SOUTHERN ALLIANCE MINING LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No. 201931423D)

RESPONSES TO QUESTIONS FROM THE SECURITIES INVESTORS ASSOCIATION (SINGAPORE) ("SIAS") ON SOUTHERN ALLIANCE MINING LTD'S FY2026 ANNUAL REPORT AND CORRIGENDUM IN RELATION TO THE ANNOUNCEMENT DATED 6 NOVEMBER 2026 RELATING TO THE FY2026 ANNUAL REPORT

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*Note: Our Group (as defined below) is responding to SIAS's questions in relation to the Company's annual report for the financial year ended 31 July 2026 ("**FY2026 Annual Report**"). In providing the additional information to the shareholders via responding to the list of questions raised, the Group is mindful of certain limitation on information that the Group can share with our shareholders such as forward-looking statements, and confidential information that is privileged to the Group, information of which shareholders are not reasonably expected to have.*

The Board of Directors (the "**Board**") of Southern Alliance Mining Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") would like to provide responses to questions from SIAS in relation to the FY2026 Annual Report, as follows:

Question 1:

At the northern extension zone of the Chaah Mine, the group is commencing with underground mining while also transitioning the Southern Pit from open-pit to underground mining. The group has appointed a turnkey contractor to undertake full mining operations.

(i) Under the turnkey contractor model, how are operational responsibilities and performance accountability allocated between the contractor and the group? In particular, who controls mine planning, production scheduling and execution, and what performance measures or contractual obligations are used to ensure that the contractor delivers the targeted production levels? How are cost overruns, production shortfalls and operational risks allocated between the contractor and the group, and what protections does the group have against cost escalation or underperformance?

The Group has adopted a comprehensive turnkey contractor arrangement for its underground mining operations at the Chaah Mine, encompassing underground mine design, determination of mining methods, production scheduling, mining sequencing and execution, ore extraction, hauling, crushing, screening and processing, as well as the upgrading of the existing processing plant.

Under this arrangement, the contractor is responsible for developing the underground mine design and determining the appropriate mining methods, which are required to be endorsed by a qualified engineer appointed by the contractor and subsequently approved by the Group. The contractor is also responsible for production scheduling, mining sequencing and the day-to-day execution of mining and processing operations.

In addition, the contractor is fully responsible for developing the underground mining infrastructure necessary to support its operations, including mine access roads, water management ponds, ventilation systems and other associated infrastructure.

The Group retains overall oversight of the mine, including the review and approval of mine designs and mining methods, monitoring of operational performance, safety oversight and the sale of iron ore products.

The contractor is responsible for funding the development of the underground mining infrastructure and the upgrading of the existing processing plant, with no funding contribution required from the Group under the agreed arrangement. The Group may, where appropriate, facilitate the procurement of certain materials on behalf of the contractor. Any financial assistance from the Group, if considered necessary, would be at the Group's discretion and subject to the applicable approval procedures.

The contractor's payout is linked to the sale of iron ore products rather than solely to the volume of ore extracted or processed. This arrangement is intended to align the contractor's commercial interests with the Group's sales performance and reduce the Group's exposure to fixed operating costs.

Under the turnkey arrangement, the contractor assumes responsibility for operational risks associated with the contracted mining and processing activities. The contract does not provide for additional payments arising solely from cost overruns or cost escalation incurred by the contractor.

The contractor is also subject to contractual penalties should production fall short of the agreed targets within specified timeframes. These provisions are intended to promote performance accountability and provide the Group with contractual protection against production underperformance.

The Group continues to monitor the contractor's performance against the agreed production targets, operational requirements and applicable safety and technical standards to support the achievement of its production objectives.

(ii) With the transition to underground mining, what are management's projected C1 cash cost and all-in cash cost per tonne?

It is not currently the Group's practice to provide forward-looking projections of operating cash costs or all-in cash costs per tonne. Furthermore, as certain terms of the turnkey contractor arrangement are commercially sensitive, the Group does not consider it appropriate to disclose such projections.

The Group is progressing with its transition to commercial underground mining operations at the Chaah Mine, which is currently expected to commence in the third quarter of FY2027. The commencement timeline, previously targeted for the second quarter of FY2027, has been revised to the third quarter of FY2027 due to delays in the upgrading of the conveyor belt system.

As the conveyor belt upgrading works and development of underground mining infrastructure and processing plant remain in progress, the Group has yet to establish a sufficiently representative operating baseline from which reliable unit cost projections can be derived.

