25 October 2024

Financial Report for MUM - Year Ended 30 June 2024

Southern Palladium Limited (ASX:SPD and JSE:SDL), 'Southern Palladium' or 'the Company') releases the audited Financial Report for Miracle Upon Miracle Investments (Pty) Ltd (MUM) for the year ended 30 June 2024.

This financial report is released in accordance with ASX Listing Rule 4.8.

The Company holds a 70% equity interest in MUM, a South African private company which in turn holds 100% of the Bengwenyama Platinum-Group Metal (PGM) Project located in the world class Bushveld Complex, South Africa.

Authorised by the Managing Director.

For further information, please contact:

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Audit • Advisory • Tax

MIRACLE UPON MIRACLE INVESTMENTS PROPRIETARY LIMITED
FINANCIAL STATEMENTS
(REGISTRATION NUMBER 2007/035275/07)
FOR THE YEAR ENDED 30 JUNE 2024

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Mining and all aspects related thereto
Directors	L.G. Thomas N.J. Odendaal D. van Heerden M.H. Stirzaker M.D. Nkosi M.J. Nkosi P.H. de Villiers (alternate)
Business address	Suite 6 Cold Stream Office Park 2 Coldstream Street Little Falls Gauteng 1724
Ultimate holding company	Southern Palladium Limited incorporated in Australia
Holding company	SPD South Africa Proprietary Limited incorporated in South Africa
Auditor	BDO South Africa Incorporated Registered Auditors
Secretary	Fusion Corporate Secretarial Services

The financial statements have been prepared under the supervision of Tariro Gadzikwa CA(SA).

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The reports and statements set out below comprise the financial statements presented to the shareholders:

The following supplementary information does not form part of the financial statements and is unaudited:

Directors’ Responsibilities and Approval

The directors are required in terms of the Companies Act 71 of 2008 of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial period and the results of its operations and cash flows for the period then ended, in conformity with IFRS Accounting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with IFRS Accounting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company’s business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 5 and 6.

The financial statements set out on pages 9 to 27, which have been prepared on the going concern basis, were approved by the board on 17 September 2024 and were signed on its behalf by:

Approval of financial statements

L.G. Thomas	**N.J. Odendaal**

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106 Park Drive,
St Georges Park,
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PO Box 63814,
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Independent Auditor's Report

To the shareholder of

Miracle Upon Miracle Investments Properties Limited

Opinion

We have audited the financial statements of Miracle Upon Miracle Investments Properties Limited (the company) set out on pages 9 to 27, which comprise the statement of financial position as at 30 June 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Miracle Upon Miracle Investments Properties Limited as at 30 June 2024, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Miracle Upon Miracle Investments Properties Limited Annual Financial Statements for the year ended 30 June 2024", which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability 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 company or to cease operations, or have no realistic alternative but to do so.

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Independent Auditor's Report

To the shareholder of

Miracle Upon Miracle Investments Properties Limited

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 ISAs 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 these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO South Africa Inc

BDO South Africa Incorporated
Registered Auditors

Siyabonga Mthembu
Audit Partner (CA)SA
Registered Auditor

18 September 2024

106 Park Drive
St Georges Park
Gqeberha
6001

Directors' Report

The directors present their report on the financial statements of Miracle Upon Miracle Investments Proprietary Limited for the year ended 30 June 2024.

1 Nature of business

The company is engaged in mining and all aspects related thereto. The company operates in South Africa.

There have been no material changes to the nature of the company's business from the prior period.

2 Comparative period

On 13 February 2023 the company changed its year end from December to June. As such financial statements were prepared for the 12 months ended 31 December 2022 and for the 6 month period ended 30 June 2023 in order to meet the requirements of the Companies Act pursuant to the change. The comparative financial information presented is therefore for a six month period ended 30 June 2023.

3 Review of financial results and activities

The financial statements for the year ended 30 June 2024 have been prepared in accordance with IFRS Accounting Standards and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior period.

Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements.

As set out in Note 3, the company had a prospecting right on Eerstegeluk 327 KT (previously known as Eerstegeluk 322 KT) and Nooitverwacht 324 KT in the Limpopo Province of SA. This prospecting right expired on 12 February 2024. In October 2023, the company applied for a mining right and is awaiting the outcome of the application. Management is reasonably confident that the mining right will be granted.

