

## 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 first quarter ended 31 October 2024 ("1Q FY2025"):-**

| Activities                                                 | 1Q FY2025           |                  |                    |
|------------------------------------------------------------|---------------------|------------------|--------------------|
|                                                            | Projected<br>RM'000 | Actual<br>RM'000 | Variance<br>RM'000 |
| Mine exploration and evaluation                            | 1,500               | 817              | (683)              |
| Mining related expenditure (excluding capital expenditure) | 31,000              | 32,962           | 1,962              |
| <b>Total</b>                                               | <b>32,500</b>       | <b>33,779</b>    | <b>1,279</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 Tenggaraoh Prospect amounting to RM0.2 million and RM0.6 million respectively. The variance between the actual expenditure and the forecast was mainly due to the professional fees allocated for the exploration works at PML 14/2023 were not utilised as the Group decided to prioritise in-house investigative work for geological and geophysical exploration to investigate for potential mineralization.

#### **Mining activities**

Underground mining involves the construction of a network of tunnels to extract ores. 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 RM31.9 million as well as for the Kota Tinggi Mine amounting to RM1.1 million.

During 1Q FY2025, while our Group continued to focus on the mining work to remove ore from Chaah Mine, the Group is still continuing with tunnel development work. In addition, the Group spent approximately RM1.1 million in paying Kota Tinggi subcontractors for ore processed in 1Q FY2025.

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

| <b>Activities</b>                                             | <b>Projection for<br/>2Q FY2025<br/>RM'000</b> |
|---------------------------------------------------------------|------------------------------------------------|
| a. Mine exploration and evaluation                            | 2,100                                          |
| b. Mining related expenditure (excluding capital expenditure) | 32,000                                         |
| <b>Total</b>                                                  | <b>34,100</b>                                  |

The allocation for mine exploration and evaluation for the second quarter ending 31 January 2025 ("2Q FY2025") included:

- a) in-house investigative work and professional fees for geological and geophysical exploration at PML 14/2023 to investigate for potential mineralisation; and
- b) continuation of the exploration of the Tenggaroh Prospect.

### **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. This mapping works were conducted across four (4) different tunnel levels to identify and define new geological structures that control the shape and orientation of the ore body. This is crucial for assessing the ore distribution, which are fundamental to determine the next step of action including serving as guide for ore extraction.

The results of the mapping works are summarized as follows:

| Level | Region | Adits                                     | Type of structure      |
|-------|--------|-------------------------------------------|------------------------|
| -42   | North  | AT06, AT07, AT08, AT09, AT09SW, ATV04N(A) | Fault, Joints, Bedding |
| -57   | North  | MT, AT02, AT03SW, AT14, AT15              | Fault, Joints          |
| -72   | North  | AT14, AT15, AT17                          | Fault, Joints          |
| -112  | South  | AT123                                     | Fault, Joints, Bedding |

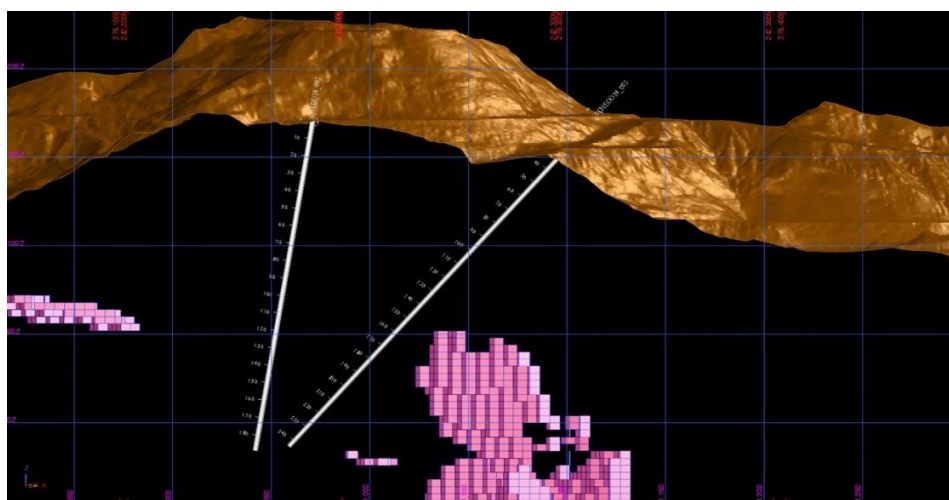
During the reporting period, a total of 118 channel samples were collected from various sections of tunnels. The samples were taken from different tunnel sections to represent the geological variability within the ore body. The samples were sent to laboratory for analysis. The table below provides a breakdown of the reference numbers, sample IDs, and the total number of samples collected from each section:

