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 LISTING MANUAL SECTION B: RULES OF CATALIST FOR THE THIRD QUARTER ENDED 30 APRIL 2026

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 third quarter ended 30 April 2026 ("3Q FY2026")

	3Q FY2026		
Activities	Projected RM'000	Actual RM'000	Variance RM'000
Mine exploration and evaluation	250	195	(55)
Mining related expenditure (excluding capital expenditure)	25,000	20,418	(4,582)
Total	25,250	20,613	(4,637)

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 mainly at Chaah Mine. The variance between the actual and the projected E&E cost was minimal.

Mining activities

Included in the mining related expenditure are the expenditure incurred for the mining works at the Chaah Mine amounting to RM1.7 million and Gerik Mine amounting to RM18.7 million.

Chaah Mine

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.

The Group has negotiated and expanded the scope of work of the underground mining subcontractor ("**Subcontractor**"). Effective from March 2026, the Subcontractor undertakes the full mining operation, including but not limited to, iron ore extraction, crushing and concentration activities, as well as the construction of tunnel access and related infrastructures.

The iron ore segment recorded a lower mining related expenditure in 3Q FY2026 as the Subcontractor's efforts were focused on the construction of tunnel infrastructure in preparation for the next phase of production. As a result, the Group underutilised RM0.1 million of the budget allocated to the Chaah Mine.

<u>Gerik Mine</u>

Unlike iron ore mining, ionic clay rare earth extraction adopts an in-situ leaching method, whereby a leaching solution is injected into the ore body to facilitate ion-exchange with rare earth-bearing clays. The resulting pregnant leach solution ("**PLS**") is then collected and processed into rare earth carbonate.

During the period, the raw materials consumption rate was lower than the average level recorded in previous quarters, as the Group concentrated its efforts on mine development activities and the construction of injection system. Consequently, the rare earth division underutilised approximately RM4.5 million in its allocated mining-related expenditure during the period.

(ii) Projection on the use of funds/cash for the next immediate quarter ending 31 July 2026 ("4Q FY2026"), including material assumptions: -

Item	**Projection for 4Q FY2026 RM'000**
a. Mine exploration and evaluation	300
b. Mining related expenditure (excluding capital expenditure)	24,000
Total	**24,300**

As it is important to continue ascertain the potential extension of the iron ore body, which may influence the future mining plans, our Group continues to allocate resources toward exploration and evaluation activities. These works are primarily led by in-house geologists in collaboration with external geophysicists, with the objectives of identifying potential extension of the existing ore resources.

For the next quarter ending 31 July 2026, the Group projects an increase in mining related expenditure for Chaah Mine as the Group is expecting the active production to resume in July 2026. In line with the developments, the Group has updated the allocation for the projected mine exploration and evaluation expenditure, as well as mining-related expenditure to RM0.3 million and RM24.0 million respectively for 4Q FY2026.

<u>Negative confirmation by the Board pursuant to Rule 705(6)(b)</u>

On behalf of the Board of Directors, we the undersigned, hereby confirm that to the best of their knowledge, nothing has come to their attention which may render such information provided false, misleading in any material aspect.

<u>Rule 705(7) of the Catalist Rules</u>

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:

No mapping activities were conducted, particularly within the underground tunnels, as there were minimal development activities within the ore body.

(b) Exploration Drilling

During 3Q FY2026, drilling activities were mainly focused in the northern area following encouraging indications of a potential extension of the iron ore body beyond the boundaries of the existing resource block model. These indications were interpreted based on geophysical anomaly results covering an area of approximately 17.4 acres. Figure 1.1 illustrates the proposed borehole locations overlaid on the geophysical anomaly map.

