Southern Alliance Mining Ltd

(Company Registration No. 201931423D)

Unaudited Condensed Interim Financial Statements
For the Six Months and Full Financial Year Ended 31 July 2026 ("FY2026")

Background

Southern Alliance Mining Ltd. (the "**Company**"), together with its subsidiaries, (the "**Group**") is an established, respected and trusted high-grade iron ore producer in Asia. The Group is principally involved in the exploration, mining and processing of high-grade iron ore concentrate for subsequent sales. The Group also produces crushed iron ore which is used to coat subsea pipes for the oil and gas industry. Based in Pahang, Malaysia, the Group has been operating the Chaah Mine located in Johor, Malaysia since 2008 and has also been granted the right to carry out exploration and mining operations at three potential iron ore mines located in Johor, Malaysia. 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 the right to carry out exploration for gold mineralisation in the State of Johor and commenced exploration activities since February 2022. In September 2025, the Group successfully acquired a 40% equity interest in MCRE Resources Sdn Bhd, thereby marking its strategic entry into the rare earth elements (REEs) sector.

The Company was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 26 June 2020. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**").

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PART I – UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL FINANCIAL YEAR ENDED 31 JULY 2026

A. Condensed Interim Consolidated Statement of Profit or Loss and Comprehensive Income

		Group					
		Six Months Ended			Full Year Ended		
	Note	31-Jul-26 **(Unaudited)** RM'000	31-Jul-25 **(Unaudited)** RM'000	Changes (%)	31-Jul-26 **(Unaudited)** RM'000	31-Jul-25 **(Audited)** RM'000	Changes (%)
Revenue	**5**	120,551	129,182	-6.7%	257,852	199,460	29.3%
Cost of sales		(100,681)	(119,018)	-15.4%	(232,540)	(196,365)	18.4%
Gross profit		19,870	10,164	95.5%	25,312	3,095	717.8%
Other income		(53)	6,206	n.m.	8,095	12,231	-33.8%
Other operating expenses		(558)	(478)	16.7%	(1,094)	(863)	26.8%
General and administrative expenses		(22,243)	(33,247)	-33.1%	(35,806)	(42,820)	-16.4%
Share of loss of joint ventures		(8,893)	(654)	1,259.8%	(9,540)	(568)	1,579.6%
Finance costs		(883)	(2,093)	-57.8%	(1,734)	(2,641)	-34.3%
Loss before tax	**6**	(12,760)	(20,102)	-36.5%	(14,767)	(31,566)	-53.2%
Income tax (expense)/benefit	**7**	(6,332)	3,048	n.m.*	(8,545)	4,215	n.m.*
Loss after tax, representing total comprehensive income for the period/year		(19,092)	(17,054)	12.0%	(23,312)	(27,351)	-14.8%
Attributable to:							
Equity holders of the parent		(19,068)	(17,028)	12.0%	(23,265)	(27,310)	-14.8%
Non-controlling interest		(24)	(26)	-7.7%	(47)	(41)	14.6%
Loss per share attributable to ordinary equity holders of the parent (Malaysian cents per share)							
Basic and diluted		(2.99)	(3.48)	-14.1%	(3.76)	(5.59)	-32.7%

* Not meaningful

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B. Condensed Interim Statements of Financial Position

	Note	Group		Company	
		31-Jul-26 (Unaudited)	31-Jul-25 (Audited)	31-Jul-26 (Unaudited)	31-Jul-25 (Audited)
		RM'000	RM'000	RM'000	RM'000
Assets					
Non-current assets					
Property, plant and equipment	10	42,597	41,164	-	-
Mine properties	11	183,811	63,600	-	-
Exploration and evaluation assets		104,850	14,267	-	-
Investment in subsidiaries		-	-	403,463	183,381
Investment securities		32	43	-	-
Investment in joint ventures		-*	9,540	-*	-
Investment in redeemable preference shares		-	-	12,000	12,000
Other receivables		12,978	21,352	2,360	1,760
		344,268	149,966	417,823	197,141
Current assets					
Inventory		21,585	46,816	-	-
Trade and other receivables		28,589	22,772	15	102
Contract assets		13,408	4,781	-	-
Prepayments		8,162	9,246	2,203	5,523
Cash and bank balances		151,648	113,755	2,691	2,595
Income tax recoverable		2,736	23,105	-	-
		226,128	220,475	4,909	8,220
Total assets		570,396	370,441	422,732	205,361
Liabilities					
Current liabilities					
Loan and borrowings	12	5,050	12,403	-	-
Trade and other payables		31,850	43,543	3,823	1,812
Provision for rehabilitation		282	-	-	-
Income tax payable		3,144	-	-	-
		40,326	55,946	3,823	1,812
Net current assets		185,802	164,529	1,086	6,408
Non-current liabilities					
Loan and borrowings	12	2,972	1,612	-	-
Other payables		18,917	-	-	-
Provision for rehabilitation		162	-	-	-
Deferred tax liabilities		1,880	2,432	-	-
		23,931	4,044	-	-
Total liabilities		64,257	59,990	3,823	1,812
Net assets		506,139	310,451	418,909	203,549
Equity attributable to owners of the Company					
Share capital	13	437,154	218,154	437,154	218,154
Treasury shares	13	(509)	(509)	(509)	(509)
Retained earnings/(accumulated losses)		236,713	259,978	(17,736)	(14,096)
Merger reserve		(167,829)	(167,829)	-	-
		505,529	309,794	418,909	203,549
Preference shares		733	733	-	-
Non-controlling interest		(123)	(76)	-	-
Total equity		506,139	310,451	418,909	203,549

*Less than RM1,000

C. Condensed Interim Consolidated Statement of Cash Flows

	Group Full Year Ended 31-Jul-26 (Unaudited) RM'000	31-Jul-25 (Audited) RM'000
Operating activities		
Loss before tax	(14,767)	(31,566)
Adjustments for:		
Interest expenses	1,734	2,641
Interest income	(4,369)	(4,976)
Unrealised loss on foreign exchange	1,334	4,327
Gain on disposal of property, plant and equipment	(1,219)	(4,912)
Depreciation of property, plant and equipment	13,370	12,122
Amortisation of mine properties	27,833	9,710
Impairment of investment in joint ventures	-	7,155
Impairment of mining assets	-	18,865
Impairment of exploration and evaluation assets	566	-
Impairment of non-trade debtors	17,524	-
Write-down of inventories	218	-
Fair value loss on investment securities	11	11
Share of loss of joint ventures	9,540	568
Asset written-off	1	82
Total adjustments	66,543	45,593
Operating cash flows before changes in working capital	51,776	14,027
Changes in working capital:		
Decrease/(increase) in inventories	37,169	(18,609)
Increase in trade and other receivables and contract assets	(19,579)	(8,653)
Decrease in prepayments	8,783	964
(Decrease)/increase in trade and other payables	(25,617)	12,626
Total working capital changes	756	(13,672)
Cash flows from operations	52,532	355
Income taxes refunded	12,049	1,006
Interest received	3,030	3,641
Interest paid	(1,731)	(996)
Net cash from operating activities	65,880	4,006