| Reference Number | Sample ID |       | Total sample |
|------------------|-----------|-------|--------------|
|                  | From      | To    |              |
| MYKTL-24-00220   | 12719     | 12759 | 41           |
| MYKTL-24-00265   | 12760     | 12799 | 40           |
| MYKTL-24-00271   | 12800     | 12836 | 37           |
| <b>Total</b>     |           |       | <b>118</b>   |

The results from these samples will provide further insight into the mineral composition and grade distribution, aiding in refining the exploration and development strategies for the mine.

During the reporting period, our Group decided to discontinue the drilling program at CHEDD24\_001 ("previously known as ZK002") as there is no mineralization found and prioritize the investigative work at CHEDD24\_002, CHEDD24\_003, CHEDD24\_004 as recommended by the competent persons to investigate the extension of the ore body toward the western part (Please refer to Figure 1). A total drilling depth of 569.6 meter was completed during the period, which can be summarized as below.

| Borehole Identification<br>("BHID") | Status    | UTM coordinate |            | Azimuth | Inclined | Total depth, m |
|-------------------------------------|-----------|----------------|------------|---------|----------|----------------|
|                                     |           | X              | Y          |         |          |                |
| CHEDD24_002 <sup>(1)</sup>          | Completed | 275211.141     | 242195.951 | 270     | -80      | 188.9          |
| CHEDD24_003 <sup>(2)</sup>          | Completed | 275292.755     | 242353.381 | 240     | -50      | 244.2          |
| CHEDD24_004 <sup>(3)</sup>          | On going  | 273497.878     | 240997.607 | 123     | -80      | 136.5          |
|                                     |           | Total          |            |         |          | <b>569.6</b>   |



Note <sup>1</sup>: No mineralization was found.  
 Note <sup>2</sup>: No mineralization was found.  
 Note <sup>3</sup>: Drilling still on going.

During the reporting period, a total of three (3) underground drilling with total length of 117.6 meters were carried out and UG-72-001 still on-going drilling. The details are as follows:

| BH ID        | Status    | Result        | UTM coordinate |            | Azimuth | Inclined | Total depth, m |
|--------------|-----------|---------------|----------------|------------|---------|----------|----------------|
|              |           |               | X              | Y          |         |          |                |
| UG-57-001    | Completed | Andesite      | 275380.127     | 242186.517 | 70      | -10      | 56.4           |
| UG-57-002    | Completed | Pending assay | 275332.165     | 242251.612 | 263     | -10      | 51.6           |
| UG-72-001    | On-going  | Andesite      | 275200.623     | 242361.290 | 250     | -10      | 9.6            |
| <b>Total</b> |           |               |                |            |         |          | <b>117.6</b>   |