4 Share capital

There have been no changes to the authorised or issued share capital during the year under review. There were also no changes in the shareholding during the year.

5 Dividends

The board of directors does not recommend the declaration of a dividend for the year under review (June 2023: Rnil).

6 Directorate

The directors shown below held office during the twelve months under review and at the date of this report:

Director	Designation
L.G. Thomas	Chairman, Non-executive director
N.J. Odendaal	Executive director
M.D. Nkosi	Executive director
D. van Heerden	Non-executive director
M.J. Nkosi	Non-executive director
M.H. Stirzaker	Non-executive director
P.H. de Villiers	Alternate director

7 Holding company and ultimate holding company

The company's holding company is SPD South Africa Proprietary Limited which holds 70% of the company's shares and is incorporated in South Africa. The remaining 30% is held by Nurinox Investments Proprietary Limited, a company incorporated in South Africa. The company's ultimate holding company is Southern Palladium Limited which holds a 70% indirect interest in the company as disclosed in note 7.

Directors' Report continued

8 Going concern

Refer to note 17 of the financial statements.

9 Events after the reporting period

The directors are not aware of any material events which occurred after the reporting date and up to the date of this report other than as disclosed in note 18.

10 Auditors

Shareholders will be requested at the next annual general meeting to reappoint BDO South Africa Incorporated as the independent external auditor of the company and to confirm Mr. Siyabonga Mthembu as the designated lead audit partner for the next financial year.

11 Secretary

The company secretary is Fusion Corporate Secretarial Services.

Statement of Financial Position as at 30 June 2024

	Notes	June 2024 R	June 2023 R
Assets			
Non-current assets			
Exploration and evaluation assets	3	105 777 082	51 365 907
Property, plant and equipment	4	3 140	5 921
		105 780 222	**51 371 828**
Current assets			
Trade and other receivables	5	2 297 093	2 793 701
Cash and cash equivalents	6	9 519 328	7 582 024
		11 816 421	**10 375 725**
Total assets		**117 596 643**	**61 747 553**
Equity and Liabilities			
Equity			
Share capital	7	13 059 646	13 059 646
Accumulated loss		(34 600 737)	(25 646 444)
		(21 541 091)	**(12 586 798)**
Liabilities			
Non-current liabilities			
Loan from ultimate holding company	8	136 590 459	68 942 351
		136 590 459	**68 942 351**
Current liabilities			
Trade and other payables	9	2 547 275	5 392 000
		2 547 275	**5 392 000**
Total liabilities		**139 137 734**	**74 334 351**
Total equity and liabilities		**117 596 643**	**61 747 553**

Statement of Profit or Loss and Other Comprehensive Income

	Note	Twelve months ended June 2024 R	Six months ended June 2023 R
Other income	10	3 748 060	-
Other operating expenses		(11 623 792)	(8 639 652)
Operating loss		**(7 875 732)**	**(8 639 652)**
Finance income	11	175 959	5 015
Finance costs	12	(1 254 520)	(421 727)
Loss before taxation		**(8 954 293)**	**(9 056 364)**
Taxation	13	-	-
Loss for the period		**(8 954 293)**	**(9 056 364)**
Other comprehensive income		-	-
Total comprehensive loss for the period		**(8 954 293)**	**(9 056 364)**

Statement of Changes in Equity

	Share capital R	Share premium R	Total share capital R	Accumulated loss R	Total equity R
Balance at 1 January 2023	109	13 059 537	13 059 646	(16 590 080)	(3 530 434)
Total comprehensive loss for the period	-	-	-	(9 056 364)	(9 056 364)
Balance at 30 June 2023	109	13 059 537	13 059 646	(25 646 444)	(12 586 798)
Total comprehensive loss for the year	-	-	-	(8 954 293)	(8 954 293)
Balance at 30 June 2024	109	13 059 537	13 059 646	(34 600 737)	(21 541 091)
Note	7	7	7		