Management will continue to monitor production performance, operating expenditure and cost efficiency as underground mining operations progress. Subject to the availability of meaningful operating data, the Group intends to provide an appropriate analysis of its operating performance and cost structure in the Management Discussion and Analysis accompanying its 1H FY2027 financial results announcement.

In his message to shareholders, the managing director noted that underground ore extraction continued during the year, with approximately 48,700 tonnes extracted in the fourth quarter.

(iii) Can management provide greater clarity on the total production from the Chaah, Kahang and Gerik mines in FY2026?

During FY2026, the Group's mining activities and production performance across its operating sites were as follows:

Chaah Mine (Iron Ore)
During FY2026, approximately 371,200 tonnes of ore were extracted in the course of the ongoing underground mine development works, including approximately 48,700 tonnes in the fourth quarter. These quantities represent ore extracted during development activities rather than full-scale commercial underground mining operations. A portion of the extracted ore was processed into approximately 141,900 tonnes of iron ore concentrate during the financial year.

Kahang Mine (Bauxite)
No new bauxite production was recorded during FY2026. However, the Group sold approximately 53,300 dry metric tonnes of bauxite from stockpile inventory carried forward from FY2025.

Gerik Mine (Rare Earths)
MCRE Resources Sdn. Bhd., in which the Group holds a 40% interest, produced approximately 11,900 wet tonnes of rare earth carbonate from Parcels 1 and 2 during FY2026. This represents MCRE's total production rather than the Group's 40% attributable share.

The Group wishes to highlight that ore extraction, processed product output and sales volumes represent different operating measures and should not be directly aggregated when assessing production performance across the respective mines.

Question 2:

Following completion of the acquisition on 12 September 2025, MCRE Resources Sdn. Bhd. ("MCRE") is accounted for as a joint operation, with the group recognising its 40% share of MCRE's revenue, expenses, assets and liabilities.

(i) As a joint operation, what is the group's actual involvement in MCRE's operations and strategic decision-making? Specifically, what responsibilities does the group assume in operational management, technical oversight, financing and capital commitments?

Following completion of the acquisition on 12 September 2025, the Group holds a 40% equity interest in MCRE. Having regard to the Group's ownership interest and the rights and obligations established under the Shareholders' Agreement entered into with the other shareholders, MCRE is accounted for as a joint operation in accordance with the applicable accounting standards.

MCRE's day-to-day mining operations, including the implementation of the specialised in-situ leaching methodology and related technical processes, are managed by MCRE's own management and technical teams, with technical support from its technical partner in China.

Given the specialised nature of these mining processes, the Group's appointed representatives on MCRE's Board of Directors do not directly undertake technical supervision or day-to-day operational management. Nevertheless, they participate in MCRE's corporate governance and monitor its overall operational and financial performance, development progress and relevant regulatory matters.

In relation to strategic decision-making, under the Shareholders' Agreement, certain strategic and material decisions concerning MCRE require the Group's approval, having regard to its 40% shareholding.

With respect to financing and capital commitments, the Group's responsibilities are determined by the relevant provisions of the Shareholders' Agreement and other applicable contractual arrangements. Any additional funding requirements would be assessed in accordance with these arrangements, the Group's financial position and applicable approval procedures.

The Group continues to exercise its rights and responsibilities under the joint operation arrangements while maintaining oversight of MCRE's overall performance through the established governance framework.

During the year, MCRE produced approximately 3,600 wet tonnes of rare earth carbonate from Parcels 1 and 2. Development work has commenced at Parcel 3, with operations targeted to commence by the middle of FY2027. However, MCRE's export permit expired in June 2026.

(ii) Who was responsible for securing the renewal of MCRE's export permit, and why was the renewal not obtained before its expiry?

The applications for export permits are undertaken by MCRE's management team, which is responsible for their preparation, submission and follow-up with the relevant Malaysian authorities.

MCRE submitted separate applications for new export permits in December 2025 and May 2026, prior to the expiry of its existing export permit in June 2026. MCRE also sought an extension of the existing permit. Notwithstanding these applications and the various

engagements undertaken by MCRE's management with the relevant authorities, the necessary approvals were not obtained before the expiry of the existing permit.

Following the introduction of new export permit guidelines by the Ministry of Natural Resources and Environmental Sustainability of Malaysia ("NRES"), effective 1 October 2026, MCRE has continued to engage the relevant authorities regarding the applicable regulatory requirements and the status of its outstanding applications.

In parallel, MCRE is undertaking preparatory work to evaluate the possibility of pursuing judicial review in relation to the export permit matter. The respective Boards of Directors of MCRE and the Group have agreed to proceed with such preparatory work. However, no decision has been made to commence judicial review proceedings at this stage.