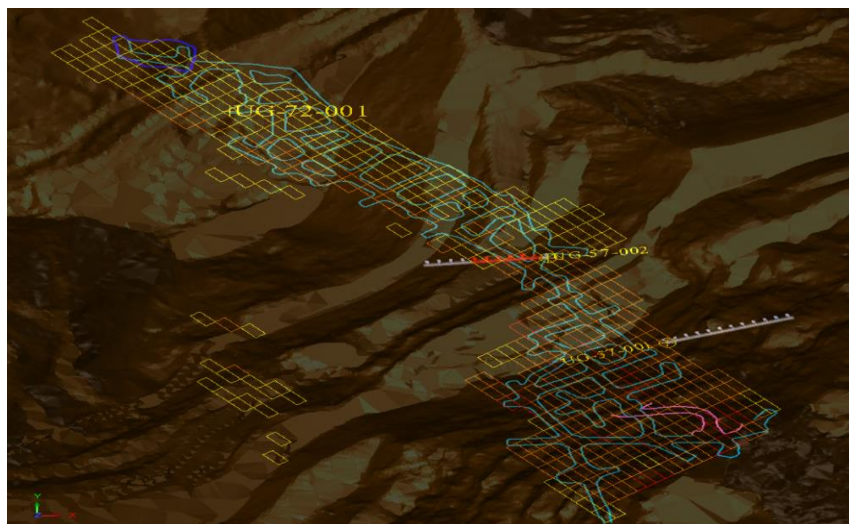


Figure 2: Drill hole location at level -57 & -72 overlay with tunnel as built and Mineable Shape Optimizer

**(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>**

No activities were undertaken during this period as we are still pending for the construction of access road and base camp.

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

During the reporting period, our geologist had access into site to collect further geological data and conduct sample analysis by manual exploration as supporting document to expedite the OP approval from the relevant authorities.

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

Lot PTD217

A total of (4) drill holes with a total length of 1,050 meters in PTD217 were completed in 1QFY2025 (to date total is 32 drill holes with length of 4,998 meters). During this reporting period, a total of 759 samples were sent for assay and all results were obtained. Out of 759 samples obtained with 108 samples or about 14.23% of the samples showed significant results (which is above 0.10 gram/tonne). Please refer to the table below for the summary.

|                                                                                 | <u>Current Reporting Period</u> | <u>Total To Date</u> |
|---------------------------------------------------------------------------------|---------------------------------|----------------------|
| <b><u>Exploration Drillings</u></b>                                             |                                 |                      |
| Drill holes completed (nos)                                                     | 4                               | 32                   |
| Total Length (meters)                                                           | 1,050                           | 4,998                |
| <b><u>Assays</u></b>                                                            |                                 |                      |
| Assays Result Obtained                                                          | 759                             | 4,223                |
| Assays with significant results                                                 | 108 (14.23%)                    | 884 (20.93%)         |
| <i>Significant result is defined as gold assay of more than 0.10 gram/tonne</i> |                                 |                      |

