

Risk Management Policy

Southern Palladium Limited
ACN 646 391 899
(Company)

1 Scope and Purpose of Policy

Company's Approach to Risk Management

Southern Palladium strives to identify, communicate, and manage risks in a proactive and effective manner throughout the life-of-mine as risk management is essential for good corporate governance and sound management practices. Southern Palladium recognises that risks may impede our ability to achieve our objectives and risk management is important in protecting our employees, stakeholders, operations, finances, reputation, assets, and the environment. Management is committed to embedding risk management into its business processes and activities to reduce the likelihood and consequences of adverse effects to acceptable levels. Southern Palladium aims to maximise opportunities and minimise adversity through the effective management of risks associated with our activities and operations.

Company's Commitment

At Southern Palladium we are committed to risk management by:

- Managing our operations in compliance with applicable regulatory requirements and obligations relating to rules, codes, and standards to which we subscribe;
- Developing, implementing, and maintaining sound risk management practices and systems;
- Developing and implementing a comprehensive and systematic framework for the identification of hazards, and the assessment and effective management of risks, including the reduction and/or elimination thereof;
- Understanding the risks associated with our business processes and activities;
- Implementing processes and measures to effectively manage risks ensuring the safety and wellbeing of our workforce, and the continuity of our operations;
- Prioritising the monitoring and reporting of all risks, incidents, and injuries;
- Communicating this policy and making this policy available to all employees, contractors, and other stakeholders so that they are aware of their individual responsibility for its implementation;
- Improving the quality of decision-making throughout our company;
- Implementing effective crisis management and business continuity plans;
- Integrating Risk Management into the management culture of our company and to improving risk management awareness in our business processes;
- Encouraging proactive rather than reactive management; and
- Reviewing this policy at appropriate intervals to remain current.

Approved by the Board on 21 January 2022