As the issuance of export permits is subject to the approval of the relevant authorities, there can be no assurance as to the timing or outcome of MCRE's applications.

(iii) With MCRE's export permit having expired in June 2026, how has this affected its ability to sell and export rare earth carbonate, and what is its current working capital position? Does MCRE have sufficient financial resources to sustain its existing operations and complete the development of Parcel 3 without further funding from the joint operators?

Following the expiry of MCRE's existing export permit in June 2026, MCRE has been unable to resume exports of its rare earth carbonate products to China pending approval of the relevant export permit applications. Consequently, its ability to generate revenue and cash inflows from these exports has been affected.

Notwithstanding the export restrictions, mining and production activities at the Gerik Mine have continued, although at a reduced scale. However, the prolonged delay in obtaining the necessary export approvals has placed increasing pressure on MCRE's working capital position.

Based on the latest cash flow projections provided by MCRE's management, while MCRE continues to fund its current operations, its ability to sustain these activities over the coming months will depend on its available financial resources and the outcome of measures being pursued to address its working capital requirements.

MCRE's management is actively evaluating various options, including potential financing and other commercial arrangements, to address its working capital requirements and support operational continuity.

In view of the prevailing circumstances, MCRE has recently deferred further development activities at Parcel 3 pending greater clarity on its financial resources and the matter relating to the export permit. The timing for resumption of these activities will be assessed by MCRE's management as circumstances develop.

Accordingly, MCRE is not presently in a position to confirm that its existing operations and the planned development of Parcel 3 can be sustained or completed without additional funding. The Group's Board continues to monitor developments and assess the potential implications for the Group.

At the Gerik Mine in Hulu Perak, MCRE's operations were subject to temporary work suspension orders. Operations resumed in January 2026 after MCRE addressed the matters identified by the authorities.

(iv) Following the regulatory suspension, how has the board independently assessed whether MCRE's environmental and operational controls are adequate to prevent a recurrence? Given that the independent directors do not appear to have direct mining or resource extraction experience, what independent technical expertise, site inspections and assurance mechanisms have they relied upon to discharge their oversight responsibilities?

MCRE is responsible for the management of its mining operations and the implementation of environmental and operational controls at the Gerik Mine, including compliance with the applicable regulatory requirements and approval conditions.

The Group understands that, pursuant to the applicable environmental approval conditions, MCRE is required to undertake periodic environmental compliance audits. These audits are conducted by an independent third-party consultant, and the relevant reports are submitted directly to the Department of Environment Malaysia ("**DOE**"), with copies provided to MCRE.

Following the temporary suspension of operations, MCRE addressed the matters identified by the relevant authorities, following which operations resumed in January 2026.

Given the specialised nature of MCRE's mining activities, the Group's Board recognises the importance of independent technical assessments in supporting its oversight responsibilities. In light of the previous regulatory suspension, the Group has requested that copies of the relevant environmental compliance audit reports be provided to its Board of Directors for review. The Group has also requested access to MCRE's environmental consultants and independent auditors, where necessary, to facilitate clarification of material compliance findings, corrective measures and any outstanding issues.

These measures are intended to strengthen the Group's access to independent technical information and support its ongoing oversight of MCRE through the established governance arrangements.

Question 3:

The group's joint ventures include Rigid Temau Sdn. Bhd. ("RTSB"), Maha Hijau Sdn. Bhd. ("MH"), Southern Atlantic Metal Sdn. Bhd. and Sri Aman Minerals Sdn. Bhd.

On 28 September 2022, the group acquired a 50% interest in RTSB for RM7.16 million in cash and settled a further RM4.84 million, representing its 50% share of advances previously provided by the vendors to RTSB. RTSB commenced iron ore production in August 2023, but its mining licence subsequently expired. In addition to impairing the carrying value of the joint venture, the group recognised a RM16.2 million provision against amounts due from RTSB.

As at 31 July 2026, the carrying value of the group's investments in joint ventures had been fully impaired to nil. All four joint ventures have unrecognised share of loss, amounting to an aggregate of RM5.56 million.

Carrying amount for investment in:	2024 RM'000	2025 RM'000	2026 RM'000
Rigid Temau Sdn Bhd	11,993	9,540	–
Maha Hijau Sdn Bhd	4,607	–	–
Southern Atlantic Metal Sdn Bhd	349	–	–
Sri Aman Minerals Sdn Bhd	558	–	–
Total	17,507	9,540	–

(Compiled from company annual reports)

In addition to the expiry of RTSB's licence, the exploration licences of MH, Southern Atlantic Metal and Sri Aman Minerals were not renewed[1], resulting in corresponding impairment losses in FY2025.