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	Group Full Year Ended	
	31-Jul-26 **(Unaudited)** RM'000	31-Jul-25 **(Audited)** RM'000
Investing activities		
Investment in exploration and evaluation assets	(78)	(2,469)
Purchase of property, plant and equipment	(936)	(1,022)
Proceeds from disposal of property, plant and equipment	2,893	3,823
(Placement)/uplift of term deposits	(24,000)	7,131
Investment in mine properties	(25,915)	(24,694)
Acquisition of joint operation	8,324	-
Net cash used in investing activities	(39,712)	(17,231)
Financing activities		
Repayment of lease and hire-purchase liabilities	(2,921)	(5,687)
Repayment of term loan	(4,231)	(1,730)
(Repayment)/drawdown of credit facility	(4,000)	4,000
Net cash used in financing activities	(11,152)	(3,417)
Net increase/(decrease) in cash and cash equivalents	15,016	(16,642)
Effect of exchange rate changes on cash and cash equivalents	(1,123)	(4,137)
Cash and cash equivalents at beginning of financial year	113,755	134,534
Cash and cash equivalents at end of financial year	127,648	113,755

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at the reporting date:

	31-Jul-26 RM'000	31-Jul-25 RM'000
Cash and bank balances	151,648	113,755
Less:		
Deposits more than three months	(24,000)	-
Cash and cash equivalents at end of financial year	127,648	113,755

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D. Condensed Interim Statements of Changes in Equity

	Attributable to the owners of the Company							
	Share capital RM'000	Treasury shares RM'000	Merger reserve RM'000	Retained earnings RM'000	Total RM'000	Preference shares RM'000	Non-controlling interests RM'000	Total equity RM'000
Group								
Full Year FY 2026								
Opening balance at 1 August 2025 (audited)	218,154	(509)	(167,829)	259,978	309,794	733	(76)	310,451
Issuance of ordinary shares	219,000	-	-	-	219,000	-	-	219,000
Loss for the year representing total comprehensive income	-	-	-	(23,265)	(23,265)	-	(47)	(23,312)
Closing balance at 31 July 2026 (unaudited)	437,154	(509)	(167,829)	236,713	505,529	733	(123)	506,139
Full Year FY 2025								
Opening balance at 1 August 2024 (audited)	218,154	(509)	(167,829)	287,288	337,104	733	(35)	337,802
Loss for the year representing total comprehensive income	-	-	-	(27,310)	(27,310)	-	(41)	(27,351)
Closing balance at 31 July 2025 (audited)	218,154	(509)	(167,829)	259,978	309,794	733	(76)	310,451

	Share capital	Treasury shares	Accumulated losses	Total equity
	RM'000	RM'000	RM'000	RM'000
Company				
Full Year FY 2026				
Opening balance at 1 August 2025 (audited)	218,154	(509)	(14,096)	203,549
Issuance of ordinary shares	219,000	-	-	219,000
Loss for the year representing total comprehensive income	–	–	(3,640)	(3,640)
Closing balance at 31 July 2026 (unaudited)	437,154	(509)	(17,736)	418,909
Full Year FY 2025				
Opening balance at 1 August 2024 (audited)	218,154	(509)	(2,062)	215,583
Loss for the year representing total comprehensive income	–	–	(12,034)	(12,034)
Closing balance at 31 July 2025 (audited)	218,154	(509)	(14,096)	203,549

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E. Notes to the Condensed Interim Consolidated Financial Statements

Note 1 – Corporate information

The Company was incorporated on 19 September 2019 under the Companies Act, Chapter 50 as a private limited company domiciled in Singapore. On 27 April 2020, the Company was converted to a public company limited by shares and whose shares are publicly traded on the Catalist Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). These condensed interim consolidated financial statements as at and for the six months and full year ended 31 July 2026 comprise the Company and its subsidiaries (collectively, the "**Group**").

The principal activities of the Company are those of investment holding and provision of management services. The principal activities of the subsidiaries are mining, processing and sales of iron ore. The Group has since February 2022 extended its core business to include mining of gold and other precious metals, base metals and minerals as well as trading in other commodities. On 2 September 2025, the Group has obtained shareholders' approval and further diversified its core business to include rare earth element ("**REE**") business, encompassing the exploration, mining, processing and sale of ion adsorption clay rare earth minerals.

Note 2 – Basis of preparation

The condensed interim consolidated financial statements for the six months and full year ended 31 July 2026 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("**SFRS(I)**") 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim consolidated financial statements do not include all the information and disclosures required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim financial statements for the period ended 31 January 2026.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim consolidated financial statements are presented in Malaysian Ringgit ("**RM**").

2.1 New and amended standards adopted by the Group

The Group has adopted all the applicable new and revised SFRS(I) and SFRS(I) Interpretations that are mandatory for the accounting periods beginning on or after 1 August 2025. The adoptions of these new standards, amendments to standards and interpretations did not result in any significant impact on the financial statements of the Group for the current reporting period.

2.2 Use of judgements and estimates

The preparation of the Group's condensed interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods. The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the condensed interim consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

The significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended 31 July 2025.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements and information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are detailed in Notes 2.2.1 and 2.2.2.

2.2.1 Judgements made in applying accounting policies

(a) *Income taxes*

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income and deductible expenditures. The Group establishes provisions and recognises tax recoverable positions, based on reasonable estimates, for possible consequences of audits by the tax authority. The amount of such provisions and tax recoverable is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the relevant tax authority as well as judgements made on whether it is probable that the Group's tax positions would be accepted by the tax authority. The carrying amounts of the income tax recoverable, income tax payable and deferred tax liabilities as at 31 July 2026 are RM2,736,000 (31 July 2025: RM23,105,000), RM3,144,000 (31 July 2025: RM Nil) and RM1,880,000 (31 July 2025: RM2,432,000) respectively.

(b) Exploration and evaluation assets

The future recoverability of capitalised exploration and evaluation expenditure is dependent on several factors, including whether the Group decides to exploit the related area of interest, if not, whether it can successfully recover the related exploration and evaluation asset through sale. Factors which could impact the future recoverability include the level of ore reserves and mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made.

2.2.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Amortisation of mine properties

Iron ore and lanthanide mineral reserves are estimates of the amount of iron ore and lanthanide mineral that can be economically and legally extracted from the Group's mining properties. The Group estimates its iron ore and lanthanide mineral reserves and respective mineral resources based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the iron ore and lanthanide mineral body and suitable production techniques and recovery rates. Such an analysis requires complex geological judgements to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements and production costs, along with geological assumptions and judgements made in estimating the size and grade of the iron ore and lanthanide mineral body.

