



FOR IMMEDIATE RELEASE

Southern Alliance Mining continues to report strong sequential growth as it gradually emerges from a low base of 1H FY2023

- On a yoy basis, revenue increased by 76.7% from a low base of 1H FY2023, due to higher volume of iron ore produced and sold.
- Strong sequential growth resulted in narrowing of net loss after tax by 82.3% yoy to RM1.2 million in 1H FY2024, indicating early signs of turnaround.
- Targeted exploration and drilling activities at the Tenggaroh Prospect continue to show significant mineralisation.

Singapore, 15 Mar 2024 – 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 headquartered in Pahang, Malaysia, reported a net loss after tax of RM1.2 million for the six months ended 31 January 2024 (“**1H FY2024**”), significantly lower than the net loss after tax of RM7.0 million for the six months ended 31 January 2023 (“**1H FY2023**”).

Financial Overview

The Group’s revenue increased 76.7% year-on-year (“**yoy**”) on the back of increased ore production volume and higher iron ore concentrate and crushed iron ore selling prices. The higher production was supported by a 33.9% yoy increase in sales volume of iron ore concentrate to ~163,000 dried metric ton in 1H FY2024. In fact, the Group reported an increase in sales volume of all its products in 1H FY2024 compared to 1H FY2023. This resulted in a turnaround at the gross level with gross profit of RM1.3 million in 1H FY2024 compared to a gross loss of RM2.8 million in 1H FY2023. Moving forward, the Group expects improved production reliability as it has completed the transition to underground mining in September 2023.

In line with the increase in revenue and gross profit, the Group narrowed its net loss after tax by 82.3% to RM1.2 million in 1H FY2024, compared to a loss of RM7.0 million in 1H FY2023.



The Group maintains a healthy cash balance of RM151.3 million as at 31 January 2024 to support its exploration activities and provide for growth opportunities as they arise.

Chaah Underground Mining Developments

SAM's mining strategy saw major shifts in the last financial year in order to make our operations more sustainable, economical and, more importantly, diverse. This was done through a complete transition to underground mining for both the northern and southern extension zones of its Chaah Mine. While the underground mining development works are still ongoing, a total of 176,000 tonnes of ore were extracted in 2Q FY2024, thus, bringing the total ore extracted for 1H FY2024 from the development work to 354,000 tonnes.

Chaah Underground Mineral Resources and Ore Reserve Reporting

The previous exploration program at the Chaah Mine has led to more than 1.5-times increase in Chaah Mine's mineral resources to 15.7 million tonnes as reported in FY2022. In line with a shift to the mining technique, SAM is in the process of updating and converting the in-situ mineral resources into underground mineral resources before the conversion to reserve can begin. In January 2024, the Group also secured exploration licenses to carry out works at two new prospects located in Johor. The Group will develop a plan to begin the exploration work for these areas.

Tenggaroh Gold Prospect Exploration Progress

Exploration at the Group's Tenggaroh gold Prospect has been progressing as planned in the past year with notable success in discovering the presence of significant gold mineralization (i.e. with the result of more than 0.05 gram/tonne) and these assays results presents important indications of the presence of gold mineralisation. In order to narrow down on the target zones further, the Group laid out a plan to drill another 19 holes around the known mineralization area. 18.1% of the samples test results obtained to date showed significance results (which is above 0.10 gram / tonne).



Rare Earth Minerals - Very Substantial Acquisition

SAM had entered into a memorandum of understanding on 17 April 2023 to acquire 40% share of an ion adsorption clay rare earth producing mine and 100% share of ion adsorption clay rare earth green field mine. Due diligence works are still in progress. SAM is expected to make immediate announcement should there be material development.

Dato' Sri Pek Kok Sam, Managing Director of the Group, commented, *“The Group has made a strategic shift to pursue a diversification path while expanding our operation sustainably. We are deep into meaningful exploration and drilling works at both our Chaah Mine and Tenggaroh Prospect. As we recover financially, backed by an efficient operational footprint as well as significant resources at hand to meet industry demand, I am confident that we are headed on the right path. While adapting to the rapidly developing global economic landscape, our focus remains on establishing sustainable revenue streams and proactively seeking opportunities for growth.*”

- The End -

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The contact person for the Sponsor is Ms Lim Hui Ling, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.



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 pit 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 five (5) potential iron ore mines located in Johor, Malaysia (“**Exploration Assets**”). The 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.

Issued for and on behalf of Southern Alliance Mining Ltd.
By Financial PR Pte Ltd.

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