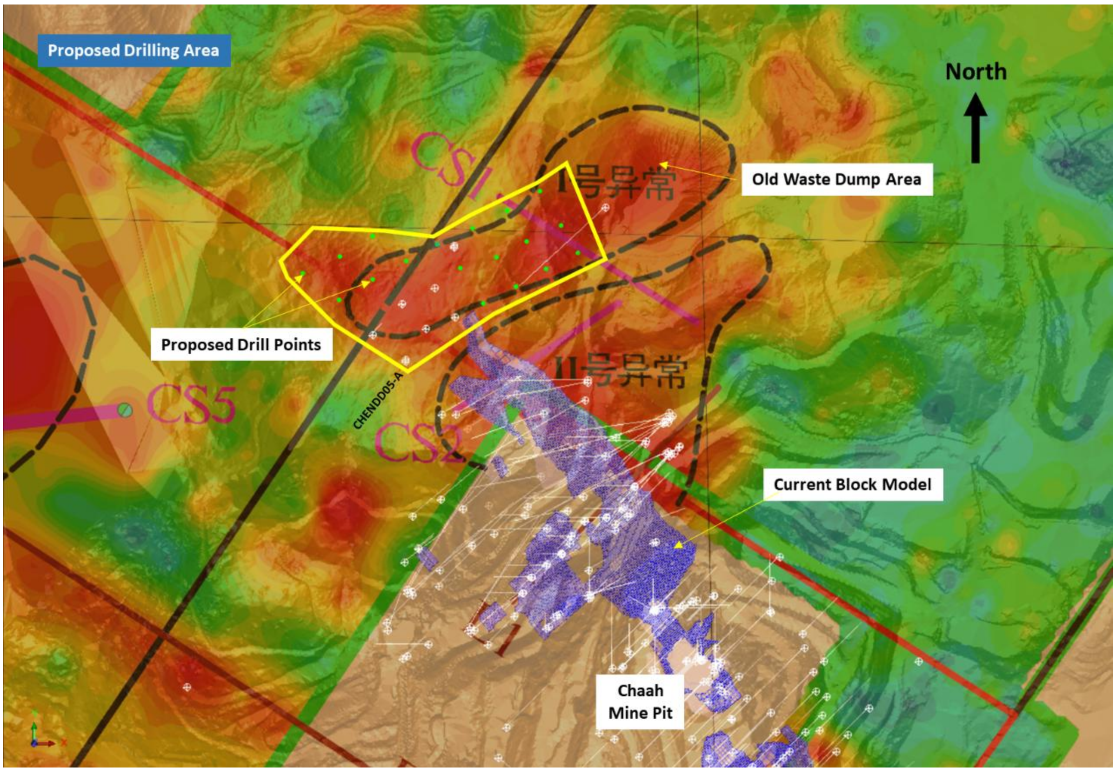

Figure 1.1: *Location of proposed drill holes (green dots) in the northern area (yellow-line polygon), overlaid on the geophysical anomaly and topographic map showing the main ore body. No drilling is planned to the east of the proposed area due to the presence of a thick old waste dump.*

During the reporting period, the Group completed one (1) surface borehole, while a total of four (4) underground drill holes were successfully completed. Drill hole CHENDD05-A was primarily drilled to assess the potential western extension of the ore body and, secondly, to evaluate the drilling capability of the rig at greater depths. For 3Q FY2026, the Group achieved a cumulative drilling length of 619.8 metres. A summary of the exploration drilling activities is presented in Table 1.1 below:

Borehole Identification ("BHID")	Status	Universal Transverse Mercator ("UTM") coordinate		Azimuth	Inclined	Total depth (metres
		X	Y			
CHENDD_005A	On going	275048.109	242408.802	0	-90	242.5
CHENDD_006A	completed	275113.997	242564.891	0	-90	13.4
UG-118_003	completed	275189.112	242252.917	45	-35	57
UG-118_004	completed	275131.856	242314.252	60	-20	103.4
UG-118_005	completed	275131.856	242314.252	60	-50	103.3
UG-118_006	completed	275161.227	242209.759	225	-10	100.2

Table 1.1 *Summary of the exploration drilling during the 3Q FY2026*

The lithological and mineralization intervals for boreholes completed during 3Q FY2026 are summarized in **Table 1.2** below.