(i) Can management clarify when exactly RTSB's mining licence expired, why it was not renewed and what efforts were made by RTSB to secure its renewal before expiry? Given the group's 50% interest in RTSB, what oversight did management and the board exercise over the joint venture's licence renewal process, and why was the risk of losing the licence not addressed in time?

RTSB undertook its mining operations pursuant to a sub-mining operator arrangement, under which the underlying mining leases were held by another party. Accordingly, the renewal of the mining leases was subject to the relevant regulatory processes and arrangements involving the underlying lease holder and other relevant parties.

The renewal of the affected mining lease was subsequently impacted by changes in the administrative arrangements governing mining rights in the State of Pahang, which gave rise to a dispute concerning the relevant mining rights. The matter is currently the subject of ongoing legal proceedings.

The Group participates in RTSB's governance through its appointed representatives on RTSB's Board of Directors, while the day-to-day mining operations and related administrative matters are managed by RTSB's management and the relevant operating parties.

The Group was aware of the issues affecting the mining rights and supported RTSB's decision to pursue the available legal remedies to protect its interests.

Given that the matter remains before the courts, the Group considers it inappropriate to comment further on the specific circumstances of the dispute or the respective positions of the parties involved. The Group will continue to monitor material developments and assess their implications for its investment in RTSB.

The group's investment in RTSB has resulted in a fully impaired joint venture carrying value and a RM16.2 million provision against amounts due from RTSB.

(ii) What was the original RTSB investment case, including the expected production profile, mine life and financial returns, and how did actual performance compare with the investment assumptions? Has the board reviewed whether the original due diligence and subsequent monitoring were adequate, and what lessons have been incorporated into the group's investment approval process, especially for joint ventures?

The original investment was undertaken with the objective of expanding the Group's iron ore mining portfolio through access to several mining areas. In evaluating the investment, the Group considered the acquisition consideration, anticipated production potential, expected financial returns and prevailing iron ore market conditions, based on the information available at the time.

RTSB subsequently commenced iron ore production in August 2023. However, its operating performance fell short of the original expectations, particularly following the developments affecting the underlying mining rights and the resulting legal proceedings.

Although the legal proceedings remain ongoing and discussions among the relevant parties concerning possible solutions are continuing, uncertainty remains regarding the timing and outcome of any resolution. Accordingly, the Group adopted a prudent approach in assessing the recoverability of its investment and related advances, resulting in the impairment and provision recognised in FY2026.

The RTSB experience has highlighted the importance of evaluating not only the commercial potential of mining investments but also the continuity of underlying mining rights, contractual arrangements and regulatory risks, particularly where mining rights are held by parties outside the joint venture.

The Group will continue to review and, where appropriate, strengthen its investment evaluation and post-investment monitoring processes, including the assessment of mining tenure,

contractual rights, regulatory developments and the timely escalation of material risks to the Board.

(iii) How has the board assessed whether management has the capacity, capabilities and execution track record to oversee the critical transition to underground mining at the Chaah Mine and acquire a new REE mine while also managing the group's joint venture investments?

The Board recognises that the Group's mining and resource activities require appropriate technical expertise, operational capabilities and management oversight, particularly given the transition to underground mining at the Chaah Mine and the expansion of its rare earth business.

The Group's operating model is structured to draw upon the resources and expertise of dedicated operational teams, specialised contractors and technical partners, rather than relying solely on the Group's central management team to directly undertake all operational activities.

At the Chaah Mine, the Group has engaged a turnkey mining contractor responsible for the planning and execution of underground mining operations, including the relevant mining infrastructure and processing activities. This arrangement enables the Group to leverage the contractor's specialised technical expertise and operational resources, while the Group retains oversight of overall operational performance, safety and compliance matters.

For its rare earth operations, MCRE has its own management and technical arrangements responsible for the day-to-day mining activities. The Group participates in the governance and monitoring of MCRE through its interests and representation under the applicable joint operation arrangements.

Similarly, the Group's other joint venture investments are managed through their respective operating and governance arrangements, with the Group's involvement reflecting the nature of each investment and the applicable contractual rights and responsibilities.

The Board oversees the Group's overall business strategy, material investment decisions and risk management, while management is responsible for coordinating the implementation of approved business plans and monitoring the performance of the Group's operations and investments.

