

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 LIMITEDLISTING MANUAL SECTION B: RULES OF CATALISTFOR THE FIRST QUARTER ENDED 31 OCTOBER 2025

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 Section B: Rules of Catalist 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 (excludes cost associated with the acquisition mining right which is considered as part of the exploration and evaluation asset and depreciation for accounting purpose) and the 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 first quarter ended 31 October 2025 ("1Q FY2026")**

Activities	Projected RM'000	Actual RM'000	Variance RM'000
Mine exploration and evaluation	300	261	(39)
Mining related expenditure (excluding capital expenditure)	45,000	43,121	(1,879)
Total	45,300	43,382	(1,918)

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.

Mine exploration and evaluation are the exploration and evaluation ("E&E") cost incurred at Chaah Mine. The variance between the actual and the projected E&E cost was minimal.

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 RM34.3 million and Kahang Mine amounting to RM8.8 million.

In 1Q FY2026, while the Group continued to focus on mining activities to extract ore from the Chaah Mine, work on tunnel development also remained in progress. The underutilisation of mining-related expenditures amounting to RM1.9 million was mainly due to the moderated mining progress at the Chaah Mine, as the Group was still developing the necessary mine infrastructure to improve accessibility and connectivity to the remaining ore body.

(ii) Projection on the use of funds/cash for the next immediate quarter ending 31 January 2026 ("2Q FY2026"), including material assumptions: -

Item	Projection for 2Q FY2026 RM'000
a. Mine exploration and evaluation	300
b. Mining related expenditure (excluding capital expenditure)	45,000
Total	45,300

The allocation for mine exploration and evaluation is primarily dedicated to in-house investigative work and professional fees for geological and geophysical exploration at ML 1/2023 and PML 14/2023, aimed at identifying potential mineralisation.

In line with the above developments and the acquisition of a 40.0% stake in an associated company, MCRE Resources Sdn. Bhd., which was completed in 1Q FY2026, the Group has updated the allocation for the projected mine exploration and evaluation expenditure, as well as mining-related expenditure for the enlarged Group, to RM0.3 million and RM45.0 million respectively for 2Q FY2026.

Negative confirmation by the Board pursuant to Rule 705(6)(b) of the Catalyst Rules

On behalf of the Board, we the undersigned, hereby confirm that to the best of their knowledge, nothing has come to their attention which may render such 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

(a) Underground Tunnel Mapping:

Geological mapping was not conducted during this quarter as fieldwork was focused on drilling and core logging activities.

(b) Exploration Drilling

In 1Q FY2026, the Group discontinued exploration drilling at the western spur area due to the lower potential for discovery of ore extension.

During the same period, drilling activities were primarily focused in the northern area, following significant indications of a potential extension of the iron ore body beyond the boundaries of the existing resource block model, as interpreted from geophysical anomaly results. The overall program was aimed at further delineating the mineralization trend and confirming the continuity of the ore zone beyond the current model limits.

The present block model for this area is derived from several RC drilling holes and diamond drilling conducted since 2014. However, these data are limited to the current mining area, with no further investigation extending to the far north. Therefore, a comprehensive resource drilling program has been proposed to address this gap, covering an area approximately 17.4 acres to the north of the mine. Please refer to **Figure 1.1** and **Figure 1.2** below.

