

SOUTHERN ALLIANCE MINING LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 201931423D)

UPDATE ON THE USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING

The board of directors (the "**Board**") of Southern Alliance Mining Ltd. (the "**Company**") refers to the Company's announcement on 9 September 2020 in relation to the use of the net proceeds from its initial public offering and its financial results announcement on 25 September 2020 for the full year ended 31 July 2020 (the "**Announcements**").

Unless otherwise defined herein, all capitalised terms used in this announcement shall bear the same meanings as defined in the Announcements.

The Board wishes to provide an update on the use of the IPO Net Proceeds as at the date of this announcement, as follows:

Use of IPO Net Proceeds	Allocated (S\$'000)	Amount utilised (as announced on 25 September 2020) (S\$'000)	Amount utilised as at the date of this announcement (S\$'000)	Balance (as at 19 October 2020) (S\$'000)
Further exploration activities	4,000	-	-	4,000
Investment into mining equipment and infrastructure	2,000	(655)	(392) ⁽¹⁾⁽³⁾	953
Acquisitions, joint ventures, strategic alliances and/or development of new mines	2,000	-	-	2,000
General working capital purposes	3,937	(295)	(31) ⁽²⁾	3,611
Total	11,937	(950)	(423)	10,564

Notes:

- (1) An aggregate of RM1,197,000 which is equivalent to S\$392,137, was utilised for the installation of four (4) units of 4000A Main Switch Board for the purpose of receiving and distributing of power from national grid supply to various plants at our Chaah site and the purchase of one (1) unit of Toyota 8FN50N Forklift Truck on 19 October 2020.
- (2) S\$31,000 was utilised as working capital of the Company to pay its ongoing professional expenses, directors' training fees and bank charges.
- (3) These figures are based on the exchange rate of RM100.00:S\$32.76 as at 16 October 2020 published by the Monetary Authority of Singapore.

The use of the IPO Net Proceeds is in accordance with the intended use as disclosed in the Offer Document dated 16 June 2020. The Company will continue to make periodic announcements via SGXNet on the utilisation of the balance of the IPO Net Proceeds as and when such proceeds are materially disbursed. The Company will also provide a status report on the use of the net proceeds in its annual report(s) and financial results announcement(s).

BY ORDER OF THE BOARD

Dato' Sri Pek Kok Sam
Executive Director and Chief Executive Officer
19 October 2020

Southern Alliance Mining Ltd. (the "Company") was listed on Catalist of the Singapore Exchange Securities Trading Limited on 26 June 2020. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor").

This announcement has been reviewed by the Company's Sponsor. It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document. The Sponsor has also not drawn on any specific technical expertise in its review of this announcement.

The contact person for the Sponsor is Ms. Gillian Goh, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.