Statement of Cash Flows

	Notes	Twelve months ended June 2024 R	Six months ended June 2023 R
Cash flows from operating activities			
Cash used in operations	14	(13 969 128)	(1 181 888)
Finance income		175 959	5 015
Net cash used in operating activities		**(13 793 169)**	**(1 176 873)**
Cash flows from investing activities			
Expenditure on exploration and evaluation assets	3	(47 456 079)	(25 249 166)
Net cash used in investing activities		**(47 456 079)**	**(25 249 166)**
Cash flows from financing activities			
Proceeds from loan from ultimate holding company	8	63 186 552	28 885 546
Net cash generated from financing activities		**63 186 552**	**28 885 546**
Total movement in cash and cash equivalents for the period		1 937 304	2 459 507
Cash and cash equivalents at the beginning of the period		7 582 024	5 122 517
Cash and cash equivalents at the end of the period	6	**9 519 328**	**7 582 024**

Material Accounting Policies

1 Presentation of Financial Statements

The financial statements have been prepared on the going concern basis in accordance with IFRS Accounting Standards and the requirements of the Companies Act 71 of 2008 of South Africa. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period, except for the adoption of new accounting standards as set out in note 2.

1.1 Exploration and evaluation assets

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Exploration and evaluation expenditures are carried forward on the basis described below.

Each area of interest is considered separately when deciding whether and to what extent to carry forward or write off exploration and evaluation expenditures.

Exploration and evaluation expenditures related to an area of interest are carried forward provided that rights to tenure of the area of interest are current and provided that at least one of the following conditions is also met:

- such costs are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations activities in a particular area of interest.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, gathering exploration data through geophysical studies, exploratory drilling, trenching and sampling, and associated activities. General and administration costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular are of interest.

Where a decision has been made to proceed with development in respect of a particular area of interest and once Joint Ore Reserves Committee (JORC) compliant reserves are established, the relevant exploration and evaluation assets are tested for impairment and the balance is then transferred to mine 'Construction in progress'. No amortisation is charged during the exploration and evaluation phase.

Upon transfer of 'Exploration and evaluation assets' into 'Construction in progress', all subsequent expenditure on the construction, installation or completion of infrastructure facilities is capitalised.

1.2 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and measurement of financial assets

All of the Company’s financial assets are classified as financial assets at amortised cost. Financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Material Accounting Policies continued

1.2 Financial instruments (continued)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs and finance income, except for the impairment of financial assets which is presented within other operating expenses.

After initial recognition, financial assets are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

The company's trade and other receivables (excluding, when applicable, value added taxation, prepayments and reimbursement receivables) (note 5) and cash and cash equivalents (note 6) fall into this category of financial instruments.

Classification and measurement of financial liabilities

All of the Company's financial liabilities are classified as financial liabilities at amortised cost.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs. Subsequently, financial liabilities are measured at amortised cost using the effective interest method. All interest-related charges are reported in profit or loss within finance costs.

The company's financial liabilities include trade and other payables (note 9) and the loan the from ultimate holding company (note 8).

Financial assets and liabilities recognised in the statement of financial position

Trade and other receivables
Trade and other receivables, excluding value added tax and prepayments, are accounted at amortised cost for as noted above.

Cash and cash equivalents
Cash and cash equivalents are carried in the statement of financial position initially at fair value and subsequently at amortised cost using the effective interest method. In the statements of financial position and cash flows, cash and cash equivalents comprise cash at banks and other short-term deposits with original maturities of three months or less. The company does not have overdraft facilities.

Loan from ultimate holding company
The loan from holding company was recognised initially at fair value, net of transaction costs incurred. It is subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss over the period of the loan using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that all of the facility will be drawn down.

Trade and other payables
Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently at amortised cost using the effective interest rate method.

Fair value of financial instruments

The Company does not have financial instruments, other assets or other financial liabilities that are measured at fair value on the date of the statement of financial position presented.

Material Accounting Policies continued

1.3 Impairment of non-financial assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing their carrying amounts with their recoverable amounts. The impairment test is performed during the annual period and at the same time every year.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated deprecation or amortisation other than goodwill is recognised immediately in profit of loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.4 Translation of foreign currencies

Transactions and balances
Foreign currency income and expenses are translated into the functional currency using the spot rate on transaction date and assets and liabilities are translated at the closing rate of the relevant month. Gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at closing rates, are recognised in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

1.5 Borrowing costs

Specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use.