- CHENDD_005A: intervals of 7.5 meters and 8.0 meters, with assay results pending as of the reporting date.
- CHENDD_006A: intervals of 10.0 meters, with assay results pending as of the reporting date.
- UG-118_001: intervals of 9.0 meters, with assay results pending as of the reporting date.
- UG-118_002: intervals of 19.0 meters, with assay results pending as of the reporting date.
- UG-118_003: intervals of 20.0 meters, pending for sampling as of reporting date.
- UG-118_004: intervals of 28.6 meters and 3.0 meters, pending for sampling as of reporting date.
- UG-118_005: intervals of 8.5 meters, pending for sampling as of reporting date.

BH Id	Location	Core Interval, m	Lithology/Mineralization
CHENDD_005A	Surface	0.0-84.0m (84.0m)	Sandstone
		84.0-125.0m (41.0m)	Conglomerate
		125.0-190.0m (65.0m)	Andesite
		190.0-197.5m (7.5m)	**Hematite**
		197.5-265.5m (68.0m)	Andesite
		265.5-273.5m (8.0m)	**Hematite**
		273.5-429.5m (156.0m)	Andesite
		429.5-672.0m (242.5m)	Andesite
CHENDD_006A	Surface	0.0-108.3m (108.3m)	Sandstone
		108.3-145.6m (37.3m)	Conglomerate
		145.6-343.5m (197.9m)	Andesite
		343.5-356.9m (13.4m)	Andesite
UG-118_003	Underground	0.0-44.7m (44.7m)	Andesite
		44.7-48.7m (4.0m)	Andesite
		48.7-68.7m (20.0m)	**Hematite**
		68.7-101.7m (33.0m)	Andesite
UG-118_004	Underground	0-15.0m (15.0m)	Andesite
		15.0-43.6m (28.6m)	**Hematite**
		43.6-52.4m (8.8m)	Andesite
		52.4-55.4m (3.0m)	**Hematite**

		55.4-103.4m (48.0m)	Andesite
UG-118_005	Underground	0-23.3m (23.3m)	Andesite
		23.3-31.8m (8.5m)	**Hematite**
		31.8-62.4m (30.6m)	mix Andesite + Hematite
		62.4-103.3m (40.9m)	Andesite
UG-118_006	Underground	0-4.2m (4.2m)	Andesite

Table 1.2 *Summary of the geological intersections of the boreholes*

The Group will continue to carry out the exploration programme as planned, as the inner segments of these mineralised zones appear to be geologically connected to the existing ore body. Meanwhile, underground drilling activities have resumed, and the borehole locations are illustrated in Figure 1.2.

The underground drilling programme has identified several new mineralized zones extending beyond the boundaries of the existing mineralization domain. This is supported by the discovery of significant mineralized intersections encountered in boreholes UG-57-02, UG-72-01, UG-72-02, UG-112-01, UG-112-02, UG-118-03, UG-118-04, and UG-118-05 as presented in Figure 1.3.

Based on these encouraging exploration results, the Company is confident that additional mineral resources may be delineated and subsequently considered for future extraction activities. The spatial distribution of these newly identified mineralized zones is presented in Figure 1.4.