Estimated economically recoverable reserves are used in determining the depreciation and/or amortisation of mine-specific assets. This results in a depreciation/amortisation charge proportional to the depletion of the anticipated remaining life-of-mine production. The life of each item, which is assessed at least annually, has regard to both its physical life limitations and present assessments of economically recoverable reserves of the mine property at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and estimates of future capital expenditure. Numerous units of production ("**UOP**") depreciation methodologies are available to choose from. The Group adopts a methodology involving run-of-mine (“**ROM**”) tonnes of iron ore and lanthanide mineral produced for mining costs and a methodology involving ounces/tonnes of metal and rare earth element produced for post-mining costs. The calculation of the UOP rate of depreciation/amortisation could be impacted to the extent that actual production in the future is different from current forecast production based on economically recoverable reserves, or if future capital expenditure estimates change. Changes to economically recoverable reserves could arise due to changes in the factors or assumptions used in estimating reserves, including:

(i) The effect on economically recoverable reserves of differences between actual commodity prices; and
(ii) Unforeseen operational issues.

Changes in estimates are accounted for prospectively.

(b) Impairment of mine properties and property, plant and equipment (“mining assets”)

The Group assessed whether there are any indicators of impairment for its mining assets at each reporting date. Mining assets are tested for impairment when there are indicators that the carrying value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

The value in use calculation is based on a discounted cash flow model. Management estimates the expected future cash flows from the assets or cash-generating unit and chooses a suitable discount rate to calculate the present value of those cash flows.

(c) Impairment of investment in joint ventures

The Group assesses whether there are any indicators of impairment for its investment in joint ventures at each reporting date. Investment in joint ventures is tested for impairment when there are indicators that the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

The value in use calculation is based on a discounted cash flow model. Management estimates the expected future cash flows from the assets or cash-generating units and chooses a suitable discount rate to calculate the present value of those cash flows.

The recoverable amount of the investment in Rigid Temau Sdn Bhd ("**RTSB**") is determined from value in use ("**VIU**") calculations based on cash flow forecasts for the life-of-mine ("**LOM**") and development plans as part of the long-term planning process. As at 31 July 2026, RTSB had considered the impact of the expired mining licence in the preparation of the discounted cash flow model. RTSB is actively engaging with the relevant authority to resolve the matter.

Note 3 – Seasonality of operations

Revenue and operating profit for the fiscal quarters which cover the dry season (from February to October) are generally higher than those for the fiscal quarters that cover the typical rainy season (from November to January). However, this trend may be affected by any anomaly in weather or rainfall patterns.

Note 4 – Segment and revenue information

For the purposes of resource allocation and assessment of segment performance, the Group's Managing Director together with the Executive Director and Chief Operating Officer (the Group's Chief Operating Decision Makers) have focused on the business operating units which in turn are segregated based on the type of minerals mined, processed and sold.

Operating segments are aggregated into a single reportable operating segment if they have similar nature of activities and processes.

In September 2025, the Group completed the acquisition of 40% stake in MCRE Resources Sdn Bhd ("**MCRE**"). Upon completion, MCRE became an associated company of the Group resulting in the Group having two reportable operating segments as follows:
- Iron ore
- Rare earth elements ("**REE**")

FY2026	**Iron Ore***	**REE**	**Unallocated**	**Consolidated**
	RM'000	RM'000	RM'000	RM'000
Revenue				
Segment revenue	125,711	132,141	-	257,852

Segment Results

(Loss)/profit before tax	(40,825)	31,491^	(5,433)	(14,767)
Income tax benefit/(expense)	2,682	(11,228)	1	(8,545)
Segment (loss)/profit after tax	(38,143)	20,263	(5,432)	(23,312)

* Includes revenue from the sales of bauxite

^ Includes amortisation of the excess of consideration paid for the acquisition of the rare earth business over the net book value of the acquired mining assets of RM13,203,000.

Note 5 – Revenue

	Group			
	6 months period ended		Full year ended	
	31 July 2026	**31 July 2025**	**31 July 2026**	**31 July 2025**
	RM'000 **Unaudited**	RM'000 **Unaudited**	RM'000 **Unaudited**	RM'000 **Audited**
Sales of iron ores	51,102	85,038	111,976	155,316
Sales of bauxite	374	44,144	13,735	44,144
Sales of rare earth oxide	69,075	-	132,141	-
	120,551	129,182	257,852	199,460

All revenues are derived from the operations based in Malaysia. Out of total sales of RM257,852,000 (31 July 2025: RM199,460,000), RM184,267,000 (31 July 2025: RM69,190,000) was arising from sales to overseas customers. For export of any products, an export permit will be required. Currently, MCRE is pending approval for its application for the export of rare earth product.

Contract assets

Information about receivables, contract assets and contract liabilities from contracts with customers is disclosed as follows:

	Group		
	31 July 2026	**31 July 2025**	**1 August 2024**
	RM'000 **Unaudited**	RM'000 **Audited**	RM'000 **Audited**
Receivables from contracts with customers	2,575	13,101	10,507
Contract assets	13,408	4,781	2,336

Contract assets primarily relate to the Group's rights to consideration for iron ore delivered but not yet billed at the reporting date for the sale of iron ores. Contract assets are transferred to receivables when the rights become unconditional.

Significant changes in contract assets are explained as follows:

	Group	
	31 July 2026	**31 July 2025**
	RM'000	RM'000
	Unaudited	**Audited**
Contract assets reclassified to receivables	4,781	2,336

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Note 6 – Loss before tax

6.1 Significant items

	Group					
	Six months ended			Full year ended		
	31 July 2026 RM'000 **Unaudited**	**31 July 2025** RM'000 **Unaudited**	Changes (%)	**31 July 2026** RM'000 **Unaudited**	**31 July 2025** RM'000 **Audited**	Changes (%)
Interest income	(2,145)	(2,487)	-13.8%	(4,369)	(4,976)	-12.2%
Gain on disposal of property, plant and equipment	(2)	(3,552)	-99.9%	(1,219)	(4,912)	-75.2%
Rendering of services	(650)	(105)	519.0%	(725)	(157)	361.8%
Insurance claims	-	25	-100.0%	(5)	(1,809)	-99.7%
Compensation received	-	-	-	(529)	-	100.0%
Sundry income	(92)	(119)	-22.7%	(517)	(277)	86.6%
Impairment of non-trade debtors	17,524	-	100.0%	17,524	-	100.0%
Finance costs	883	2,093	-57.8%	1,734	2,641	-34.3%
Employee benefits expense	6,785	4,792	41.6%	17,335	11,365	52.5%
Depreciation of property, plant and equipment	6,079	2,752	120.9%	13,370	12,122	10.3%
Amortisation of mine properties	10,915	5,229	108.7%	27,833	9,710	186.6%
Unrealised (gain)/loss on foreign exchange	(2,725)	1,190	n.m.*	1,334	4,327	-69.2%
Realised (gain)/loss on foreign exchange	(783)	32	n.m.*	(731)	(100)	631.0%
Asset written-off	-	(122)	-100.0%	1	82	-98.8%
Tributes	2,061	19,000	-89.2%	13,942	36,000	-61.3%
Royalties	9,135	1,897	381.5%	17,136	2,429	605.5%
Write-down of inventories	(3,688)	-	100.0%	218	-	100.0%
Impairment of investment in joint ventures	-	7,155	-100.0%	-	7,155	-100.0%
Impairment of mining assets	-	18,865	-100.0%	-	18,865	-100.0%