The loan from Southern Palladium Limited was obtained specifically to carry out prosecting operations. All the borrowing costs that would have otherwise been avoided had the prospecting operations not taken place are capitalised.

Other borrowing costs are expensed in the period in which they are incurred.

Material Accounting Policies continued

1.6 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of the par value are classified as 'share premium' in equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds. Dividends are recognised as a liability in the company in which they are declared.

1.7 Related parties

Related party transactions of the company arise from:
i) loan advanced from the ultimate holding company,
ii) transactions with direct and indirect shareholders,
iii) transactions with companies controlled by Directors,
iv) remuneration paid to Directors, and
v) other compensation paid to Directors.

Details relating to these transactions are provided in note 15.

1.8 Significant judgements and sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Areas of significant judgements and estimation uncertainty include:

Exploration and evaluation assets

The application of the company's accounting policy for exploration and evaluation expenditure requires judgement to determine whether it is likely that future economic benefits are likely, from either future exploitation or sale, or whether activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of a Joint Ore Reserve Committee (JORC) resource is itself an estimation process that requires varying degrees of uncertainty depending on how the resources are classified. These estimates directly impact on whether the company capitalises exploration and evaluation expenditure. The capitalisation policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular, whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of the expenditure is unlikely, the relevant capitalised amount is impaired in profit or loss in the period when the new information becomes available. Exploration and evaluation assets are detailed in note 3.

Material Accounting Policies continued

2 Adoption of new and revised accounting standards

2.1 Standards and amendments effective for the 2024 financial year

The following amendments became effective for the first time for annual periods beginning on or after 1 January 2023. The impact of the amendments is outlined below.

Topic	Key requirements
Amendments to IAS 12 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction[1]	The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.
Amendments to IFRS 1 First-time adoption of International Financial Reporting Standards and IFRS Practice Statement 2 - Disclosure of Accounting Policies [2]	The amendments require that an entity discloses its material accounting policies instead of its significant accounting policies.
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates[1]	The amendments to IAS 8 updates the definition of accounting estimates. Accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. A change in accounting estimate that results in new information is therefore not a correction on an error.
Amendments to IFRS 17 Insurance Contracts[3]	The amendments require insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts.

[1] - The adoption of these amendments did not have a material impact.

2 - The financial statements have been updated to exclude accounting policies that are not material.

[3] - Not applicable to the company.

2.2 Standards and amendments issued but not yet effective

The following standards have been issued and will become effective for annual periods beginning on or after 1 January 2024 as indicated below.

Topic	Key requirements	Effective date
Amendments to IFRS 16 Leases-Lease Liability in a Sale and Leaseback[5]	The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.	1 January 2024
Amendment to IAS 1 – Non-current liabilities with covenants[4]	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.	1 January 2024

[4] - Management assessed that these amendments will not materially impact the presentation or disclosure of the Company's liabilities or financial instruments.

[5] - Management assessed that these amendments are not applicable as the company does not currently have transactions covered by the amendments. The amendments will be adopted should transactions of this nature arise in future.

Material Accounting Policies continued

2.2 Standards and amendments issued but not yet effective (continued)

Topic	Key requirements	Effective date
Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements[5]	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.	1 January 2024
Amendments to IAS 21 - Lack of Exchangeability[5]	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.	1 January 2025
Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments[4]	These amendments: - clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and - make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).	1 January 2026

[4] - Management assessed that these amendments will not materially impact the presentation or disclosure of the Company's liabilities or financial instruments.

[5] - Management assessed that these amendments are not applicable as the company does not currently have transactions covered by the amendments. The amendments will be adopted should transactions of this nature arise in future.