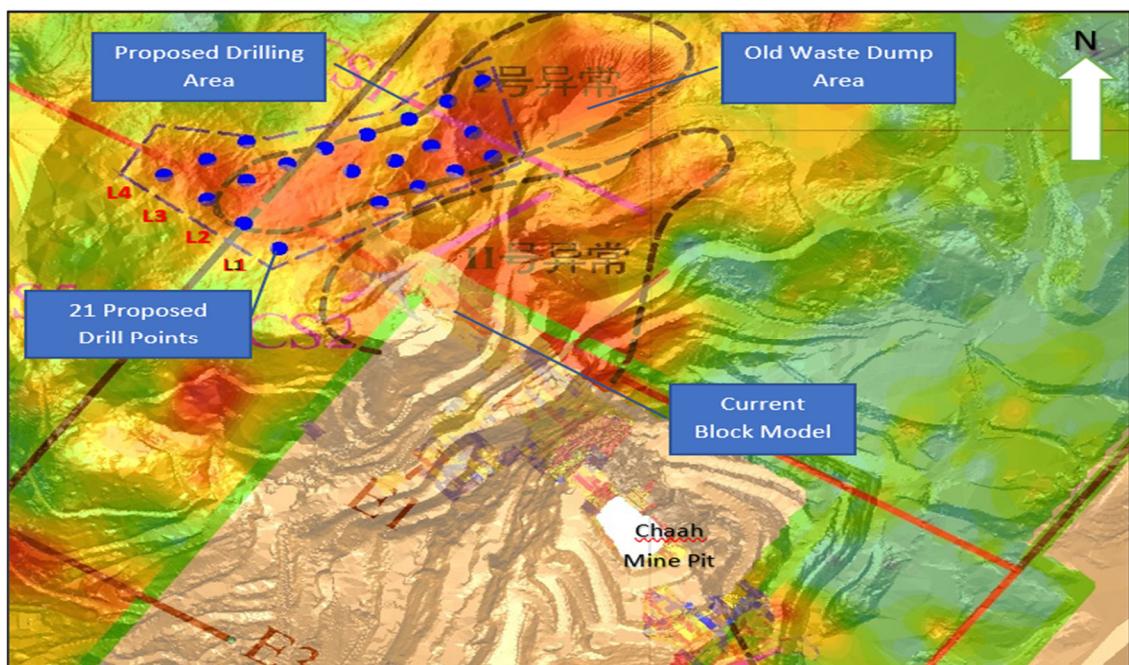


Figure 1.1: Location of proposed drill holes (blue dots) in the northern area (dotted-line polygon), overlaid on the geophysical anomaly and topographic map showing the main ore body. No drilling is planned to the east of the proposed area due to the presence of a thick old waste dump.

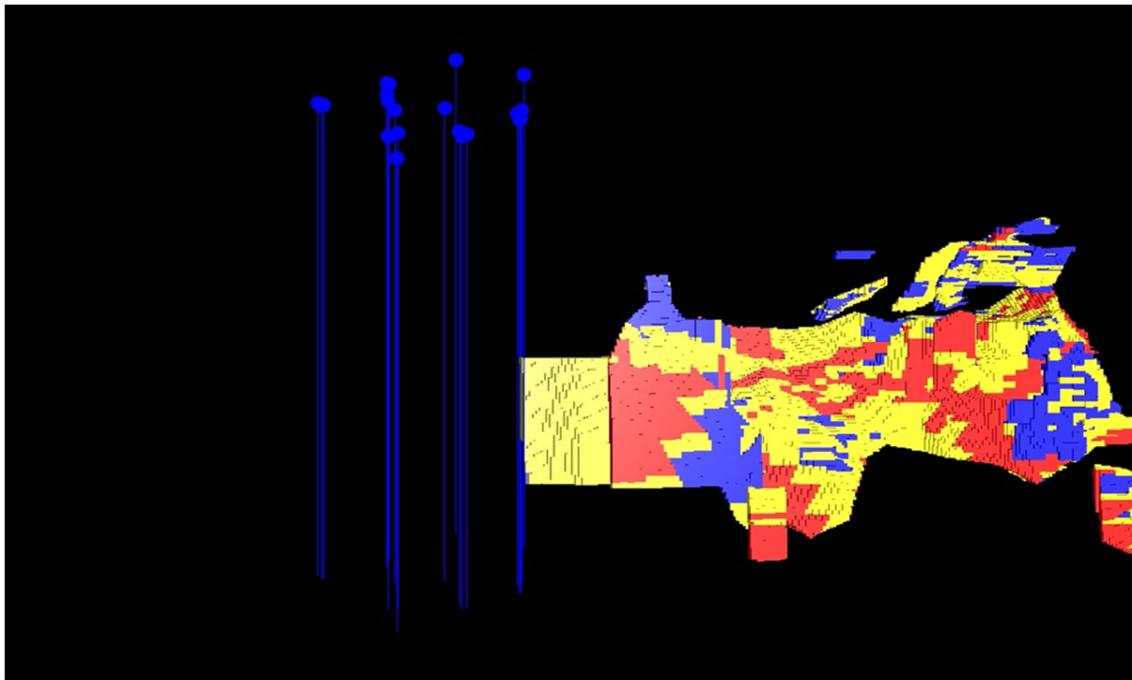


Figure 1.2: Crossed section of all proposed drilling points with respect to the current ore block. Viewing direction to northeast.

