

SOUTHERN ALLIANCE MINING LTD.

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

UPLIFTING OF TEMPORARY WORK SUSPENSION ORDERS INVOLVING THE ASSOCIATED COMPANY, MCRE RESOURCES SDN BHD'S IONIC CLAY RARE EARTH OPERATIONS AT HULU PERAK, PERAK, MALAYSIA

The Board of Directors (the “**Board**”) of Southern Alliance Mining Ltd. (the “**Company**”), and together with its subsidiaries, the “**Group**”) refers to the Company’s previous announcement on 21 November 2025 in relation to the clarification on news articles regarding notice to temporary suspension order involving MCRE Resources Sdn Bhd (“**MCRE**”). The Board wishes to announce that the temporary suspension of works by the relevant Malaysian authorities on MCRE’s rare earth elements (“**REE**”) mining operations in Hulu Perak, Perak (“**Suspension Orders**”) has been withdrawn.

1. Background

The Board has previously announced that MCRE together with two other mining companies operating in the area, have received directive to temporary suspend the mining operations in Hulu Perak, following water discolouration incident in Sungai Perak, which has been the subject of the various news articles. Arising from the above incident, both the Minerals and Geoscience Department (“**JMG**”) and the Department of Environment (“**DOE**”) have carried out their respective investigations, in which MCRE has rendered fullest cooperation.

2. Nature of Non-Compliances

Following their inspection, JMG identified issues related to the Erosion and Sedimentation Control Plan (“**ESCP**”) and requested MCRE to remedy the identified issues while its operation is temporarily suspended.

DOE on another hand, has identified fourteen (14) non-compliances against the approval conditions of MCRE’s Environmental Impact Assessment (“**EIA**”) Approval, which can be broadly categorized into:

- (A) Matters related to the ESCP, which were similar to the JMG’s finding;
- (B) Deviations from approved operational workflows and process designs, including changes implemented without prior written approval from the relevant Malaysian authorities; and
- (C) Administrative and reporting-related matters, including reporting obligations, Environmental Management Plan (“**EMP**”) documentation updates, scheduled waste management requirements, and the appointment of a competent Environmental Officer.

The Company was informed by MCRE that the Suspension Orders related to certain technical and procedural non-compliances relating to operational and environmental management matters. MCRE further clarified that these non-compliances were entirely unrelated to the Sungai Perak water discolouration incident reported in late 2025. All the identified non-compliances have since been fully rectified, and the requisite corrective and remedial measures have been implemented to the satisfaction of the relevant Malaysian authorities.

3. Withdrawal of Suspension Orders

Following series of following up enforcement investigations by both DOE and JMG, both departments were satisfied that MCRE had complied with all the conditions of the Stop Work Order. Accordingly, the Suspension Orders are withdrawn, with immediate effect from the date of issuance of the JMG's withdrawal letter dated 15 January 2026, thereby allowing MCRE to resume operations.

4. Post-Withdrawal Requirements

Notwithstanding the withdrawal of the Suspension Orders, MCRE is required to continue implementing the following:

- (i) Completion of the closure procedures for the enrichment process as previously submitted to the DOE;
- (ii) Implementation of the river water quality monitoring programme in accordance with commitments provided to the DOE; and
- (iii) Updating and submission of the EMP documents to the Perak State DOE for implementation of the proposed control and mitigation measures.

MCRE is also required to continue comply with the following:

- The conditions of approval of the EIA Report dated 11 May 2022;
- The Environmental Quality Act 1974; and
- All regulations made thereunder.

5. Impact on the Group

The lifting of the Suspension Orders allows MCRE to resume normal operations. The Board is of the view that this matter is not expected to have any material adverse impact on the financial position of the Group for the current financial year ending 31 July 2026.

BY ORDER OF THE BOARD

Dato' Sri Pek Kok Sam
Managing Director

16 January 2026

Lim Wei Hung
Executive Director and Chief Operating Officer

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.