*Not meaningful

6.2 Related party transactions

(a) ***Sales and purchases of goods and services***

In addition to the related party information disclosed elsewhere in the consolidated financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial period:

	Group Full year ended	
	31 July 2026	**31 July 2025**
	RM'000	RM'000
	Unaudited	**Audited**
Transactions with related parties		
Sale of equipment and motor vehicle	-	169
Purchase of equipment and motor vehicle	2	232
Hiring and transportation services procured	10,953	5,116
Rental of office from interested person	266	240
Purchase of lubricants, spare parts and equipment	267	820
Procurement of services	69	136
Advances to interested person	-	83

(b) ***Compensation of key management personnel***

	Group Full year ended	
	31 July 2026	**31 July 2025**
	RM'000	RM'000
	Unaudited	**Audited**
Short-term employee benefits	6,283	4,669

Key management compensation comprises the following:

Remuneration to Directors of the Company	4,784	3,453
Directors' fees	1,042	895
Defined contributions	457	321
	6,283	4,669

Note 7 – Income tax

The Group calculates the income tax expenses for the period using the tax rate that would be applicable to the expected total annual earnings based on the rates prevailing in the relevant jurisdiction. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group			
	6 months ended		Full year ended	
	31 July 2026	31 July 2025	31 July 2026	31 July 2025
	RM'000 **Unaudited**	RM'000 **Unaudited**	RM'000 **Unaudited**	RM'000 **Audited**
Current income tax				
Current income taxation	5,505	1,648	11,467	2,190
(Over)/under provision in respect of previous years	(659)	2	(660)	17
Deferred income tax				
Origination and reversal of temporary differences	954	(5,394)	(2,802)	(6,983)
Under provision in respect of previous years	532	696	540	561
Income tax expense/(benefit) recognised in profit and loss	6,332	(3,048)	8,545	(4,215)

Note 8 – Loss per ordinary share ("LPS")

	Group			
	6 months ended		Full year ended	
	31 July 2026 Unaudited	31 July 2025 Unaudited	31 July 2026 Unaudited	31 July 2025 Audited
Loss attributable to ordinary equity holders of the parent (RM'000)	(19,068)	(17,028)	(23,265)	(27,310)
Weighted average number of ordinary shares in issue ('000 shares)	636,741	488,759	619,308	488,759
Basic and fully diluted basis LPS (Malaysian cents)	(2.99)	(3.48)	(3.76)	(5.59)

LPS is calculated by dividing the Group's loss attributable to owners of the Company by the weighted average number of ordinary shares during the period. The weighted average number of ordinary shares outstanding during the period is the number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares issued or bought back during the period multiplied by a time-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the period.

The basic and diluted LPS are the same, as the Company and the Group did not have any potentially dilutive instruments for the respective financial periods.

Note 9 – Net asset value

	Group		Company	
	31 July 2026 Unaudited	31 July 2025 Audited	31 July 2026 Unaudited	31 July 2025 Audited
Net asset value (RM'000)	505,529	309,794	418,909	203,549
Number of issued shares ('000)	636,741	488,759	636,741	488,759
Net asset value per share (Malaysian cents)	79.39	63.38	65.79	41.65

The net asset value per ordinary share of the Group and the Company as at 31 July 2026 were calculated based on the total issued number of ordinary shares (excluding treasury shares) of 636,741,380 (31 July 2025: 488,759,000).

Note 10 – Property, plant and equipment

During the year ended 31 July 2026, the Group acquired assets amounting to RM12,891,000 (31 July 2025: RM Nil) through the acquisition of rare earth business, additions of new assets of approximately RM3,533,000 (31 July 2025: RM1,238,000), asset written-off amounting to RM1,000 (31 July 2025: RM82,000) and disposed of assets amounting to RM162,000 (31 July 2025: RM1,448,000).

The cash outflow on acquisition of property, plant and equipment amounted to RM936,000 (31 July 2025: RM1,022,000). Out of total proceeds from disposed assets that amounted to RM1,381,000 (31 July 2025: RM6,360,000), the Group had received cash inflows from disposed assets of RM1,381,000 (31 July 2025: RM3,418,000) and no balance is remained as other receivables in the balance sheet as at 31 July 2026 (31 July 2025: RM2,942,000). Accordingly, gain on disposal amounted to RM1,219,000 (31 July 2025: RM4,912,000).

During the same period, the Group also received cash inflows of RM1,512,000 from the disposal of property, plant and equipment in the financial year ended 31 July 2025, resulting in total cash inflows of RM2,893,000 from the disposal of property, plant and equipment in the financial year ended 31 July 2026.

During the financial year, the Group has incurred a total depreciation of RM14,828,000 (31 July 2025: RM16,988,000), none (31 July 2025: RM110,000) was capitalised as exploration and evaluation assets, RM1,458,000 (31 July 2025: RM4,756,000) capitalised as inventories and RM13,370,000 (31 July 2025: RM12,122,000) charged to profit or loss. In FY2025, the Group has provided for a one-off non-cash impairment on its properties, plant and equipment arising from the assessment of its mining assets' recoverable value amounting to RM7,230,000.

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Note 11 – Mine properties

Group	Producing mine RM'000	Rehabilitation assets RM'000	Mine infrastructure RM'000	Stripping activity asset RM'000	Total RM'000
Cost					
At 1 August 2024	30,210	-	19,846	64,818	114,874
Addition during the year (1)	-	-	33,347	-	33,347
At 31 July 2025	30,210	-	53,193	64,818	148,221
Acquisition of a joint operation	145,336 (2)	211	-	-	145,547
Addition during the year (1)	16,522	228	9,393	-	26,143
At 31 July 2026	192,068	439	62,586	64,818	319,911
Accumulated amortisation					
At 1 August 2024	15,489	-	2,018	40,958	58,465
Charge for the year	2,233	-	8,668	3,620	14,521
At 31 July 2025	17,722	-	10,686	44,578	72,986
Acquisition of a joint operation	20,988	-	-	-	20,988
Charge for the year	26,329 (3)	114	2,950	1,098	30,491 (4)
At 31 July 2026	65,039	114	13,636	45,676	124,465
Impairment					
At 1 August 2024	-	-	-	-	-
Provided for the year (5)	1,931	-	6,574	3,130	11,635
At 31 July 2025 and 31 July 2026	1,931	-	6,574	3,130	11,635
Net carrying amount					
At 31 July 2025	10,557	-	35,933	17,110	63,600
At 31 July 2026	125,098	325	42,376	16,012	183,811

Note:

(1) During the year ended 31 July 2026, the Group has capitalised RM26,143,000 (31 July 2025: RM33,347,000) as producing mine, rehabilitation assets and mine infrastructure which consist of non-cash expenditure of RM228,000 (31 July 2025: RM8,653,000) and cash outflow of RM25,915,000 (31 July 2025: RM24,694,000).

