

## SOUTHERN ALLIANCE MINING LTD.

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

### DISCLOSURE PURSUANT TO RULES 705(6) AND 705(7) OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE "SGX-ST") LISTING MANUAL SECTION B: RULES OF CATALIST (THE "CATALIST RULES")

The board of directors (the "**Board**") of Southern Alliance Mining Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") wish to provide the information required pursuant to the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Catalist Rules**") as follows:

#### Use of funds/cash by mineral, oil and gas companies pursuant to Rule 705(6)(a) of the Catalist Rules

For the purpose of this section, the Group's disclosure is on exploration cost (excluding depreciation) and ex-mining cost (costs that are directly attributable to the mining activities excluding amortisation and depreciation as well as sales and related cost and cost related to the land).

#### (i) **Use of funds/cash for the third quarter ended 30 April 2025 ("3Q FY2025"):-**

Activities	3Q FY2025		
	Projected RM'000	Actual RM'000	Variance RM'000
Mine exploration and evaluation	100	87	(13)
Mining related expenditure (excluding capital expenditure)	32,000	50,897	18,897
<b>Total</b>	<b>32,100</b>	<b>50,984</b>	<b>18,884</b>

#### **Exploration activities**

Exploration activities generally refer to the investigative works to investigate for the presence of ore for eventual economical extraction.

Our Group strongly believes that the investment in an exploration program will provide the Group with valuable information to make an informed decision in respect of the mining plan of a particular mine or a decision to proceed, modify or abort an exploration program for an exploration target. This is also in line with the responsible mining values advocated by our Group.

Included in the mine exploration and evaluation are the exploration and evaluation ("**E&E**") cost incurred at the Chaah Mine and the Tenggaroh Prospect. No material variances were reported during the reporting quarter as works were carried out as planned.

#### **Mining activities**

Mining activities generally involved the extraction of ore, either via open pit mining which involves the excavation and removal of overburden (waste) and extraction of ores in accordance with the design of the mine pit (open pit mining), or underground mining which involves the construction of a network of tunnels to extract the ore without involving full scale land clearing like the open pit mining method. However, effective from September 2023, our Group has adopted underground mining technique for our Chaah Mine.

The extracted ores will be sent for crushing into smaller sizes, approximating 16 mm before they are further processed through a ball mill. The concentrating process via ball mill revolves around grinding of the crushed iron ore into powder size in order to remove the impurities (waste) from the iron content of our iron ore.

Included in the mining related expenditure are the expenditure incurred for the mining works at the Chaah Mine amounting to RM33.7 million and Kahang Mine amounting to RM17.2 million.

In 3Q FY2025, while the Group maintained its focus on ore extraction from the Chaah Mine, it also intensified tunnel development efforts. The underground development progressed at an accelerated pace, leading to an overutilization of iron ore related mining expenditure by approximately RM1.7 million. In addition, the Group incurred RM17.2 million in payments to subcontractors for bauxite processing activities in Kahang Mine.

(ii) **Projection on the use of funds/cash for the next immediate quarter, including material assumptions: -**

<b>Activities</b>	<b>Projection for 4Q FY2025 RM'000</b>
a. Mine exploration and evaluation	100
b. Mining related expenditure (excluding capital expenditure)	48,000
<b>Total</b>	<b>48,100</b>

The allocation for mine exploration and evaluation included in-house investigative work and professional fees for geological and geophysical exploration at PML 14/2023 (Chaah Mine) to investigate for potential mineralisation.

The Group will still focus with the mining activities on Chaah Mine in Q4 FY2025 and reduce the allocation for exploration activities.

### **Negative confirmation by the Board pursuant to Rule 705(6)(b)**

On behalf of the Board, we, the undersigned do hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render the above information provided to be false or misleading in any material aspect.

### **Rule 705(7) of the Catalyst Rules**

**Details of exploration (including geophysical surveys), development and/or production activities undertaken by the issuer and a summary of the expenditure incurred on those activities, including explanations for any material variances with previous projections, for the period under review. If there has been no exploration, development and/or production activity respectively, that fact must be stated.**

#### **Exploration activities**

It is our Group's philosophy to place attention to the exploration activities, not only to derive the potential value it will create, but more importantly its ability to keep our operations sustainable which is in line with the sustainable mining value advocated by our Group. As such, we invested a lot of effort and financial resources into exploration activities.