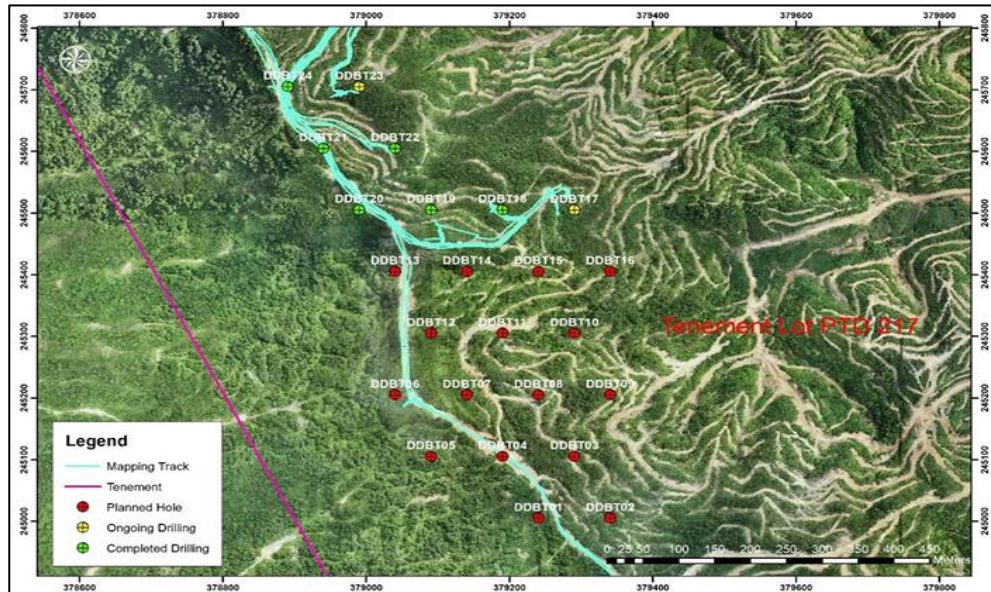


Figure 3: Drilling activities at Bukit Twiss within Lot PTD 217

#### Lot PTD216

During the reporting period, a total of 199 samples were collected and sent to independent laboratory for analysis (to date total of 321 samples taken). Out of 176 samples obtained with 39 samples or about 22.16% of the samples show significant results (above 0.1 g/t). Please refer to the table below for the summary.

|                                                                                 | <u>Current Reporting Period</u> | <u>Total To Date</u> |
|---------------------------------------------------------------------------------|---------------------------------|----------------------|
| Samples taken                                                                   | 199                             | 321                  |
| <b><u>Assay</u></b>                                                             |                                 |                      |
| Assay result obtained                                                           | 176                             | 176                  |
| Assays with significant results                                                 | 39 (22.16%)                     | 39 (22.16%)          |
| <i>Significant result is defined as gold assay of more than 0.10 gram/tonne</i> |                                 |                      |