The drilling outcome will support structural assessment and additional ore body identification. The result of this will yield significant benefits in defining the ore body strike further north of the pit, alongside the main ore body, thereby increasing the existing resource base.

During the reporting period, the Group completed a total of four (4) surface boreholes, while two (2) surface boreholes remain in progress. Underground drillhole remains pending due to prolonged generator malfunction issues. The Group achieved a cumulative length of 1,618.7 meters for 1Q FY2026. A summary of the exploration drilling is provided in the **Table 1.1** below:

Borehole Identification ("BHID")	Status	Universal Transverse Mercator ("UTM") coordinate		Azimuth	Inclined	Total depth (meter)
		X	Y			
CWEDD25_009A	Completed	275065.125	242151.595	50	-70	216.0
CHENDD_001	Completed	275094.780	242120.630	0	-90	407.4
CHENDD_002	Completed	275114.930	242466.860	0	-90	317.8
CHENDD_003	Completed	275087.176	242204.884	0	-90	378.5
UG-112-001	Pending	275352.388	242081.985	50	-20	5.1
CHENDD004	On going	275042.344	242485.128	0	-90	439.7
CHGT_001	On going	275757.342	242004.593	0	-90	89.0

Table 1.1 summary of the exploration drilling during the 1Q FY2026

The lithological and mineralization intervals for boreholes completed during 1Q FY2026 are summarized in **Table 1.2** below. Notably, four boreholes intersected iron ore mineralization:

- CWEDD-009A: 1.8 meters at an average Fe grade of 62.45%
- CWEDD-009A: 1.0 meters at an average Fe grade of 49.24%
- CHENDD_001: intervals of 7.6 meters, 26.3 meters and 7.3 meters, with assay results pending as of the reporting date.
- CHENDD_003: intervals of 2.7 meters, 12.2 meters and 22.3 meters, with assay results pending as of the reporting date.
- CHENDD_004: intervals of 4.1 meters and 49.4 meters, with assay results pending as of the reporting date.

BH Id	Location	Core Interval, m	Lithology/Mineralization
CWEDD-009A	Surface	0-11.1m (11.1m)	Sandstone
		11.1-71.1m (60m)	Andesite
		71.1-72.9m (1.8m)	Hematite
		72.9-88m (15.1m)	Andesite
		88-89m (1m)	Hematite
CHENDD_001	Surface	0-44.8m (44.8m)	Sandstone
		44.8-75m (30.2m)	Conglomerate
		75-334.3m (259.3m)	Andesite
		334.3-341.9m (7.6m)	Hematite
		341.9-373.8m (31.9m)	Andesite
		373.8-407.4m (33.6m)	Hematite
CHENDD_002	Surface	0-40.3m (40.3m)	Sandstone
		40.3-77m (36.7m)	Conglomerate
		77-317.8 (240.8m)	Andesite
CHENDD_003	Surface	0-62m (62m)	Sandstone
		62-109m (47m)	Conglomerate
		109-311.5m (202.5m)	Andesite
		311.5-314.2m (2.7m)	Hematite
		314.2-318m (3.8m)	Andesite
		318-330.2m (12.2m)	Hematite
		330.2-338m (7.8m)	Andesite
		338-360.3m (22.3m)	Hematite
CHENDD_004	Surface	360.3-378.5m (18.2m)	Andesite
		0-75m (75m)	Sandstone
		75-168.4m (93.4m)	Conglomerate
		168.4-381.4m (213m)	Andesite
		381.4-385.6m (4.2m)	Hematite
		385.6-390.3m (4.7m)	Andesite
UG-112_001	Underground	390.3-439.7m (49.4m)	Hematite
		0-5.1m (5.1m)	Andesite

Table 1.2 summarizes the geological intersections of the boreholes

The presence of thick mineralized iron-ore zones in CHENDD_001, CHENDD_003, and CHENDD_004 is encouraging (refer **Figure 1.3**). Our Group will continue with the exploration program as planned, as the inner segments of these mineralized zones appear to be geologically connected to the existing ore body. Underground drilling activities will recommence once the main genset failure is resolved. The locations of the underground boreholes are presented in **Figure 1.4**.