#### **(i) ML 1/2023 and PML 14/2023 (Chaah Mine)**

##### Updating of Mineral Resources

During the reporting period, our Group continue with the tunnel mapping works to investigate the geological structures within the iron deposit. The mapping exercises was conducted across two (2) different tunnel levels to identify and redefine new geological structures that control the shape and orientation of the ore body.

The results of the mapping works are summarized as follows:

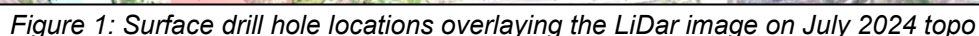
<b>Level</b>	<b>Region</b>	<b>Adits</b>	<b>Type of structure</b>
-103	North	MT01, MT02B, AT09, AT10, AT06NE, MT01, MT01N-B, AT02SWA1, AT02SWA2	Fault, Fault (lithological boundary), joint, bedding
-118	North	AT03NE, AT02NE, AT02NEA-2, AT03NE, RT06SW, RT06SWA	Fault, Bedding

During the reporting period, a total of 122 channel samples were collected from various sections of tunnels. The samples were taken from different tunnel sections to represent the geological variability within the ore body. The samples were sent to laboratory for analysis. The table below provides a breakdown of the reference numbers, sample IDs, and the total number of samples and their results are as follows:

<b>Reference Number</b>	<b>Sample ID</b>		<b>Total sample</b>
	<b>From</b>	<b>To</b>	
MYKTL-25-00026	12908	12979	71
MYKTL-25-00036	12837	12860	51
<b>Total</b>			<b>122</b>

During the reporting period, our Group has completed a total of two (2) surface drilling with total length of 486.9 meters, which the result of the exploration drilling are summarized as below.

*Note 1: No mineralization was found.*



During the reporting period, a total of two (2) underground drilling with total length of 213.30 meters were carried out. The details are as follows:

BHID	Status	Result	UTM coordinate		Azimuth	Inclined	Total depth, m
			X	Y			
UG-57-004	Completed	Pending assay	275273.444	242293.972	245	-10	113.00
UG-72-002	Completed	Pending assay	275203.407	242391.341	250	-10	100.30
Total							213.30