Material Accounting Policies continued

2.2 Standards and amendments issued but not yet effective (continued)

Topic	Key requirements	Effective date
IFRS 18 Presentation and Disclosure in Financial Statements[6]	This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to: - the structure of the statement of profit or loss; - required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures[5]	This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if: - it does not have public accountability; and - it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.	1 January 2027

[5] *- Management assessed that these amendments are not applicable as the company does not currently have transactions covered by the amendments. The amendments will be adopted should transactions of this nature arise in future.*

[6] *- Management is in the process of implementing processes to ensure these requirements will be met once they become effective. The effect of the adoption of this standard is therefore still being assessed.*

Notes to the Financial Statements

3 Exploration and evaluation assets

	Jun-24			Jun-23		
	Costs	Accumulated amortisation	Carrying value	Costs	Accumulated amortisation	Carrying value
Prospecting right	1 248 968	-	1 248 968	1 248 968	-	1 248 968
Prospecting expenses	104 528 114	-	104 528 114	50 116 939	-	50 116 939
Total	**105 777 082**	**-**	**105 777 082**	**51 365 907**	**-**	**51 365 907**

Reconciliation of exploration and evaluation assets - June 2024

	Opening balance	Additions	Borrowing costs	Total
Prospecting right	1 248 968	-	-	1 248 968
Prospecting expenses	50 116 939	47 456 079	6 955 096	104 528 114
	51 365 907	**47 456 079**	**6 955 096**	**105 777 082**

Reconciliation of exploration and evaluation assets - June 2023

	Opening balance	Additions	Borrowing costs	Total
Prospecting right	1 248 968	-	-	1 248 968
Prospecting expenses	23 369 517	25 249 166	1 498 256	50 116 939
	24 618 485	**25 249 166**	**1 498 256**	**51 365 907**

Prospecting right
The Platinum Group Metals Project known as the Steelpoort Project comprises the Prospecting Right and the Project Properties. The Project Properties consist collectively of i) the Farm Eerstegeluk 327 KT (previously known as Eerstegeluk 322 KT); and ii) the Farm Nooitverwacht 324KT measuring a combined 5 279.74 ha in extent and located in the Magisterial District of Sekhukhune in the Limpopo province of South Africa.

The Prospecting Right refer to the preferent prospecting right granted by the Department of Mineral Resources and Energy ("DMRE"), in terms of section 104(2) of the Mineral and Petroleum Resources Development Act, to the company over the Project Properties and for and in respect of platinum group metals, gold ore, copper ore, chrome ore, cobalt, silver and nickel.

The company originally obtained the Prospecting Right over the Project Properties on 10 June 2015 for a period of 5 years which ended on 9 June 2020 and was renewed for an additional 3 years thereafter. The Prospecting Right expired on 12 February 2024. The company has submitted a mining right application to the DMRE which was accepted (application successfully lodged) on 17 October 2023. The company is waiting for the feedback on the outcome of the application.

Prospecting expenses
Costs totalling R47.0 million (six month to June 2023: R25.2 million) were incurred by the company during the year with respect to surface drilling. The company also capitalised borrowing costs totalling R7.0 million (six months to June 2023: R1.5 million) in line with its policy. Exploration and evaluation assets are not amortised in line with the company policy.

Notes to the Financial Statements continued

	June 2024 R	June 2023 R

4 Property, plant and equipment

	Jun-24 Costs	Jun-24 Accumulated depreciation	Jun-24 Carrying value	Jun-23 Costs	Jun-23 Accumulated depreciation	Jun-23 Carrying value
Computer equipment	8 343	(5 203)	3 140	8 343	(2 422)	5 921
Total	**8 343**	**(5 203)**	**3 140**	**8 343**	**(2 422)**	**5 921**

Reconciliation of property, plant and equipment - June 2024

	Opening balance	Depreciation	Closing balance
Computer Equipment	5 921	(2 781)	3 140
	5 921	**(2 781)**	**3 140**

Reconciliation of property, plant and equipment - June 2023

	Opening balance	Depreciation	Closing balance
Computer equipment	7 311	(1 390)	5 921
	7 311	**(1 390)**	**5 921**

5 Trade and other receivables

	June 2024	June 2023
Financial instruments		
Trade receivables	-	-
Gross	-	27 000
Write-off	-	(27 000)
Non-financial instruments		
Value added taxation	2 297 093	2 380 594
Prepayments	-	119 909
Reimbursements receivable	-	293 198
Total trade and other receivables	**2 297 093**	**2 793 701**

Value added taxation is attributable to taxes recoverable on expenditure relating to exploration activities.

At 30 June 2024, the carrying values of all trade and other receivables approximate their fair values due to the short-term maturity of the assets. Trade and other receivables are measured at amortised cost.