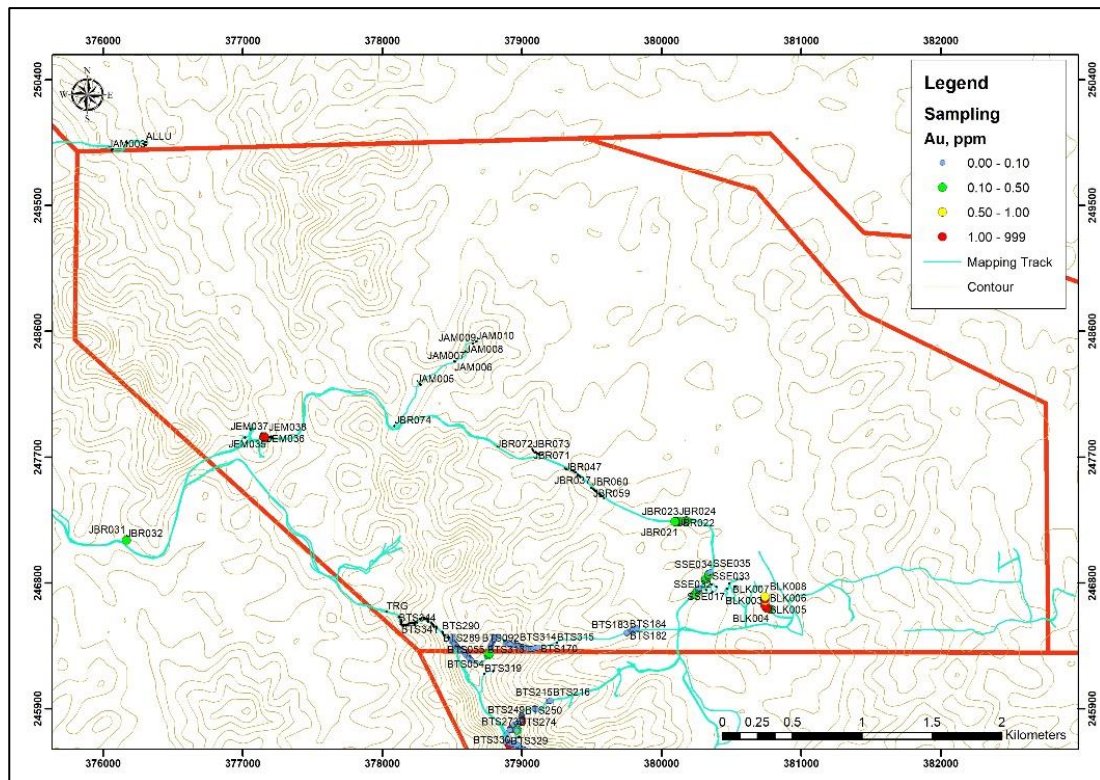


Figure 4: Sampling drilling activities in PTD 216

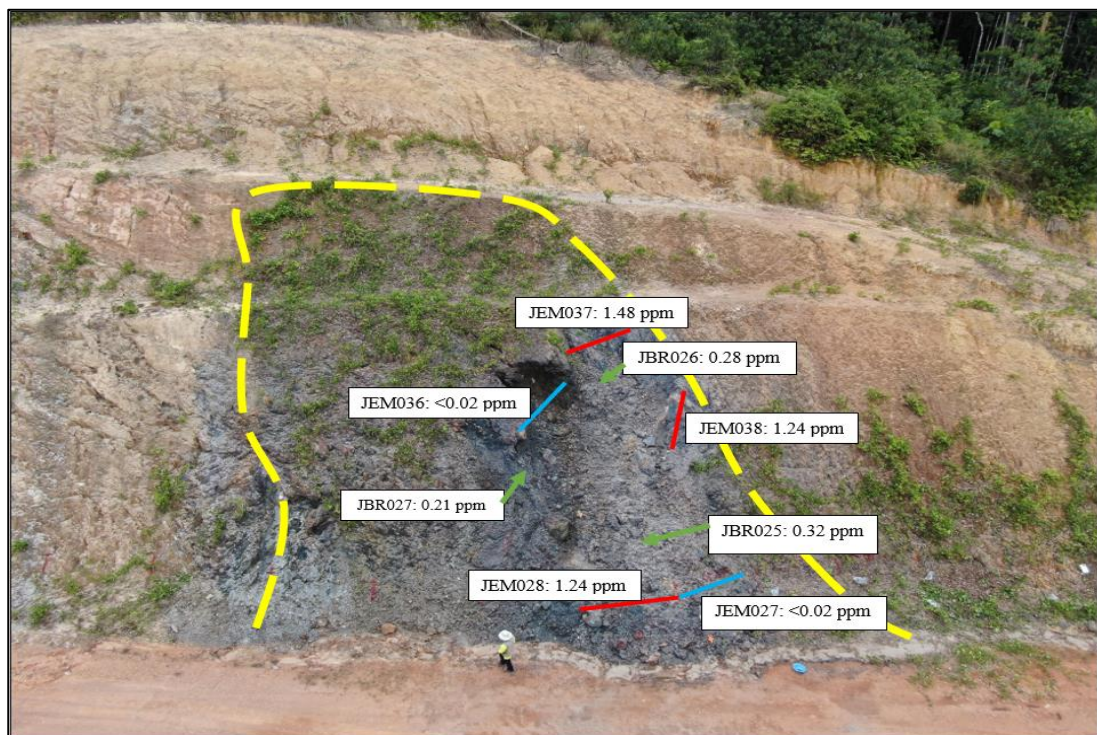


Figure 5: Exposed outcrop at PTD216 showing graphitic alteration with significant Au results.