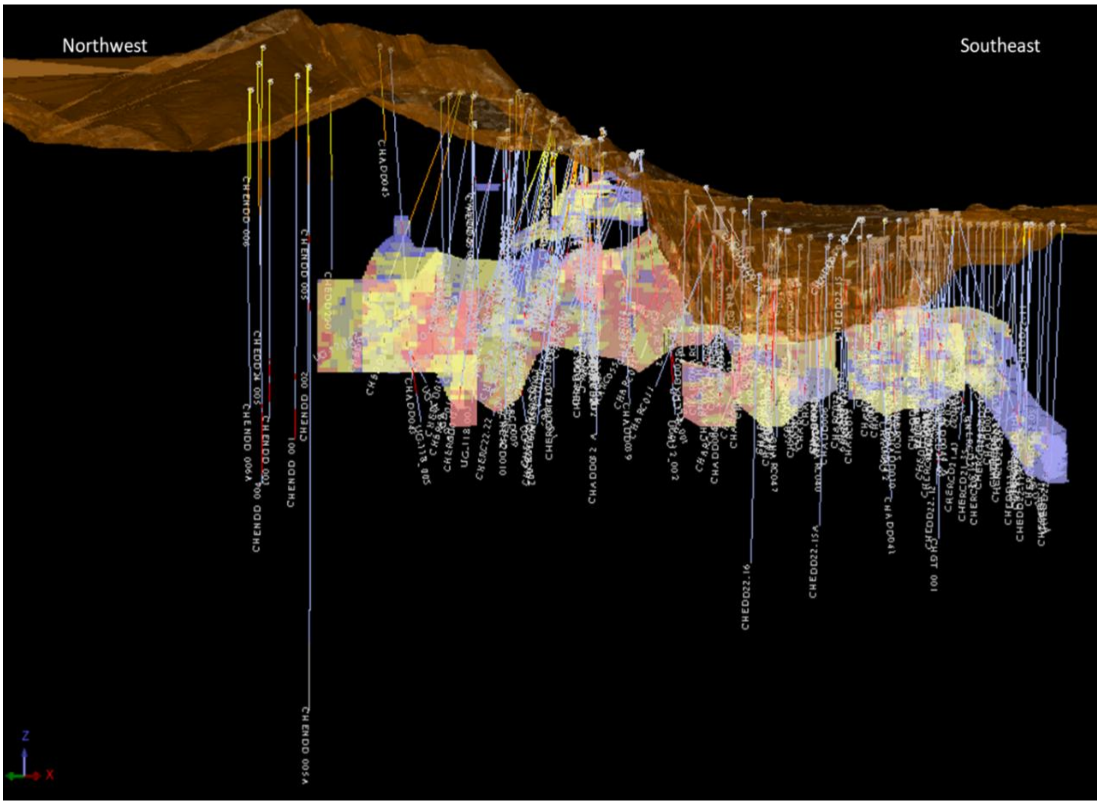

Figure 1.2 *Cross-sectional view of the Northern area boreholes with red shading indicating iron mineralization zones intersected in CHENDD01, CHENDD03 and CHENDD_004. Viewing direction to northeast.*