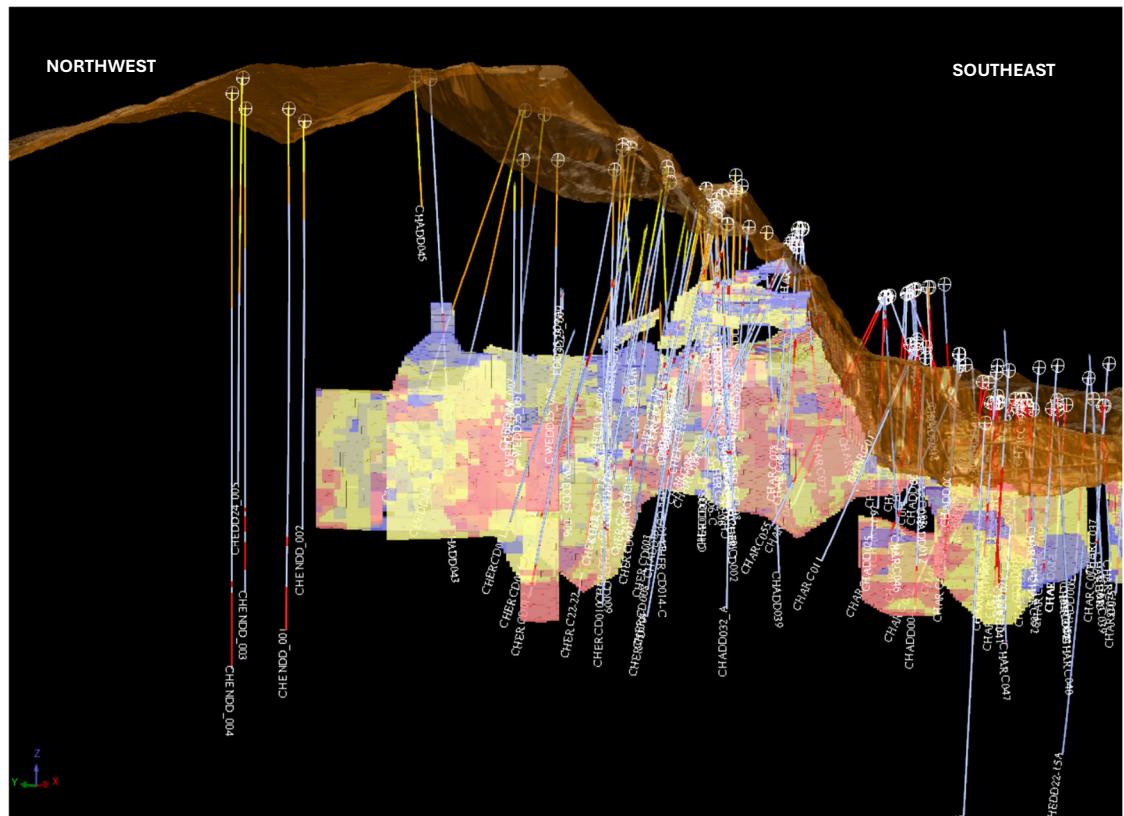


Figure 1.3: Cross-sectional view of the Northern area borehole with red shading indicating iron mineralization zones intersected in CHENDD_001, CHENDD_003 and CHENDD_004.