(2) During the year ended 31 July 2026, the Group acquired rare earth mine properties valued at RM145,336,000 which consist of mine properties at cost of RM47,201,000 and the balance of RM98,135,000 was the excess purchase consideration allocated to mine properties.

(3) During the year ended 31 July 2026, the Group has incurred amortised charges of producing mine of RM26,329,000 which consist of amortisation of tangible producing mine of

RM13,126,000 and amortisation of excess of consideration paid for acquisition of rare earth business over the net book value of the acquired mining assets of RM13,203,000.

(4) During the year ended 31 July 2026, the Group has incurred a total amortisation of RM30,491,000 (31 July 2025: RM14,521,000), RM2,658,000 (31 July 2025: RM4,811,000) was capitalised as inventories and RM27,833,000 (31 July 2025: RM9,710,000) charged to profit or loss.

(5) During the year ended 31 July 2025, the Group has provided for a non-cash impairment of mining assets amounting to RM11,635,000 based on an assessment of the recoverable amount.

Note 12 – Loan and borrowings

	31 July 2026 RM'000 **Unaudited**	**31 July 2025** RM'000 **Audited**
Group		
Current		
Secured:		
Lease and hire purchase liabilities	1,686	1,483
Loan and borrowings	3,364	10,920
	5,050	12,403
Non–current		
Secured:		
Lease and hire purchase liabilities	2,062	574
Loan and borrowings	910	1,038
	2,972	1,612
Total loan and borrowings	8,022	14,015

Finance lease liabilities were classified as lease liabilities on 1 August 2019 arising from the adoption of SFRS(I) 16. These lease liabilities are secured by a charge over the leased assets as well as by way of corporate guarantees by the Company or personal guarantees and indemnities by Dato' Sri Pek Kok Sam, the Managing Director and/or Mr Pek Kok Hing, brother of Dato' Sri Pek Kok Sam. The Company had provided corporate guarantee as security for the borrowing facilities granted after the listing of the Company. The average discount rate implicit in the leases is 4.96% (31 July 2025: 5.25%) per annum.

In FY2024, the Group obtained a term loan facility and a revolving credit facility. The Group drew down approximately RM9.7 million from the term loan facility in FY2024. The facility is secured by way of a corporate guarantee provided by the Company.

Note 13 – Share capital and treasury shares

	Group and Company			
	31 July 2026		**31 July 2025**	
	No. of shares **Unaudited**	RM'000 **Unaudited**	No. of shares **Audited**	RM'000 **Audited**
Share capital				
Issued and fully paid ordinary shares	636,982,380	437,154	489,000,000	218,154

During the year ended 31 July 2026, the Company issued 147,982,380 new ordinary shares as partial consideration for the acquisition of 40% equity interest in MCRE.

As at 31 July 2026, the Company's total issued shares was 636,741,380 ordinary shares (31 July 2025: 488,759,000) excluding 241,000 shares held as treasury shares (31 July 2025: 241,000).

	Group and Company			
	31 July 2026		**31 July 2025**	
	No. of shares **Unaudited**	RM'000 **Unaudited**	No. of shares **Audited**	RM'000 **Audited**
Treasury shares				
As at 1 August 2025/2024	241,000	509	241,000	509

Treasury shares relate to ordinary shares of the Company that are held by the Company.

Note 14 – Capital commitments

As at the end of the reporting period, there were no capital commitments in respect of capital expenditures being provided for.

Note 15 – Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim consolidated financial statements.

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PART II – OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES

1 Review

The condensed consolidated Statement of Financial Position of Southern Alliance Mining Ltd. and its subsidiaries as at 31 July 2026 and the related condensed consolidated Profit or Loss and Other Comprehensive Income, condensed consolidated Statement of Changes in Equity and condensed consolidated Statement of Cash Flows for the six months and full year then ended and certain explanatory notes have not been audited or reviewed.

The Group's latest financial statements for the year ended 31 July 2025 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

2 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Review for the performance of the Group for the financial year ended 31 July 2026 ("FY2026") compared to the financial year ended 31 July 2025 ("FY2025")

Consolidated Statement of Comprehensive Income

The Group has completed the acquisition of 40% equity interest in MCRE on 12 September 2025 ("**Effective Date**"). With effect from the Effective Date, MCRE is accounted for as a joint operation, and the Group recognises its share of MCRE's assets, liabilities, income and expenses in proportion to its 40% interest in accordance with the applicable financial reporting standards.

Revenue

The Group's revenue increased by 29.3% from RM199.5 million in FY2025 to approximately RM257.8 million in FY2026. The increase was contributed by the newly acquired 40.0% stake in MCRE, a fully operational rare earth mining company. The composition of the enlarged Group's sales revenue is as set out in the table below:

	FY2026 RM'000	FY2025 RM'000	Increase/(decrease) (%)
Sales revenue:			
Iron ore	111,976	155,316	-27.9%
Bauxite	13,735	44,144	-68.9%
Rare earth oxide equivalent ("**REO**")	132,141	-	100.0%
Total revenue	257,852	199,460	29.3%

Average realised selling price ("**ARSP**")

The selling prices of our iron ore products and rare earth products are guided by the Platts Iron Ore Index and the Asian Metal Market Index, respectively.

The movement in ARSP in FY2026 as compared to FY2025 is set out in the table below.

ARSP per dried metric ton ("**DMT**") / metric ton ("**MT**")	FY2026	FY2025	Increase/(decrease) (%)
Iron ore concentrate	RM331.00	RM344.92	-4.0%
Crushed iron ore	RM484.57	RM519.93	-6.8%
Iron ore tailing	-	RM182.22	n.m.*
Bauxite	RM257.71	RM301.86	-14.6%
REO	RM114,655.35	-	n.m.*

* Not meaningful

Sales volume

In FY2026, the significant increase in revenue was attributable to the realised sales of REO of 1,150 DMT, representing 40% of the 2,880 DMT of REO sold.

In the same period, the Group reported an increase in sales volume of crushed iron ore by 44,000 MT, representing a 122.2% increase from 36,000 MT in FY2025 and the Group secured a new contract and realised approximately 53,300 DMT of bauxite from Kahang Mine in FY2026. The increase was partially offset by a decrease in sales volume of iron ore concentrate by 41.3% or 155,500 DMT to 221,200 DMT in FY2026 and there was no iron ore tailing sold in FY2026 as there was no significant discovery from exploration activities in the Kota Tinggi Mine.