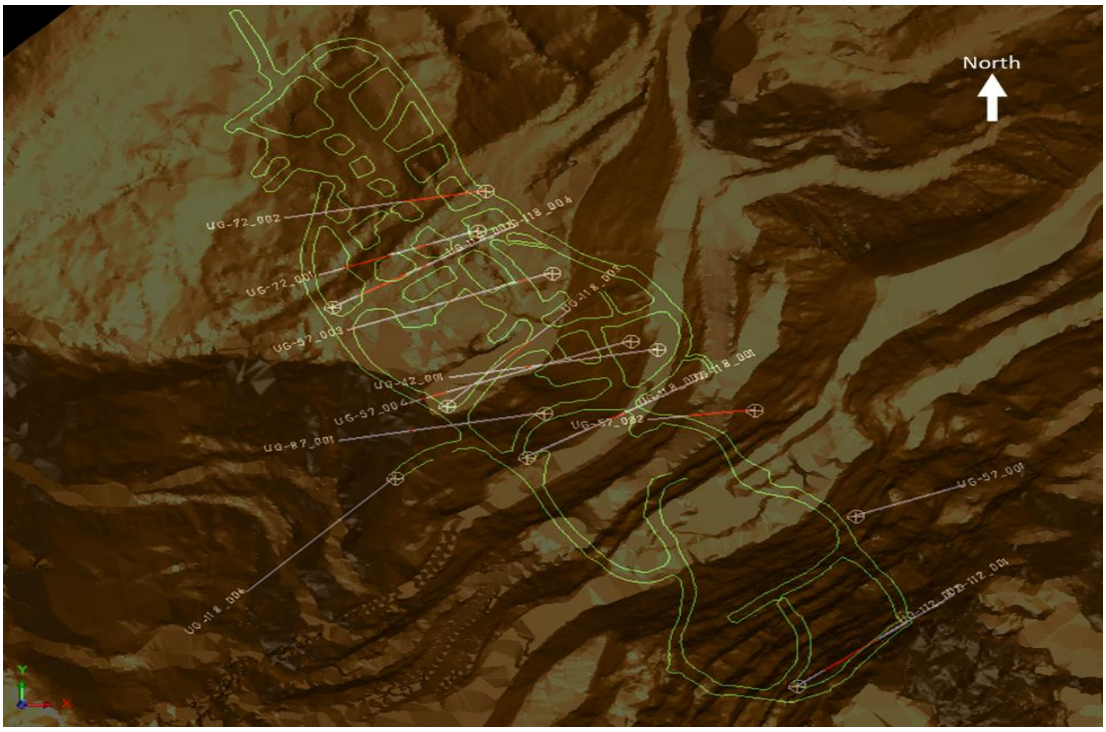

Figure 1.3 *Plan view of the underground drilling boreholes with red shading indicating the intersection of the significant iron mineralization involves the borehole UG-57-02, UG-72-01, UG-72-02, UG-112-01, UG-112-02, UG-118-03, UG-118-04 and UG-118-05*

