



**FOR IMMEDIATE RELEASE**

**Southern Alliance Mining announces appointment of sub-contractor  
for underground mining in the northern extension zone of the  
Chaah Mine**

**Singapore, 18 January 2023** – Southern Alliance Mining Ltd. (“**Southern Alliance Mining**”, or “**SAM**”, and together with its subsidiaries, the “**Group**”) (SGX:QNS), an established, high-grade iron ore producer based in Pahang, Malaysia, is pleased to announce that it has entered into a sub-contractor agreement with a sub-contractor from China for underground mining in the northern extension zone of the Chaah Mine.

In 2022, SAM embarked on a strategic growth plan through diversification and extensive expansion. The Group invested in overburden removal activities to further extend the mineable areas in the southern extension around the existing iron ore body at the Chaah Mine, which has a shallower overburden. In September 2022, the Group released an Independent Qualified Persons Report (“**IQPR**”) which reported substantial increase in iron ore resources. The Group is currently embarking on a pit optimisation process, which is a requirement for the conversion of mineral resources to mineral reserves. Having taken into consideration various mining techniques in order to maximise the return to the Group and its shareholders and given the visibility of the exposed ore body to the northern extension, the Group has decided to adopt the underground mining technique for the northern extension zone after evaluating various operational, safety, cost and environmental considerations.

The appointed sub-contractor will use underground mining which will allow SAM to access the high-grade iron ore with greater ease. Given the present stage of development of the northern extension zone, this cost-efficient method would circumvent the need for overburden removal, consequently resulting in lower ground footprint and overall carbon footprint. With this, the northern extension is expected to further contribute to our iron ore production. Importantly, the Group is mindful of the safety concerns that come with underground mining and will adhere to our governance policies and operational protocols to ensure complete safety and transparency.



Currently our Group is awaiting for the approval from the appropriate authorities prior to the commencement of the underground mining.

Mr. Lim Wei Hung, the Executive Director and COO of the Group, commented, *“The Group has constantly been investing in the future with the aim of becoming a diversified mining and resources company. The appointed sub-contractor has years of experience in large-scale underground mining projects, and we are confident that the appointed sub-contractor is the ideal partner to support our current expansion plans. The underground mining activity is expected to commence as soon as we receive the approval from the Minerals and Geoscience Department of Malaysia.”*

- The End -

*This press release has been reviewed by the Company’s Sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “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 document.*

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### **About Southern Alliance Mining Ltd.**

Southern Alliance Mining Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) is an established producer of high-grade iron ore products in Malaysia, and is listed on the Catalist of Singapore Exchange on 26 June, 2020 (SGX:QNS). Headquartered in Pahang, Malaysia, the Group is principally involved in the exploration, mining and processing of iron ore for subsequent sale. The Group sells (i) iron ore concentrate of low level of impurities with total Fe grade of between 62% to 65% to steel mills and trading companies mainly located in Malaysia and China; and (ii) pipe coating materials that are crushed iron ore with a natural characteristic of a higher density for subsea pipes.

The Group’s primary mining asset, the Chaah Mine, is an open mine extension consisting of two (2) mining leases and covering an aggregate area of 225.7 hectares. The Chaah Mine is strategically located near existing road networks to ports. The Group’s established supporting infrastructure and facilities consist of four (4) fixed crushing plants, two (2) lines of mobile crushers and two (2) beneficiation plants both capable of operating on a 24-hour shift. The Group has an approximate monthly production capacity of 60,000 tonnes of iron ore concentrates (not including pipe coating materials).

In addition to the Chaah Mine, the Group has also been granted the right to carry out exploration and mining operations at three (3) potential iron ore mines located in Johor, Malaysia (“**Exploration Assets**”). The



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Group plans to undertake formalised exploration activities at the Exploration Assets to identify mineral deposits for further business growth. The Group has also extended its core business to include mining of gold and other precious metals, base metals and minerals as well as trading in other commodities. The Group has been granted to right to carry out exploration for gold mineralisation in the State of Johor and had commenced exploration activities since February 2022.

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Issued for and on behalf of Southern Alliance Mining Ltd.

By Financial PR Pte Ltd.

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