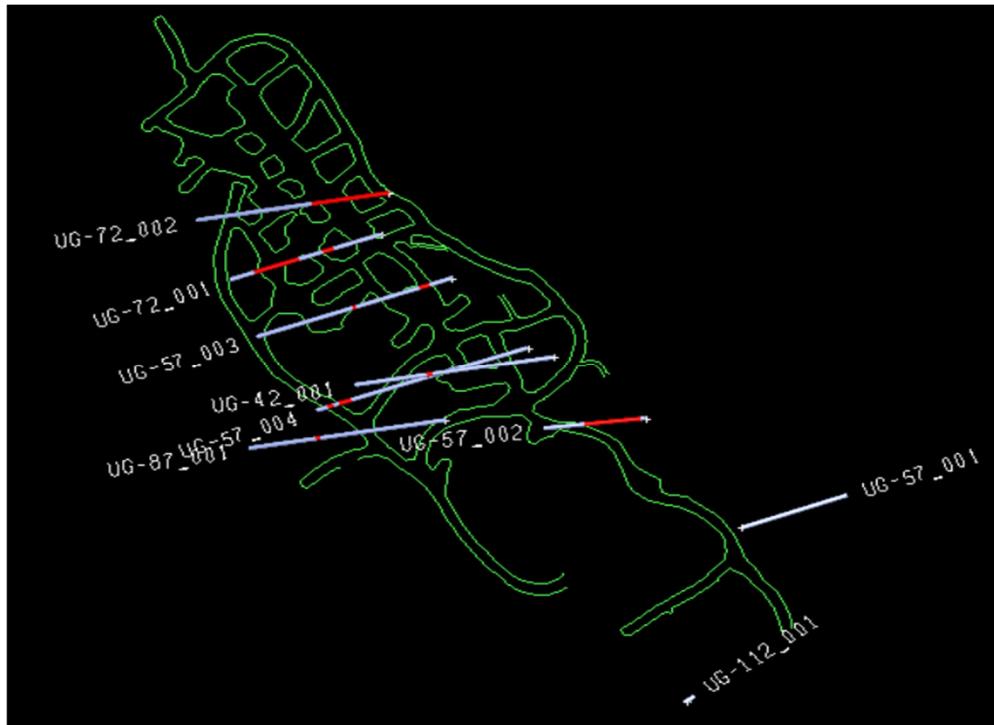


Figure 1.4: Location of the underground boreholes. During 1Q FY2026, only borehole UG-112-001 was attempted, achieving a depth 5.1 meters, as drilling progress was interrupted due to a prolonged generator breakdown

(c) Assays of Exploration Samples

During the reporting period, a total of 66 samples were collected for analytical testing. Of these, 66 samples comprising 60 core samples and 6 QA/QC samples were sent to a certified third-party laboratory for independent verification.

All sampling activities were undertaken accordance with established standard procedures to ensure the accuracy, consistency, and reliability. A breakdown of the sample categories is presented in Table 1.2 below.

Sample Type	Number of Samples
RC	0
DD	60
Duplicates	1
OREAS	3
Blanks	2
Grabs/Channel	0
QAQC (Rejects & Pulps)	0
TOTAL	66

Table 1.2 shows the total sample based on type sent for analysis

Mining activities

Chaah Mine

(i) North Zone

During 1Q 2026, the Group continued to advance mining activities across multiple levels in the North Zone:

- At **Level -23.5mRL**, both development and stoping works have been fully completed, with stoping concluding in July 2025.
- At **Level -42mRL** and **Level -57mRL**, stoping works are in progress.
- At **Level -72mRL**, development works and exploration drilling to confirm ore boundaries have been completed, with stoping yet to commence.
- At **Level -87mRL** development has been fully completed.
- In the Room-and-Pillar section, development and room widening have been completed at **Level - 103mR**, while at **Level -118mRL**, development works completed and room widening remains in progress.
- At level **-137mRL** development works are still ongoing at both north and south area. At this level, access infrastructure connecting north and south area is completed, hence completing the connectivity between north and south area.

(ii) Southern Zone

In the Southern Zone, the Room-and-Pillar mining method continues to progress:

- At Level -87mRL, development works is completed and the level has been reserved for infrastructure access.
- At Level -103mRL, development work is halted due to unstable ground conditions.
- At Level -112mRL, development and room widening have been fully completed.
- At Level -128mRL, development work still in progress and currently serves as ramp infrastructure to Level -137mRL.
- At Level -137mRL, development works are ongoing and now provide connectivity between the North and South areas of the mine.

Ore extraction

In 1Q FY2026, the Group extracted approximately 256,700 tonnes of ore from underground mining (1Q FY2025: 183,800 tonnes).

During the same period, a total of 333,400 tonnes (1Q FY2025: 150,000 tonnes) of ore was processed and 99,300 tonnes (1Q FY2025: 82,400 tonnes) of iron ore concentrates were produced.

Kota Tinggi Mine

No mining activities were carried out for other prospect areas in 1Q FY2026.

BY ORDER OF THE BOARD

Dato' Sri Pek Kok Sam
Managing Director

Lim Wei Hung
Executive Director and Chief Operating Officer

12 December 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.