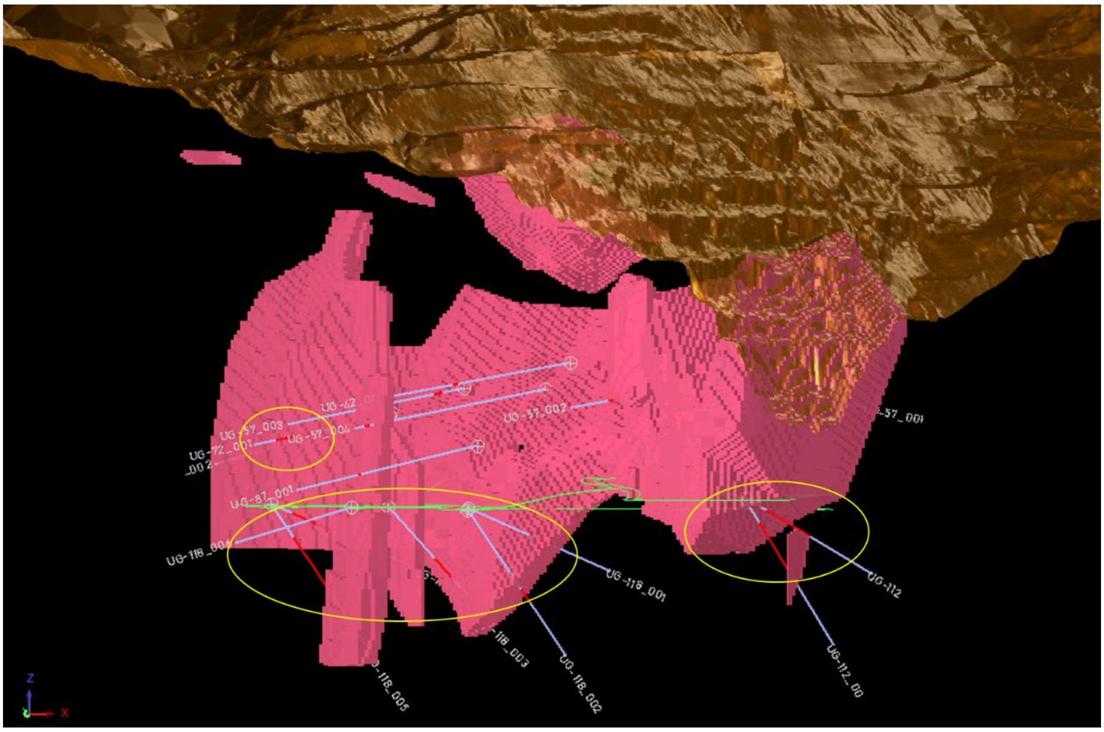

Figure 1.4 *The view of the underground boreholes in relation to the existing block model illustrates the presence of an additional mineralization zone encountered beyond the current block model boundary (marked by yellow circle). The figure is viewed towards the north direction.*

(c) Assays of Exploration Samples
No samples were submitted to any laboratory during the reporting period of 3Q FY2026.

Mining activities

(i) <u>Chaah Mine</u>

The Group continued to prioritize underground infrastructure development, dewatering enhancement, and safe tunnel access improvement works at the Chaah Mine in preparation for more sustainable underground mining operations and future stoping activities.

Underground Access & Infrastructure Development

The construction of the new access tunnel connecting Level -37mRL to Level -87mRL was successfully completed on 6 February 2026 as part of sustainable underground mining program. Subsequent tunnel support works, including shotcrete application and steel support installation, were completed in March 2026, rendering the new access tunnel fully usable and operational. In addition, the temporary water diversion pond located at Level -62mRL was completed on March 2026. Installation of dewatering pumps and piping systems is currently ongoing and is targeted for completion by the end of June 2026.

To further strengthen underground water management and operational safety, dewatering sump and pump installations at the Level -137mRL (South) area were completed in April 2026. These facilities are intended to ensure safe and effective tunnel dewatering conditions for continued underground development activities.

Tunnel Development Activities

Following the completion of critical access and dewatering infrastructure, tunnel development works resumed during 3Q FY2026. Development activities resumed and currently involve several new adits and ramp developments, including:

1. RT02SW – Ramp development towards below Level -162mRL
2. RT03N – Ramp connection from Level -137mRL to Level -87mRL
3. Emergency ramp from Level -23.5mRL to Level -42mRL
4. Ramp access from Level -37mRL to Level -18mRL

These developments are aimed at improving underground connectivity, operational flexibility, emergency access, and preparation for future mining areas.

Resumption of Stoping Activities

Stoping drilling activities also resumed on April 2026 at the following mining levels:

1. Level -42mRL
2. Level -57mRL
3. Level -72mRL

The resumption of these drilling activities marks a progressive transition from infrastructure preparation works towards active underground production readiness and future ore extraction activities.

Ore extraction
As a result of the above recalibration, underground ore extraction for 3Q FY2026 amounted approximately 15,700 tonnes (9M FY2026: 322,500 tonnes).

There was no iron ore concentration activity during the 3Q FY2026, as the efforts werefocused on the development of tunnel infrastructure. Consequently, no iron ore was processed and no iron ore concentrates was produced during the quarter.

For 9M FY2026, total ore processed and iron ore concentrates produced amounted to 405,300 tonnes and 141,900 tonnes, respectively.

(ii) <u>Kota Tinggi Mine</u>

No mining activities were carried out for other prospect areas in 3Q FY2026.

(iii) <u>Gerik Mine</u>

During the reporting period, a total of approximately 2,700 tonnes of rare earth carbonate were produced from two parcel of lands, namely Parcel 1 and Parcel 2. Development works are ongoing for Parcel 3, which is expected to commence operation toward the end of FY2026.

BY ORDER OF THE BOARD

Dato' Sri Pek Kok Sam	**Lim Wei Hung**
Managing Director	Executive Director and Chief Operating Officer

12 June 2026

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.