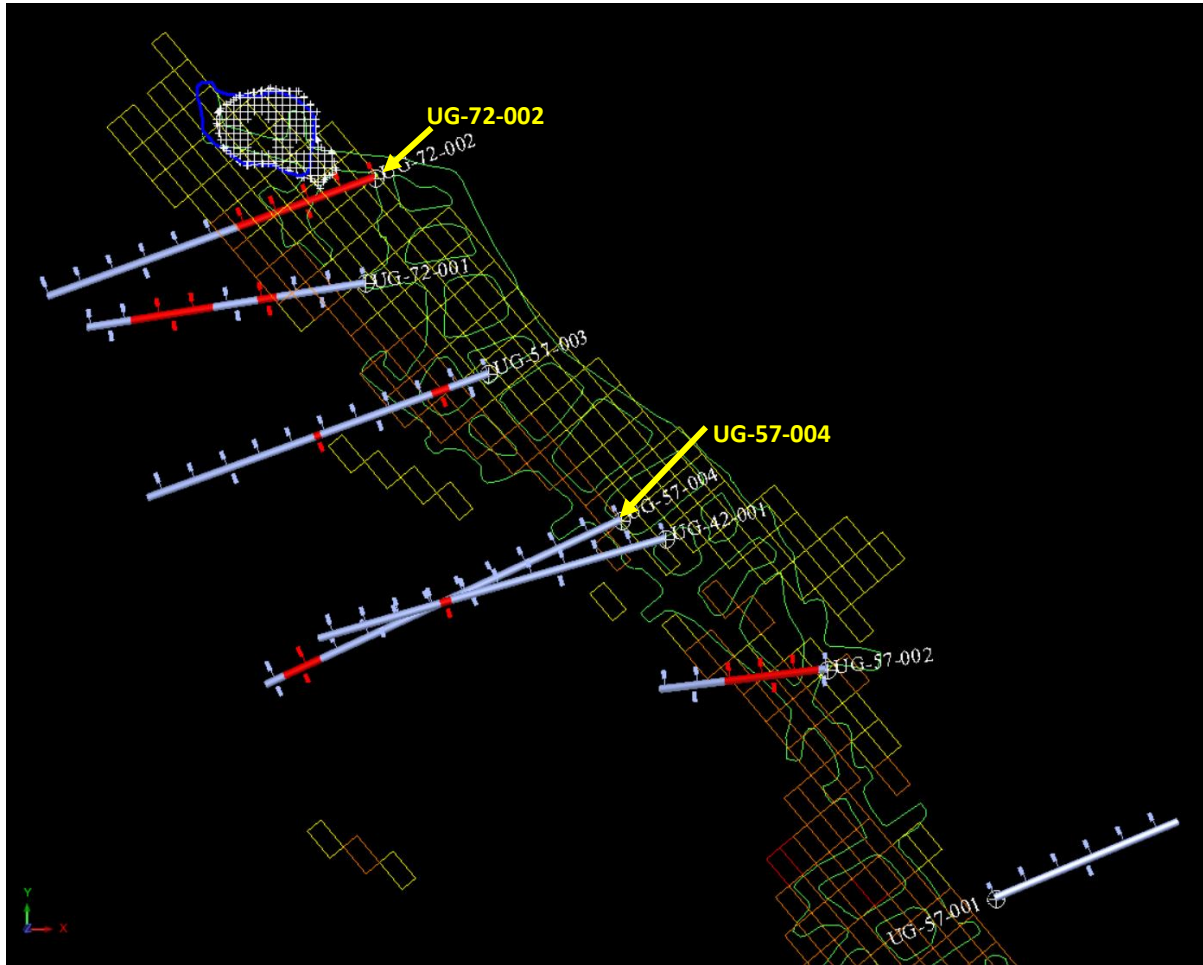


Figure 2: Location of *UG-72-002* and *UG-57-00*

#### Exploration of Mineral Resources – Western Spur

Our Group has been proposed a new drilling program with a total of 24 holes for the Western Spur in Chaah Mine -High Wall North area. The primary objective is to obtain core samples for analysis, aimed at assessing the potential extension of the existing ore block model and wireframe. During the reporting period, a total of two (2) holes with a total length of 477 meters were carried out and the works are still going drilling. The details as follows:

BHID	Status	UTM coordinate		Azimuth	Inclined	Total depth, m
		X	Y			
CHEDD24-007	On -going	275296.987	242378.018	270	-60	270.00
CWEDD25-002	On-going	275169.107	242170.636	45	-70	207.00
Total						477.00



