



15 June 2022

Positive Results from Geophysical Survey and Drilling Contractor Appointed

Key highlights:

- High-definition helicopter-borne Total Magnetic Field (TMF) gradient and gamma-ray spectrometry survey completed at the Bengwenyama Project
- TMF data confirms previous structural model of the UG2 and Merensky Reefs, which forms the framework of the Inferred Mineral Resource 18.8Moz (3PGE+Gold)
- Imaging also confirms absence of anomalous (Loss of Reef) features in the target area for phase 1 drill programme
- Confirmation underpins confidence in the existing geological structure of the reef upon which the Phase 1 drilling programme has been planned
- A contract has been signed with Geomech Africa Proprietary Limited (Geomech) for the Phase 1 drilling programme, which is scheduled to commence early July

Southern Palladium (ASX:SPD, JSE:SDL, 'Southern Palladium' or 'the Company') is pleased to announce results of a high-definition, helicopter-borne TMF gradient and gamma-ray spectrometry survey at the Bengwenyama platinum group metals (PGMs) project.

The TMF survey was carried out with the following dual aim:

1. Confirmation of the existing structural model, that was developed based on historical geophysical information available in the public domain, and;
2. To investigate evidence of anomalous magnetic features that could indicate any loss-of-ground geological features or other geological discontinuities.

The Company confirms that TMF data supports and enhances previous structural modelling, which formed the framework of the existing JORC 2012-compliant Inferred Mineral Resource of 18.8Moz (3PGE + Gold), situated within the UG2 and Merensky Reefs.

In addition, imaging shows that there are almost no anomalous magnetic features which would indicate large areas of potential loss-of-ground geological features in the eastern part of Eerstegeluk, where the phase 1 drilling is planned. Anomalies observed over the phase 2 portion have been interpreted to be shallow and above the reef in the far southwest corner and is not expected to impact our target ounces.

Commenting on Southern Palladium's dual-listing and exploration plans, Managing Director Johan Odendaal, said:

"We are pleased to present the results of a detailed Total Magnetic Field (TMF) survey at Bengwenyama. The central aim of the survey – to confirm the structural integrity of the Inferred mineral resource, and investigate any potential loss-of-ground disruptions – were both achieved. We can now commence the Phase 1 drilling programme with the appropriate degree of confidence around the mineralised structure of the drill site. With the appointment of Geomech as the drill contractor, mobilisation in collaboration with our host community is underway and we expect to commence drilling operations by July 2022."

Southern Palladium Limited

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Results of Geophysical Survey

A schematic of the current three dimensional (3D) structural model is presented in Figure 1 which shows the major structural features interpreted to have been dykes or faults. These structural features were further interpreted to throw the PGM reef horizons up to more shallow depths in the project area, which would be of material benefit to the economics of the project.

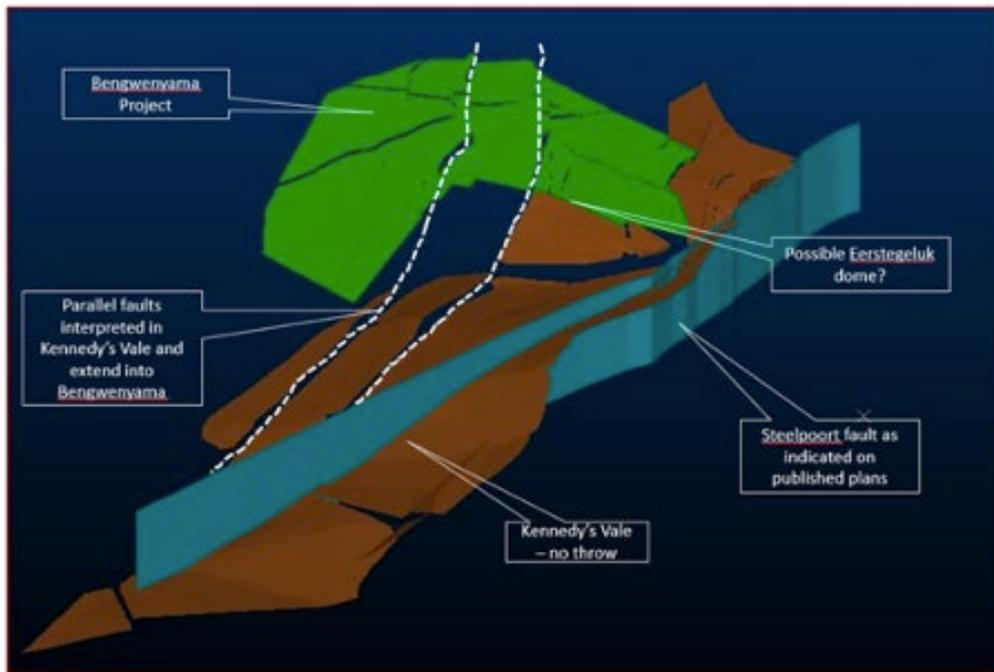


Figure 1: Structural features attributed to mineralisation at shallow depths

These structures are clearly visible in the Total Magnetic Field (TMF) imaging (shown in Figure 2) which are almost identical to the historical information that was used for the geological model.