Cost of sales

The cost of sales increased by 18.4% or RM36.1 million, from RM196.4 million in FY2025 to RM232.5 million in FY2026.

	FY2026 RM'000	FY2025 RM'000	Increase/(decrease) (%)
Cost of sales:			
Iron ore and bauxite	135,858	196,365	-30.8%
REO	96,682	-	n.m.*
Total cost of sales	232,540	196,365	18.4%

* Not meaningful

The increase in our cost of sales is mainly contributed by the following:

(i) net effect of iron ore inventory movement. The negative inventory movement in FY2026 was approximately RM29.1 million, compared to the positive inventory movement of RM18.6 million in FY2025, in which the net effect of these inventory movements increased cost of sales by RM47.7 million. The significant negative inventory movement in FY2026 was attributed to the decision to adopt a new turnkey contractor model which changed the scope of work as compared to the previous arrangement to only carry out underground mining activities. Under the new subcontracting agreement, the subcontractor's scope of work was extended to include carrying out underground mining, hauling, crushing, screening and processing activities. Due to the expanded scope of work, the subcontractor's efforts were focused on the construction of tunnel infrastructure in preparation for the next phase of production. Consequently, the Group has cleared the majority of the iron ore concentrate stockpiles which resulted in a significant negative inventory movement in FY2026;

(ii) the Group wrote down iron ore inventories of RM0.2 million in FY2026 to lower of cost or net realisable value, in accordance with SFRS(I) 2;

(iii) increase in port related charges for the sales of crushed iron ore by RM3.7 million, which was in tandem with the increase in the export sales of crushed iron ore.

(iv) the REO processing cost, including cost to purchase the raw materials, diesel, payroll and plant maintenance of RM47.4 million which was only incurred in FY2026 due to the consolidation from the acquisition of MCRE (the "**MCRE Acquisition**");

(v) the depreciation and amortisation charges of rare earth mining assets of approximately RM15.5 million;

(vi) the selling and distribution cost for rare earth products, including royalties, tribute and export fees of RM20.6 million; and

(vii) the amortisation of excess of consideration paid for the acquisition of the rare earth business over the net book value of the acquired mining assets, calculated on a unit of production basis over the expected life of the assets amounting to RM13.2 million.

The increase in cost of sales was partially offset by:

(i) decrease in iron ore mining costs by RM49.7 million mainly consisted of underground mining subcontractor wages and mining equipment maintenance cost, resulting from lower underground ore extraction;

(ii) decrease in iron ore concentration processing cost by RM6.6 million;

(iii) decrease in tributes payable to the landowner of Chaah Mine by RM24.0 million.

(iv) lower bauxite processing and selling costs by RM22.1 million, which was in tandem with the decrease in bauxite sales; and

(v) lower amortisation charges of iron ore mining assets, which decreasing by RM9.8 million to RM4.7 million.

Gross profit and gross profit margin
The positive contribution from MCRE led to a significant improvement in the financial performance of the Group. The Group recorded a gross profit of RM25.3 million in FY2026 as compared to RM3.1 million in FY2025. This contributed to a rise in the gross profit margin by 8.2 percentage points from 1.6% in FY2025 to 9.8% in FY2026.

Other income
Other income dropped by 33.8% or RM4.1 million to RM8.1 million in FY2026, primarily driven by (i) decrease in gain from asset disposals by RM3.7 million; (ii) decrease in interest income by RM0.6 million; and (iii) absence of insurance payout in FY2026 as compared to a sum of RM1.8 million received from the insurance company in FY2025. The decrease was partially offset by (i) increase in hiring and sundry income by RM1.4 million; and (ii) increase in realised gain on foreign exchange by RM0.6 million.

Other operating expenses
There is no significant change in other operating expenses incurred by the Group.

General and administrative expenses
The general and administrative expenses decreased by RM7.0 million to RM35.8 million mainly due to absence of the one-off impairment loss provided for in FY2025 pertaining to investments in mining assets and joint ventures amounting to RM26.0 million following the assessment on recoverable amount of the investments in mining assets and joint ventures in accordance with SFRS(I) 36 and non-renewal of exploration licenses held by joint venture companies. The decrease was partially offset by (i) an increase in administrative and professional expenses by RM0.9 million; (ii) a non-cash provision for uncollectible of RM1.5 million and RM16.0 million was

made in FY2026 for a credit-impaired debtor and amount due from a joint venture respectively; and (iii) a provision of RM0.6 million was made to impair an inactive exploration asset located at Bukit Kepong, Johor, in accordance with SFRS(I) 6.

Share of loss of joint ventures
The Group recorded a share of post-acquisition net losses from its joint venture of approximately RM9.5 million, compared to RM0.6 million in FY2025. The increase in share of loss was mainly attributable to a full impairment being provided as the expired mining license for RTSB as at 31 July 2026. Meanwhile, RTSB is actively engaging with the relevant authorities to resolve the mining license matter.

Finance costs
Finance costs decreased by approximately 34.3% or RM0.9 million to RM1.7 million in FY2026 mainly due to (i) the decrease in interest expense on loan and borrowings by RM0.3 million, which was in line with the total loans and borrowings; and (ii) the one-off discount on non-current receivables in accordance with SFRS(I) 9, amounting to RM1.6 million in FY2025. There was no such accounting adjustment in FY2026. The decrease was partially offset by the notional interest expense on deferred liabilities pertaining to deferred consideration payable in connection to the MCRE Acquisition of RM1.0 million.

Loss before tax
As a result of the foregoing, the Group recorded a reduction in loss before tax by approximately RM16.8 million, from approximately RM31.6 million in FY2025 to RM14.8 million in FY2026. The improvement in loss before tax is mainly attributable to the significant positive contribution from the newly acquired stake in the rare earth business but was partially offset by the non-cash provision made for credit-impaired debtors and the Group's share of losses of joint ventures.

Income tax (expense)/benefit
The Group recorded an income tax expense of approximately RM8.6 million in FY2026 as compared to an income tax benefit of RM4.2 million in FY2025. The reported tax expense was mainly attributable to the taxable profit generated from the rare earth business.

Review for the financial position of the Group as at 31 July 2026 compared to as at 31 July 2025

Consolidated Statement of Financial Position

Non-current assets
Property, plant and equipment consist of plant and machinery, buildings and office premises, motor vehicles, furniture and fittings and other equipment. The increase in property, plant and equipment by RM1.4 million or 3.5% was mainly attributable to (i) property, plant and equipment of RM12.9 million acquired through the acquisition of the rare earth business; and (ii) additions of new assets of approximately RM3.5 million. The increase was partially offset by (i) systematic depreciation charges of approximately RM14.8 million in FY2026; and (ii) disposal of assets of RM0.2 million.