6 Cash and cash equivalents

Cash and cash equivalents consist of:

	June 2024	June 2023
Cash at banks	9 296 798	7 373 811
Short-term deposits	15 408	1 091
Total unrestricted cash	**9 312 206**	**7 374 902**
Restricted cash	207 122	207 122
Total cash and cash equivalents	**9 519 328**	**7 582 024**

The restricted cash balance constitutes a cash guarantee ceded to First National Bank Limited for environmental rehabilitation costs issued in favour of the DMRE. Clause 5 of the guarantee agreement reserves the Company the right to withdraw from the guarantee by giving the DMRE 3 months written notice in advance of it’s intention to do so.

The company's cash and cash equivalents are not considered to be impaired. Cash and cash equivalents are measured at amortised cost. The carrying value of cash and cash equivalents approximates its fair value.

Notes to the Financial Statements continued

	June 2024 R	June 2023 R

7 Share capital

	June 2024 R	June 2023 R
Authorised		
1 000 000 Ordinary shares of R0.001 each	1 000	1 000
Issued		
108 529 Ordinary shares of R0.001 each	109	109
Share premium	13 059 537	13 059 537
	13 059 646	**13 059 646**

Ordinary shares totalling 108 529 are held by the following parties:

	Jun-24		Jun-23	
	Number of shares	**Ownership %**	**Number of shares**	**Ownership %**
SPD South Africa Proprietary Limited	75 970	70%	75 970	70%
Nurinox Investments Proprietary Limited	32 559	30%	32 559	30%
	108 529	**100%**	**108 529**	**100%**

8 Loan from ultimate holding company

	June 2024 R	June 2023 R
Southern Palladium Limited ("SPL")	136 590 459	68 942 351

The company entered into an Amended and Restated Loan Facility and Services Agreement ("the Agreement") with SPL on or about 22 March 2022. Under the terms of the Agreement SPL will advance amounts to the company to carry out prospecting operations. The loan accrues interest at the US Bank Lending Rate (average of 8.50% during the year under review) and is repayable by no later than 5 years from the date that the company commences commercial mining operations. The loan is unsecured and is denominated in US Dollars.

The loan is subordinated in favour of other creditors until such time as the assets of the company fairly valued exceed its liabilities.

Movements in the loan were as follows:	June 2024 R	June 2023 R
Opening balance	68 942 351	33 440 515
Advances	63 186 552	28 885 546
Interest	8 209 616	1 919 982
Exchange differences	(3 748 060)	4 696 308
Closing balance	**136 590 459**	**68 942 351**

Notes to the Financial Statements continued

		June 2024 R	June 2023 R
9	**Trade and other payables**		
	Trade payables	2 010 344	5 099 372
	Accruals	529 600	292 628
	Other payables	7 331	-
		2 547 275	**5 392 000**

The decrease in trade and other payables reflects the decrease in the exploration drilling as the company is no longer in the prospecting phase. The project is now in the development phase.

The carrying values of trade and other payables approximate their fair values due to the short-term maturity of these liabilities.

10	**Other income**		
	Foreign exchange gains	3 748 060	-
		3 748 060	**-**

The foreign exchange gains above arose on translation of the loan from the ultimate holding company (note 8).

11	**Finance income**		
	Interest - cash and bank	175 959	5 015
		175 959	**5 015**
12	**Finance income**		
	Interest - borrowings	1 254 520	421 727
		1 254 520	**421 727**

Notes to the Financial Statements continued

	June 2024 R	June 2023 R
13 Taxation		
Reconciliation of the tax expense		
Reconciliation between accounting loss and tax expense		
Accounting loss	(8 954 293)	(9 056 364)
Tax at the applicable tax rate of 27%	(2 417 659)	(2 445 218)
Tax effect of adjustments on taxable income		
Disallowed expenses	555 412	3 334
Deferred tax asset not recognised	1 862 247	2 441 884
Effect of change in tax rate	-	-
	-	**-**

No provision has been made for taxation for the year ended 30 June 2024 (six months period ended June 2023: Rnil) as the company has no taxable income. The estimated tax loss available for set off against future taxable income is R122.5 million (six months period ended June 2023: R58.5 million). It is the policy of the company not to recognise a deferred tax asset during the exploration phase of its operations.