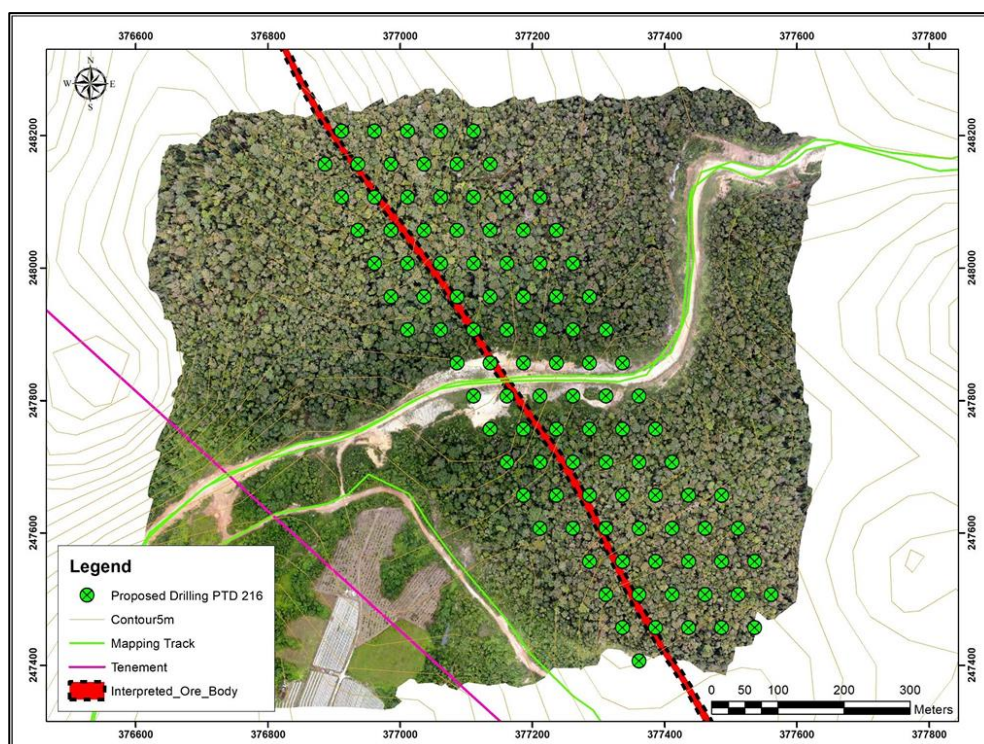


Figure 6: Proposed drill holes (green dots) located in PT216.

Currently, our Group is planning to commence drilling activities and conduct trenching at the location where outcrop exposed the possible ore body.

## Mining activities

### Chaah Mine

During the reporting period, Chaah mine has completed the development work at Level -42 and step into production stage in early November. While level -57 and level -72 are pending for exploration drilling result to confirm the ore boundary prior to proceeding to production stage.

In early October, we have commenced the development stage at new level at both Southern and Northern Zone, Level -128mRL. This level is interconnecting between the Northern & Southern Zone for tunnels access. Up to date, a total of 46 stope blasts were carried out at Level -23.5.

The development work at southern zone still on going.

Summary of work progresses as below:

| Northern Zone | Status                                             | Southern Zone | Status                       |
|---------------|----------------------------------------------------|---------------|------------------------------|
| -23.5mRL      | Production Stage                                   | -87mRL        | Development work in progress |
| -42mRL        | Production stage                                   | -103mRL       |                              |
| -57mRL        | Pending exploration result to confirm ore boundary | -112mRL       |                              |
| -72mRL        |                                                    | -128mRL       |                              |
| -87mRL        |                                                    |               |                              |
| -103mRL       |                                                    |               |                              |
| -112mRL       |                                                    |               |                              |
| -128mRL       |                                                    |               |                              |



### Ore extraction

In 1Q FY2025, the Group extracted approximately 183,800 tonnes of ore from underground production and development work (1Q FY2024: 88,583 tonnes). As the Group has transitioned into full underground mining since September 2023, there is no ore extracted from open pit mining during the period (1Q FY2024: 89,878 tonnes).

During 1Q FY2025, total ore processed was 150,000 tonnes (1Q FY2024: 192,600 tonnes) resulting in increase in production of 82,400 tonnes (1Q FY2024: 79,800 tonnes) of iron ore concentrates due to improvement of the plant.

### **Kota Tinggi Mine**

During 1Q FY2025, approximately 7,700 tonnes of iron ore were processed from the tailing (1Q FY2024: 35,000 tonnes).

Save for the above, no mining activities were carried out for other prospect areas in 1Q FY2025.

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

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

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

12 December 2024

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.

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