Mine properties represented approximately 53.4% of non-current assets. The increase in mine properties of RM120.2 million or approximately 189.0% to RM183.8 million was mainly attributable to (i) the rare earth mine properties acquired as part of the MCRE Acquisition, valued at approximately RM124.5 million; and (ii) capitalisation of mine development work of RM26.2 million. The increase is partially offset by the continued amortisation of RM30.5 million on mine properties which consisted of stripping activity asset, tunnel infrastructure and producing mine assets.

Exploration and evaluation assets mainly relate to the exploration costs incurred on prospect sites. The increase in exploration and evaluation assets of RM90.6 million or approximately 634.9% to RM104.8 million was mainly attributed to the rare earth exploration assets acquired as part of the MCRE Acquisition of RM91.1 million. In the same period, the Group spent RM0.1 million on the prospect site located in the State of Perak as part of the continuous effort in discovering new rare earth mineralisation. The increase was partially offset by a provision for impairment of RM0.6 million in accordance with SFRS(I) 6.

The decrease in investment in joint ventures was mainly attributable to the share of losses of joint ventures of approximately RM9.5 million.

Other receivables mainly relate to long-term receivables, which the Group expects to hold for a period exceeding 12 months. The decrease of RM8.4 million was mainly due to a provision for uncollectible of RM16.0 million as at 31 July 2026. The decrease was partially offset by (i) an increase in the prepaid royalties to local authorities of approximately RM6.4 million; and (ii) the interest receivable of RM1.2 million from the advances provided to a joint venture and a related company.

Current assets
The Group's cash and bank balances represented approximately 67.1% of current assets as at 31 July 2026. Please refer to the cash flow analysis below for details on fluctuations in cash and cash equivalents.

Trade and other receivables increased by RM5.8 million or 25.5% mainly due to a net increase in advances to subcontractors by RM13.0 million and a net short-term advance to MCRE amounting to RM4.8 million. The increase was partially offset by (i) a provision for uncollectible receivables of RM1.5 million made in FY2026 for a credit-impaired debtor; and (ii) receipts from customers amounted to RM10.5 million.

Contract assets primarily relate to the Group's right to consideration for the sale of products which have been delivered but not billed as at reporting date. Billing will only be raised upon the conclusion of quality checks for products delivered. The contract assets increased from RM4.8 million as at 31 July 2025 to RM13.4 million as at 31 July 2026 arising from the terms of sales for the sales contracts where delivery was completed at the end of the reporting period.

Inventory decreased by RM25.2 million to RM21.6 million as at 31 July 2026. The decrease was mainly attributed to a lower volume of inventory stock as at 31 July 2026.

Advance payments for imported spare parts and prepaid professional fees recorded in prepayments decreased by RM1.1 million to RM8.2 million as at 31 July 2026.

Income tax recoverable consists of prepaid tax instalment and overprovision of tax in respect of prior years. The Group has received a refund of RM23.1 million for tax overpaid for prior years. The balance as at 31 July 2026 comprises tax instalments paid in excess of the provision of tax in respect of FY2025 and FY2026.

Current liabilities
The Group's current liabilities consist of loan and borrowings, trade and other payables and income tax payable.

The Group's current liabilities amounted to RM40.3 million as at 31 July 2026, representing 17.8% of the Group's current assets as compared to 25.4% as at 31 July 2025. The Group recorded a decrease of RM15.6 million or 27.9% in total current liabilities from RM56.0 million as at 31 July 2025.

The decrease was mainly due to the decrease in trade and other payables and loan and borrowings of RM11.7 million and RM7.3 million, respectively. The decrease was partially offset by an increase in income tax payable of RM3.1 million. The Group also made a provision for the rehabilitation of the mine of approximately RM0.3 million in FY2026. The decrease in trade and other payables was mainly due to the adoption of a new turnkey contractor model which has reduced the working capital requirement.

Income tax payable represents the tax payable to the Inland Revenue Board of Malaysia amounting to RM3.1 million, arising from taxable profits generated from the rare earth operations.

Non-current liabilities

Non-current liabilities refer to the loan and borrowings that fall due over a period of more than 12 months. The increase in non-current liabilities of RM19.9 million or 491.8% was mainly due to an increase in (i) loan and borrowings by RM1.4 million to RM3.0 million as at 31 July 2026; and (ii) the long-term deferred purchase consideration of RM18.9 million payable to the vendor as part of the consideration for the MCRE Acquisition. The increase was partially offset by a decrease in deferred tax liabilities by RM0.5 million to RM1.9 million.

Consolidated Statement of Cash Flow

In FY2026, the Group's net cash inflow from operating activities was RM65.9 million compared to RM4.0 million in FY2025. The increase in operating cash inflow was mainly contributed by the positive result from the newly acquired rare earth business and other details as elaborated in the above sections.

The Group's net cash used in investing activities was RM39.7 million in FY2026. The Group invested RM0.1 million in exploration activities which was capitalised as exploration and evaluation assets in the balance sheet. The Group has also invested cash of RM25.9 million in developing sustainable mining assets and capitalised the same in mine properties. In the same reporting period, the Group spent RM0.9 million on new mining assets and invested the surplus cash flow of RM24.0 million in term deposits. The outflow was partially offset by the (i) proceeds from disposal of fixed assets amounting to approximately RM2.9 million in the reporting period; and (ii) an increase in cash equivalent of RM8.3 million as a result of consolidation of investment in a joint operation.

During FY2026, the Group spent RM11.2 million on loan and borrowings settlement.

The Group recorded a loss of RM1.1 million in FY2026 as a result of the changes in exchange rate on cash and cash equivalents.

The combined effects of the above resulted in a net increase in the Group's cash and cash equivalent by RM13.9 million in FY2026 compared to a net outflow of RM20.8 million in FY2025.

3 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable. No forecast or prospect statement has been previously issued to the shareholders for the current financial year reported on.

4 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

FY2026 was the first year in which rare earth elements ("**REEs**") contributed to the Group's results, following completion of the acquisition of a 40% equity interest in MCRE Resources Sdn. Bhd. ("**MCRE**") on 12 September 2025. REEs are critical inputs to the permanent magnets used in semiconductors, electric vehicles, renewable energy systems and other advanced technologies, and demand for them continues to grow. Supply, by contrast, remains concentrated and has run behind that demand. Prices for neodymium-praseodymium products recovered over the course of FY2026 from the subdued levels of the year before, although the market remains volatile and Chinese production and export quota policies continues to set the tone for near-term pricing.

