



**FOR IMMEDIATE RELEASE**

## **Southern Alliance Mining Joint Operation Associate MCRE Resources Sdn Bhd Resumes Operations Following Lifting of Temporary Work Suspension Orders**

- Work suspension orders on MCRE Resources lifted by regulatory authorities
- Suspension related to certain operational and environmental management procedures compliances
- Issues entirely unrelated to Sungai Perak discolouration incident
- Comprehensive remedial actions successfully implemented and operations have resumed

**Singapore, 16 Jan 2026** – Southern Alliance Mining Ltd. ("**SAM**" or the "**Company**", together with its subsidiaries, "**the Group**"), a leading producer of high-grade iron ore in Malaysia, is pleased to announce that the temporary suspension of work orders issued by the Minerals and Geoscience Department and the Department of Environment (collectively referred as Suspension Orders) on its 40%-owned joint operation, MCRE Resources Sdn Bhd ("**MCRE**"), have been lifted on 15 January 2026.

MCRE wishes to clarify that the suspension of work orders were entirely unrelated to the water discolouration incident reported in the Sungai Perak in late 2025.

### **Summary of Non-Compliances**

The work Suspension Orders were issued based on the following non-compliances:

- Eight (8) issues relating to erosion and sedimentation control plan ("**ESCP**") matters, which include surface run-off water discharge exceeding permissible parameters under the Minerals Development Rules (Effluent) 2016.
- Three (3) issues involving deviations from approved work flows.
- Two (2) issues relating to reporting requirements.
- One (1) issue each pertaining to scheduled waste management, Environmental Management Plan ("**EMP**") requirements, and the appointment of a competent



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environmental officer.

MCRE has worked diligently with the relevant Malaysian authorities to address all the identified non-compliances and implement the necessary corrective measures. It has taken comprehensive steps to ensure full compliance with all regulatory requirements, as well as strengthened its operational and environmental management practices. Following verification by the relevant Malaysian authorities, operations at MCRE have now resumed.

### **Clarification on Sungai Perak Incident**

MCRE wishes to emphasise that none of the non-compliances cited in the Suspension Orders are connected to the Perak River discolouration incident that occurred in October 2025 as widely reported, which resulted in the Department of Environment's investigations into that incident focused on three mining operations in the upper reaches of Sungai Perak in Gerik as subjects of investigation.

MCRE remains committed to maintaining the highest standards of environmental stewardship and regulatory compliance in all its operations.

Commenting on the lifting of the work suspension orders, Dato' Sri Pek Kok Sam, Managing Director of Southern Alliance Mining, said: ***"We are pleased that the work suspension orders have been lifted following MCRE's constructive engagement with the Minerals and Geoscience Department and the Department of Environment. The technical and procedural non-compliances identified during their inspections have been fully addressed and the necessary remedial measures successfully implemented."***

***"It is important to emphasise that these matters were entirely separate from the Sungai Perak discolouration incident reported in late 2025. MCRE remains committed to maintaining rigorous environmental and operational standards, and we will continue to work closely with all relevant authorities to ensure full compliance with regulatory requirements. MCRE is pleased to have restarted operations and looks forward to contributing responsibly to Malaysia's rare earth sector."***

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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 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).

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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