As the Group's mining and resource activities progress, the Board will continue to assess the adequacy of its management resources, technical capabilities and governance arrangements, and consider additional specialist support where appropriate.

(iv) In light of the significant losses incurred on the group's joint venture investments, should the group suspend further joint venture investments until it has demonstrated that it has the necessary capabilities and oversight arrangements to manage them effectively?

The Group acknowledges the losses recognised in relation to certain joint venture investments and recognises the importance of prudent investment evaluation, risk management and appropriate governance arrangements.

However, the Board does not consider that a blanket suspension of future joint venture investments would necessarily be in the best interests of the Group and its shareholders. Joint ventures remain a potential avenue for the Group to pursue viable strategic opportunities, particularly where strategic collaboration with suitable partners provides access to mineral resources, technical expertise, operational capabilities and other complementary resources.

The Group recognises that the experience gained from its existing joint venture investments highlights the importance of carefully assessing not only the commercial potential of an investment but also the underlying mining rights, regulatory requirements, contractual arrangements and the ability to exercise appropriate oversight.

Accordingly, any future joint venture investment will be evaluated on its individual merits, taking into consideration its strategic alignment, commercial viability, financial commitments,

regulatory and operational risks, as well as the availability of the necessary technical and management resources.

Particular attention will also be given to the proposed governance arrangements, including the Group's contractual rights, access to relevant operational and financial information, and mechanisms for monitoring material developments and addressing emerging risks.

The Board will continue to exercise prudent investment discipline and assess whether the Group has the necessary financial, operational and management capacity to undertake any proposed investment, with the objective of safeguarding shareholders' interests and supporting the Group's long-term development.

The Board also refers to the FY2026 Annual Report as attached in the announcement of the Company dated 6 November 2026.

Save as set out below, all the information in the FY2026 Annual Report remains unchanged.

1. The Board refers to the Chairman's Message on page 4 of the FY2026 Annual Report and wishes to clarify that the following information should be read as follows (the correction has been underlined for easy reference):

   Diversification Beyond Iron Ore

   In its first year within the Group, our rare earth business generated revenue of RM132.1 million and a profit before tax of RM31.5 million, after a non-cash amortisation charge of RM13.2 million arising from the acquisition. MCRE's Gerik Mine in Hulu Perak, Perak, produced approximately 11,900 ~~3, 600~~ wet tonnes of rare earth carbonate from its first two parcels during the year. Development of the third and largest parcel is under way, with operations targeted to commence by the middle of FY2027.

2. The Board refers to the Managing Director's Message on page 6 of the FY2026 Annual Report and wishes to clarify that the following information should be read as follows (the correction has been underlined for easy reference):

   Operational Review

   Rare Earth

   MCRE's Gerik Mine in Hulu Perak, Perak, uses the in-situ leaching method, in which a leaching solution is injected into the ore body and the resulting solution is collected and processed into rare earth carbonate. During the year, the mine produced approximately 11,900 ~~3,600~~ wet tonnes of rare earth carbonate from Parcels 1 and 2. Operations were subject to temporary work suspension orders; MCRE addressed the matters identified by the authorities and resumed operations in January 2026.

3. The Board refers to the Corporate Governance Report on page 80 of the FY2026 Annual Report and wishes to clarify that the following information should be read as follows (the correction has been underlined for easy reference):

   The actual remuneration received by the Directors from the Company during the financial year ended 31 July 2026 is set out below:

Table 8.1 (a) - Remuneration of Directors					
Name	**Base/Fixed Salary and statutory contributions (S$)***	**Bonus/ variable performance bonus (S$)**	**Directors Fees (S$)**	**Other Benefits (S$)**	**Total (S$)**
Dato' Sri Pek Kok Sam	1,191,961	181,693**	-	-	1,373,654
Mr. Lim Wei Hung	277,360	-	-	-	277,360

Dato' Teh Teck Tee	59,050	-	55,000	-	114,050
Dato' Gainneos Jacob Goldie	-	-	83,700	-	83,700
Mr. Chin Chee Choon	-	-	73,700	-	73,700
Mr. Sim Chin Hoe	-	-	62,200	-	62,200

*Remuneration paid in Ringgit Malaysia is translated at an exchange rate of S$1.00 to RM3.1702

**Relates to bonus ~~dividend~~ payment paid by the joint operator prior to acquisition.

Save as disclosed above, all the information in the FY2026 Annual Report remains unchanged.

BY ORDER OF THE BOARD

Dato' Sri Pek Kok Sam
Managing Director

Lim Wei Hung
Executive Director and Chief Operating Officer

20 November 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.