14 Cash used in operations

	June 2024 R	June 2023 R
Loss before taxation	(8 954 293)	(9 056 364)
Adjustments for:		
Depreciation	2 781	1 390
Finance income	(175 959)	(5 015)
Finance costs	1 254 520	421 727
Unrealised foreign exchange (gains) / losses	(3 748 060)	4 696 308
Leave pay accrual	3 964	27 014
Changes in working capital		
Decrease / (increase) in trade and other receivables	496 608	(436 555)
(Decrease) / increase in trade and other payables	(2 848 689)	3 169 607
	(13 969 128)	**(1 181 888)**

15 Related parties

Relationships

Ultimate holding company	Southern Palladium Limited
Holding company	SPD South Africa Proprietary Limited
Fellow subsidiary	SPD (RSA Holding) Proprietary Limited
Fellow shareholder	Nurinox Investments Proprietary Limited
Indirect shareholder	Bengwenyama-ye-Maswazi Traditional Council
Companies controlled by Directors	Minxcon Proprietary Limited
	Nicolas Daniel Resources Proprietary Limited
Key management personnel	Non-executive directors (note 6 of Directors Report)
	Executive directors (note 6 of Directors Report)

Notes to the Financial Statements continued

	June 2024 R	June 2023 R
15 Related parties continued		
a) Related party balances		
Loan account owing to related party		
Southern Palladium Limited (note 8)	136 590 459	68 942 351
Trade payables owing		
Minxcon Proprietary Limited	1 244 059	1 793 399
b) Related party transactions		
Southern Palladium Limited		
Finance costs (note 8)	8 209 616	1 919 982
Net foreign exchange gains / (losses)	3 748 060	(4 696 308)
Nurinox Investments Proprietary Limited		
Monthly service fees	770 000	-
Other expenses	-	5 350
Bengwenyama-ye-Maswazi Traditional Council		
Legal fees paid on behalf Bengwenyama-ye-Maswazi Traditional Council	2 042 081	-
Minxcon Proprietary Limited		
Bengwenyama project management services	18 418 245	10 884 775
Nicolas Daniel Resources Proprietary Limited		
Executive director salary	1 450 000	725 000
Non-executive director fees	140 000	70 000
c) Key management compensation		
Non-executive directors		
Fees		
L.G. Thomas	170 000	85 000
D. van Heerden	140 000	70 000
M.J. Nkosi	140 000	70 000
M.H. Stirzaker	140 000	70 000
	590 000	295 000
Executive directors		
Salaries		
N.J. Odendaal	1 450 000	725 000
M.D. Nkosi	857 940	420 000
	2 307 940	1 145 000
	2 897 940	**1 440 000**
d) Other compensation		
Legal fees paid with respect to Bengwenyama-ye-Maswazi Traditional Council matters		
L.G. Thomas	708 598	-

Notes to the Financial Statements continued

	June 2024 R	June 2023 R

16 Financial risk management

Overview

The company is exposed to the following risks from its use of financial instruments:

- Market risk;
- Credit risk; and
- Liquidity risk

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk, such as equity price risk and commodity price risk. The company is currently mainly exposed to interest rate and foreign currency risks. Financial instruments affected by market risk include the loan from the ultimate holding company (note 8) and cash and cash equivalents (note 6).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company's interest rate risk arises from the loan from the holding company which incurs interest at a variable rate based on the US Bank Lending Rate, and cash and cash equivalents deposited at financial institutions. The interest rate risk for cash and cash equivalents is considered to be minimal.

A variation in the interest rate would impact the company post tax loss as follows:

	June 2024 R	June 2023 R
A 2% increase in the interest rate	164 192	38 400
A 2% decrease in the interest rate	(164 192)	(38 400)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company has foreign currency risk primarily with respect to the US dollar relating to the loan from holding company.

A variation in the exchange rate would impact the company post tax loss as follows:

	June 2024 R	June 2023 R
Weakening of Rand against the US dollar by 2%	(2 731 809)	(1 378 847)
Strengthening of Rand against the US dollar by 2%	2 731 809	1 378 847

Price risk

The company is exposed to commodity price risk, however, this exposure was minimal for the period under review as the company mainly carried out exploratory prospecting activities. The company's exposure to commodity price risk will be assessed in future in line with changes to its operations.

