

## SOUTHERN ALLIANCE MINING LTD.

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

### UPDATE ON THE USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING

The board of directors (the "**Board**") of Southern Alliance Mining Ltd. (the "**Company**") refers to the Company's offer document dated 16 June 2020 ("**Offer Document**") in relation to the Company's initial public offering ("**IPO**") and listing of its shares on the Catalist board of the Singapore Exchange Securities Trading Limited on 26 June 2020.

*Unless otherwise defined herein, all capitalised terms used in this announcement shall bear the same meanings as defined in the Offer Document.*

The Board refers to the section entitled "Use of Proceeds and Listing Expenses" set out in page 47 of the Offer Document in relation to the intended use of the net proceeds of approximately S\$11.9 million raised from the IPO of the Company ("**Net IPO Proceeds**") and wishes to provide an update on the use of the Net IPO Proceeds as at the date of this announcement, as follows:

Use of Net IPO Proceeds	Allocated (S\$'000)	Utilised (S\$'000)	Balance (as at 9 September 2020) (S\$'000)
Further exploration activities	4,000	-	4,000
Investment into mining equipment and infrastructure	2,000	655 <sup>(1)(3)</sup>	1,345
Acquisitions, joint ventures, strategic alliances and/or development of new mines	2,000	-	2,000
General working capital purposes	3,937	90 <sup>(2)</sup>	3,847
<b>Total</b>	<b>11,937</b>	<b>(745)</b>	<b>11,192</b>

Notes:

- (1) RM1,996,000 which is equivalent to S\$655,287 was utilised for the purchase of two (2) units of Volvo EC 480DL excavators on 09 September 2020.
- (2) S\$90,000 was utilised as working capital of the Company to pay its ongoing professional expenses and bank charges.
- (3) This figure is based on the exchange rate of RM100.00:S\$32.83 as at 08 September 2020 extracted from information published by the Monetary Authority of Singapore.

The use of the Net IPO Proceeds is in accordance with the intended use as disclosed in the Offer Document. The Company will continue to make periodic announcements via SGXNet on the utilisation of the balance of the Net IPO Proceeds as and when such proceeds are materially disbursed. The Company will also provide a status report on the use of the net proceeds in its annual report(s) and financial results announcement(s).

#### BY ORDER OF THE BOARD

Dato' Sri Pek Kok Sam  
Executive Director and Chief Executive Officer  
9 September 2020

*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 document, including the correctness of any of the statements or opinions made or reports contained in this document.*

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