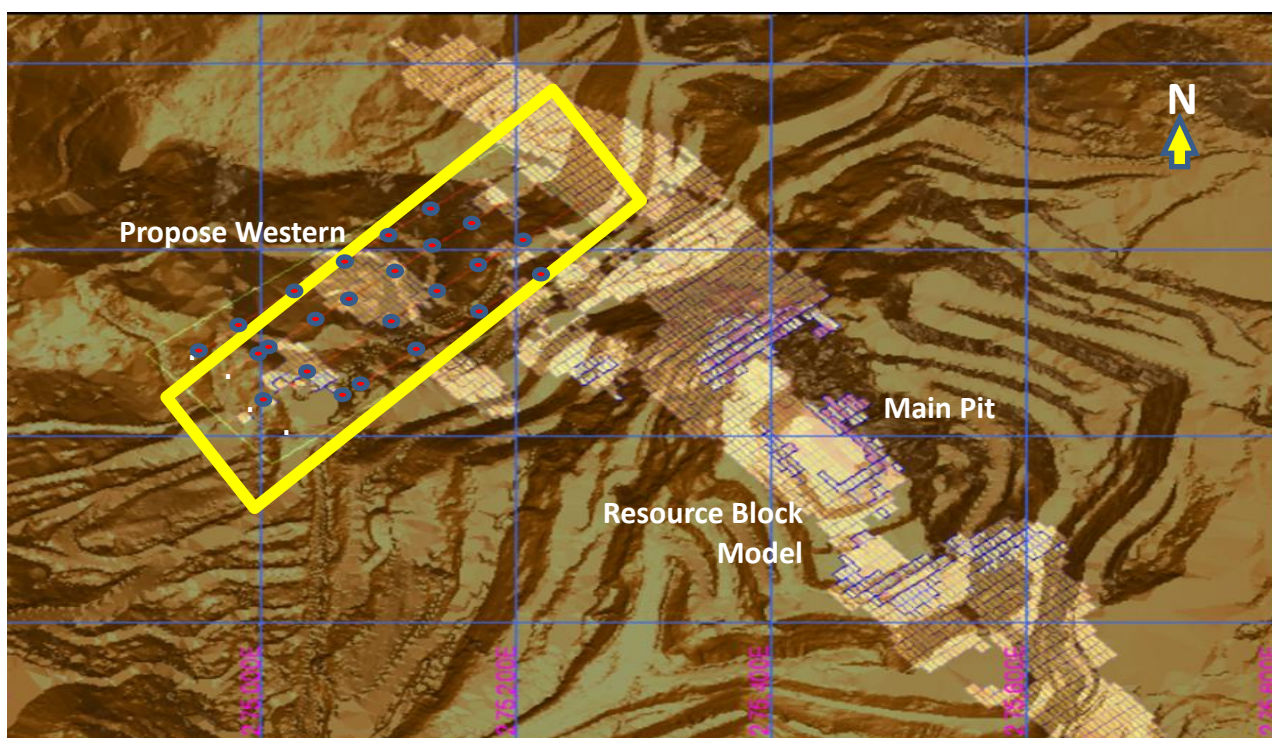


Figure 3: Planned boreholes for Western Spurs (yellow box)

**(ii) ML 1/2024 and ML 1/2021 (Mao'kil prospect)**

No activities were undertaken since end of FY2021. Exploration activities on the adjacent mining lease area under ML 1/2021 have not commenced.

**(iii) ML 2/2023 (Chaah Baru prospect)**

No activities were undertaken since end of 1H FY2024.

**(iv) ML 3/2023 (Kota Tinggi prospect)**

No drilling activities were undertaken during this period as the Group has appointed a contractor to undertake preliminary mining activities at this area.

**(v) L.C.S.4326.319/(84)/(PA/DC/dc) (Tavai prospect, which is located at Tongod District, Sabah) – 50 km<sup>2</sup>**

Our Group has decided to exit from this project and has made the necessary arrangements to redeploy the exploration assets and team back to the Chaah project, allowing us to focus on our resources activities there.

**(vi) L.S.C.4326.307/(95)/(RRM/DC/dc) (Bidu-Bidu prospect, which is located at Beluran District, Sabah) – 45km<sup>2</sup>**

Our Group has decided to exit from this project and has made the necessary arrangements to redeploy the exploration assets and team back to the Chaah project, allowing us to focus on our resources activities there.

**(vii) EL 1/2022 (Tenggaroh prospect)**

During the reporting period, Our Group has decided to temporarily withhold the gold exploration activities at Tenggaroh Prospect. Accordingly, we have demobilised our exploration team and associated equipment to support ongoing production activities at the Chaah Mine.

We will provide further updates once the exploration work at Tenggara Prospect resumes.

## Mining activities

### Chaah Mine

#### Work Progresses of North Zone

Northern Zone	Development work	Production	Status
	Completion Stage (%)		
-23.5mRL	100	90	The remaining 10% of production target to complete by end of July 2025.
-42mRL	100	45	Stoping works actively in progress.
-57mRL	100	0	Stoping drilling works on-going.
-72mRL	100	10	Exploration drilling work on-going to confirm the extension of ore boundary before the commence of production.
-87mRL	95	0	Development works still on-going. This level will remain as access level for road access.
-103mRL	95	0	Development work and room widening works in progress. Target to commence production stage by July 2025, subject to the boundary studies will be completed.
-112mRL	15	0	Development works on going.
-118mRL	15	0	Development work on going.

#### Work Progresses of Southern Zone

Southern Zone	Development Works	Production	Status
	Completion Stage (%)		
-87mRL	100	0	This level is currently reserved for access purposes only.
-103mRL	10	0	Development work halted due to safety concerns arising from unstable ground conditions.
-112mRL	95	0	Development work for room widening in progress.
-128mRL	45	0	Development work on going.
-137mRL	10	0	Development works on-going.

#### Ore extraction

In 3Q FY2025, the Group extracted approximately 248,600 tonnes of ore from underground mining (9M FY2025: 682,400 tonnes).

During 3Q FY2025, total ore processed was 167,800 (9M FY2025: 499,200 tonnes) resulting in production of 87,300 tonnes (9M FY2025: 231,500 tonnes) of iron ore concentrates.

#### Kota Tinggi Mine

During 3Q FY2025, no iron ore were processed (9M FY2025: 7,700 tonnes) from the tailing pond.

Save for the above, no mining activities were carried out for other prospect areas in 3Q FY2025.

#### **BY ORDER OF THE BOARD**

**Dato' Sri Pek Kok Sam**  
Managing Director

**Lim Wei Hung**  
Executive Director and Chief Operating Officer

6 June 2025

This announcement 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 announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement. 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 Ng Shi Qing, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, [sponsorship@ppcf.com.sg](mailto:sponsorship@ppcf.com.sg).