The company is not exposed to equity price risk.

Notes to the Financial Statements continued

	June 2024 R	June 2023 R

16 Financial risk management (continued)

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from trade and other receivables (note 5) and cash and cash equivalents (note 6), although minimal at this stage due to the infancy of the company's operations. The company only uses reputable banks and financial institutions.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's financial liabilities consists of trade and other payables (note 9) (due within 1-3 months) and the loan from ultimate holding company (note 8) (due within 5 years from date commercial mining operations commences, subject to the subordination agreement outlined in note 8).

17 Going concern

At 30 June 2024 the company's liabilities exceeded its assets by R21 541 091 (June 2023: R12 586 798) impacted mainly by operational losses recognised during the year as the company primarily carried out exploration activities. Whilst the company’s liabilities exceed its assets, the directors have satisfied themselves as follows:

• that the company is in a sound financial position and has access to adequate financial resources to continue in operation for the foreseeable future.
• that the subordination agreement referred to in note 8 of these financial statements will remain in force for as long as it takes to restore the solvency of the company.
• that it is reasonable to conclude that the mining right application referred to in note 3 will be obtained.

Accordingly, the financial statements have been prepared on the going concern basis. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

18 Events after the reporting period

The directors are not aware of any material events which occurred after the reporting date and up to the date of this report.

Detailed Statement of Profit or Loss and Other Comprehensive Income

	June 2024 R	June 2023 R
Other Income		
Net foreign exchange gains	3 748 060	-
Other operating expenses		
Accounting and secretarial fees	(648 127)	(278 975)
Annual duty	(100)	(1 371)
Auditors' remuneration	(733 900)	-
Credit loss	-	(27 000)
Bank charges	(30 871)	(14 877)
Conferences	(279 582)	(5 137)
Depreciation	(2 781)	(1 390)
Donations	(15 000)	(7 000)
Employee benefit expense	(2 397 994)	(1 205 782)
Expenses - Community	(637 454)	(175 899)
Expenses - Nurinox	(770 000)	(5 350)
Expenses - Bengwenyama-ye-Maswazi Traditional Council	(2 042 081)	-
Expenses - Khomanani site offices	(999 812)	(731 806)
General expenses	(479 512)	(63 098)
Leave pay expense	(3 964)	(27 014)
Legal fees	(1 492 790)	(871 572)
Motor, travel and accommodation	(302 517)	(87 433)
Net foreign exchange losses	-	(4 696 308)
Non-executive directors' remuneration	(590 000)	(295 000)
Office and training expenses	(15 700)	(1 138)
Printing & Stationery	(61 335)	(8 232)
Prospecting	-	(36 960)
Repairs and maintenance	-	(1 600)
Subscriptions	(44 623)	(40 109)
Telephone and IT costs	(21 456)	(6 899)
Workmen's compensation	(54 193)	(49 702)
	(11 623 792)	(8 639 652)
Operating loss	**(7 875 732)**	**(8 639 652)**
Finance income	175 959	5 015
Finance costs	(1 254 520)	(421 727)
Loss for the period	**(8 954 293)**	**(9 056 364)**

The supplementary information presented does not form part of the financial statements and is unaudited

Tax Computation

	June 2024 R	June 2023 R
Loss per Statement of Profit or Loss and Other Comprehensive Income	(8 954 293)	(9 056 364)
Permanent differences (Non-deductible/Non taxable items)	**2 057 081**	**12 350**
Expenses - Bengwenyama-ye-Maswazi Traditional Council	2 042 081	5 350
Donations	15 000	7 000
Movement in temporary differences	**(58 155 271)**	**(22 024 100)**
Leave pay expense	3 964	27 014
Depreciation	2 781	1 390
Wear and tear	(2 781)	(1 390)
Special allowances	(54 411 175)	(26 747 422)
Net foreign exchange (gains)/ losses	(3 748 060)	4 696 308
Calculated tax loss for the period	**(65 052 483)**	**(31 068 114)**
Assessed loss brought forward	(58 500 022)	(27 431 908)
Assessed loss carried forward	(123 552 505)	(58 500 022)
Tax at 27%	-	-

The supplementary information presented does not form part of the financial statements and is unaudited