneration under a share-based payment arrangement (2025: 750,000 incentive options).

Details of options outstanding are set out below:

	Number	Grant date	Expiry date	Vesting date	Exercise price	Fair Value per option at grant date
Incentive Options	750,000	01-10-2024	30-09-2027	1-year vesting period, pro-rata daily during employment.	$0.7	$0.152
ZEPO Options	385,320	08-12-2025	Various from 8 March 2028 to 8 December 2030	Quarterly vesting period, pro-rata quarterly during employment.	Nil	$1.215

22 INVESTMENTS

Term Deposit

The Company holds a term deposit of $5,000,000 with a reputable Australian financial institution. The deposit has a term of six months and earns interest at a fixed market rate. The investment is held to manage the Company's short-term cash requirements while preserving capital and generating interest income.

At 30 June 2026, the term deposit had a carrying value of $5,000,000 (2025: Nil). The deposit matures within twelve months of the reporting date and has therefore been classified as a current asset.

23 EVENTS SUBSEQUENT TO REPORTING DATE

On 7 August 2026, MUM was granted a Mining Right on the Bengwenyama PGM project for an initial period of 30 years, with the right to apply for renewal upon expiry.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

24 COMMITMENTS

There are no commitments at the end of the financial year ended 30 June 2026 (2025: Nil).

25 CONTINGENT LIABILITIES

There are no minimum exploration expenditure commitments for the Bengwenyama PGM Project.

The consolidated entity has no other contingent liabilities.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

AS AT 30 JUNE 2026

Basis of Preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the *Corporations Act 2001,* reflecting the amendments to section 295(3A)(vi) and (vii) which clarify the definition of foreign resident as being an entity that is treated as a resident of a foreign country under the tax laws of that foreign country. The CEDS includes certain information for each entity that was part of the consolidated entity at the end of the financial year in accordance with AASB 10 *Consolidated Financial Statements*.

Determination of Tax Residency

Section 295(3B)(a) of the Corporation Acts 2001 defines Australian resident as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency. Section 295 (3A)(a)(vii) requires the determination of tax residency in a foreign jurisdiction to be based on the law of the foreign jurisdiction relating to foreign income tax.

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

Foreign tax residency

Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in determining tax residency in those foreign jurisdictions and ensure compliance with applicable foreign tax legislation.

Partnerships and Trusts

Section 295(3B)(b) and (c) of the Corporation Acts 2001 clarify that an Australian resident for the purposes of these disclosures includes a partnership with at least one member of which is an Australian resident within the meaning of the Income Tax Assessment Act 1997 and a resident trust estate under the meaning in Division 6 of the Income Tax Assessment Act 1936. For the purposes of the CEDS, Public Company Share Trust is determined to be an Australian resident trust estate within the meaning of Division 6 of Part III of the Income Tax Assessment Act 1936.

Entity name	Entity type	Trustee, partner or participant in joint venture	Country of Incorporation	% of Share Capital	Australian Resident	Foreign Tax Jurisdiction
Southern Palladium Limited	Body Corporate	N/A	Australia	N/A	Yes	N/A
SPD (RSA Holding) Pty Limited	Body Corporate	N/A	Australia	100%	Yes	N/A
SPD South Africa Proprietary Limited	Body Corporate	N/A	South Africa	100%	No	South Africa
Miracle Upon Miracle Proprietary Limited	Body Corporate	N/A	South Africa	70%	No	South Africa

Southern Palladium Limited
ABN 59 646 391 899
and Controlled Entities

DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Accounting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2026 and of its performance for the financial year ended on that date;
- the information disclosed in the Consolidated Entity Disclosure Statement is true and correct;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the remuneration report as set out in the directors' report for the year ended 30 June 2026 complies with section 300A of the Corporations Act 2001.

The directors have been given the declarations by the chief executive officer required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Board

Roger Baxter
Executive Chairman

Australia, 28 September 2026

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INDEPENDENT AUDITOR'S REPORT

To the members of Southern Palladium Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Southern Palladium Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2026, 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 year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

i) Giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year ended on that date; and

ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit 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 audits of the financial report of public interest entities 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 in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Carrying value of investment in associate

Key audit matter	How the matter was addressed in our audit
As disclosed in Note 6 of the financial report, the Group holds a 70% interest in the Bengwenyama Project through its investment in Miracle Upon Miracle Investments Proprietary Limited ("MUM"). The asset is classified as an investment in associate under AASB 128 *Investments in Associates and Joint Ventures*. The carrying value of the asset is considered a key audit matter due to the significance of the assets to the Group, the judgement exercised by management in assessing the classification of the investment and in determining whether there are any indicators to suggest that the investment may be impaired.	Our procedures included, but were not limited to the following; • Considering management's assessment of indicators that the investment in associate could be impaired; • Reviewing the calculation for the carrying value of the investment including the Group's share in MUM's loss; • Reviewing the financial information of the investment including assessing if the accounting policies of the investment were consistent with the Group; • Reviewing ASX announcements, Board of Director meetings minutes to assess for potential indicators of impairment; and • Reviewing the adequacy of disclosures in Note 2 and Note 6 of the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information contained in the Directors' Report for the year ended 30 June 2026, but does not include the financial report and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Annual Report, which is expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and

b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 17 to 23 of the directors' report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of Southern Palladium Limited, for the year ended 30 June 2026, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

BDO

J Watkins

Jeremy Watkins

Director

Perth, 28 September 2026