Figure 2 also confirms that the Eastern section of the Eerstegeluk, which comprises the target 2 Moz Reserve from phase 1 drilling, is almost completely free of any iron rich ultramafic pegmatites (IRUPs) disruptions or magnetic features indicative of potential loss-of-ground features.

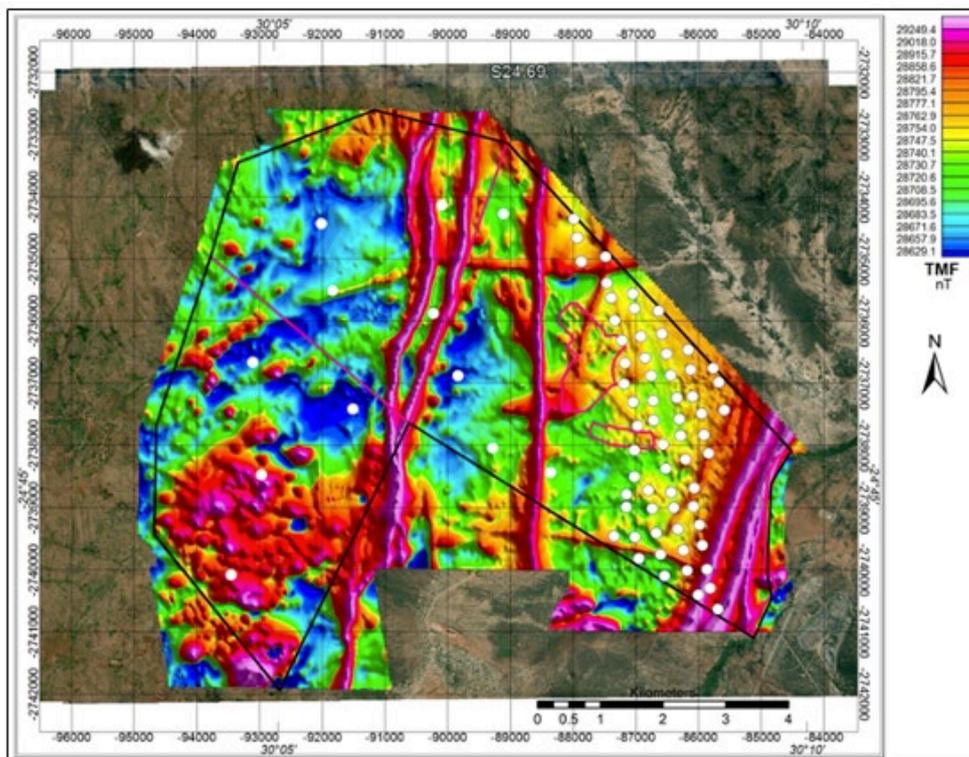


Figure 2: Imaging shows presence of magnetic bodies over the entire prospecting area

Investor Webinar

As announced to the ASX on 10 June 2022, Southern Palladium will also be hosting an investor webinar at 2 PM AEST on Wednesday 15 June 2022.

For anyone wishing to attend the webinar, please register using the below link.

Register via: <https://attendee.gotowebinar.com/register/1943382827663990285>

This announcement has been approved for release by the Board of Southern Palladium Limited.

About Southern Palladium:

Southern Palladium Limited (ASX:SPD, JSE:SDL) is a dual-listed platinum group metal (PGM) company developing the advanced Bengwenyama PGM project, particularly rich in palladium/rhodium, in South Africa. The project is located on the Eastern Limb of the Bushveld Complex, which contains more than 70% of the world's known Platinum Group Metal (PGM) Resources. With its 70% stake in the project, the Company's focus will target the delivery of an established 2Moz Ore Reserve at Bengwenyama through metallurgical studies, geophysical mapping and a two-phase diamond drill programme.

A major development opportunity in the global PGM market, previous exploration at Bengwenyama has already delivered a JORC 2012-compliant Inferred Mineral Resource of 18.8Moz within two reefs – UG2 and Merensky. In addition, an assessment by mining industry consultants CSA Global assessed the total resource potential of Bengwenyama at between 33.9Moz and 52.4Moz. The Company is led by an experienced on-ground management team including some of South Africa's most high-profile mining industry executives.

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