The Gerik Mine in Hulu Perak, Perak, operated by MCRE, is well placed in that market. Its in-situ leaching method avoids large-scale land clearing and minimises soil disturbance, and the deposit carries a relatively high concentration of heavy rare earth elements. Together, these keep the operation competitive on the global cost curve. The third and largest land plot at the mine is expected to enter production, and the Group has been directing resources towards mine development and construction of the injection system in readiness. The Group wishes to update that the proposed acquisition of 100% of total shares in the capital of Paramount Synergy Sdn Bhd ("PSSB") is ongoing. PSSB has the approval for the exploration of rare earth minerals at an area of 1,863 hectares in Johor, Malaysia. The Group is also looking beyond Malaysia. On 20 April 2026, it signed a non-binding collaboration agreement with Brazilian Critical Minerals Limited (ASX: BCM) to explore synergies between the two companies' respective rare earth assets, including possible offtake arrangements. The agreement is non-binding and may not lead to a transaction.

Conditions in iron ore were more subdued. Benchmark prices traded within a comparatively narrow band through FY2026, and the supply surplus of recent years is expected to persist. Operationally, the Chaah Mine has completed its transition from open-pit to underground mining. From March 2026, the Group expanded the scope of works of its underground mining subcontractor to cover the full mining operation, and work through the year centred on building out tunnel infrastructure ahead of the next phase of production. The Group expects the segment to stabilize as underground production ramps up, although the pace of that ramp-up, prevailing benchmark prices and movements in the Ringgit against the United States dollar will each bear upon its performance.

In gold segment, the Group took a step forward on 30 June 2026, when its subsidiary Selatan Anjung Minerals Sdn. Bhd. signed a six-year memorandum of understanding with the Department of Mineral and Geoscience Malaysia, State of Johor. The memorandum covers approximately 7,045 hectares of the Tenggaroh Exploration Licence area in Mersing, Johor, and gives the Group access to the department's expertise and its historical geoscience datasets, which should sharpen exploration planning and geological interpretation. Work at the Tenggaroh Gold Prospect remains at an early stage.

Regulatory oversight of mineral extraction in Malaysia continues to tighten, particularly around environmental management and site compliance. MCRE resumed operations in January 2026 after the temporary work suspension orders were withdrawn, having addressed the matters identified by the authorities and strengthened its operational and environmental management practices, and it continues to implement the follow-up measures agreed with them with regard to regulatory compliance as fundamental to its licence to operate.

The Group therefore enters FY2027 on a broader base than at any point since its listing: a producing rare earth operation with further capacity to come on stream, an iron ore mine that has completed its move underground, and a strengthened exploration platform in gold. Barring unforeseen circumstances and absent a material deterioration in commodity prices or in the wider operating environment, the Group is cautiously optimistic about its prospects for FY2027.

5 Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the

outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

As at 31 January 2026 and 31 July 2026, the Company's total number of issued shares is 636,741,380 ordinary shares (31 July 2025: 488,759,000) excluding 241,000 (31 July 2025: 241,000) shares held as treasury shares .

As at 31 January 2026 and 31 July 2026, the Company held 241,000 treasury shares (31 July 2025: 241,000) which represents 0.038% (31 July 2025: 0.049%) of the total number of issued shares (excluding treasury shares).

There were no outstanding options, convertible securities or subsidiary holdings as at 31 July 2026 and 31 July 2025.

6 A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfers, cancellation and/or use of treasury shares during and as at the end of the current financial period reported on.

7 A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable, as the Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

8 Dividend

(a) ***Current Financial Period Reported On***

Any dividend declared for the current financial period reported on?

None.

(b) ***Corresponding Period of the Immediately Preceding Financial Year***

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) ***Whether the dividend is before tax, net of tax or tax exempt***

Not applicable.

(d) ***Date payable***

Not applicable.

(e) ***The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined***

Not applicable.

9 If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for the year ended 31 July 2026 as the Company intends to conserve cash in line with the Group's business expansion strategy.

10 If the group has obtained a general mandate from shareholders for interested person transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has obtained approval from the shareholders for the renewal of the general mandate, during the Company's annual general meeting held on 24 November 2025. Save as disclosed in the table below, there were no other interested person transactions of S$100,000 or above entered into during the financial period under review.

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
		S$'000	S$'000
Multiline Trading Sdn Bhd	Related party Entity of Managing Director, Dato' Sri Pek Kok Sam	-	3,440 [(1)]
Teras Megajaya Sdn Bhd	Related party Entity of Managing Director, Dato' Sri Pek Kok Sam	228 [(2)]	-

[(1)] Based on exchange rate of RM100:S$31.39 as at 31 July 2026.
[(2)] Office rental contract entered for the period from 1 January 2026 to 31 December 2028, based on the exchange rate of RM100 :S$31.64 as of 2 January 2026.

11 Segmented revenue and results for operating segments (of the group) in the form presented in the issuers most recently audited annual financial statements, with comparative information for the immediately preceding year

The Group is principally engaged in the exploration, mining and processing and sales of primarily iron ore extracted from a single mine (i.e. Chaah Mine). In FY2025, although the Group generated revenue and derives profit from the sale of bauxite, the Group's chief operating decision maker reviews the operating results and makes resource allocation decisions of the Group on a consolidated basis. While the Group has extended its core business to include the mining of gold and other base metals and minerals, they are still in the early part of the exploration stage and have yet to contribute to the earnings of the Group. Accordingly, the Group does not present separate segmental information.

12 In the review of the performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to Part II Note 4 above for details.

13 Breakdown of Group's revenue and loss after tax before deducting non-controlling interest for first half year and second half year

		FY 2026 RM'000	FY 2025 RM'000	Increase / Decrease
(a)	Sales reported for first half year	137,301	70,278	95.4%
(b)	Operating loss after tax before deducting non-controlling interests reported for first half year	(4,220)	(10,297)	-59.0%
(c)	Sales reported for second half year	120,551	129,182	-6.7%
(d)	Operating loss after tax before deducting non-controlling interest reported for second half year	(19,092)	(17,054)	12.0%

14 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Detail of changes in duties and position held, if any, during the year
Pek Siew Mei	61	Sister of Dato' Sri Pek Kok Sam, the Managing Director of the Company	Office Manager overseeing office administrative matters.	No changes

Pek Kok Hing	56	Brother of Dato' Sri Pek Kok Sam, the Managing Director of the Company	Information Technology Manager of Honest Sam Development Sdn Bhd ("**HSD**"). He joined HSD in November 2006. Primarily responsible for the Information Technology.	No changes

15 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Listing Manual

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Listing Manual.

16 Additional information required pursuant to Rule 706A

The Company has acquired 100% share in Northern RE Resources Sdn Bhd in October 2025 from an individual shareholder, who is not related to any of the Directors or substantial shareholders of the Company, for a cash consideration of RM1, for the purpose of carrying out mining activities in Malaysia in the future. The acquisition of Northern RE Resources Sdn Bhd was funded through internal funding. The acquisition did not have any material impact on the Group's net assets and earnings per share for FY2026. Subsequently, the Company increased its share capital to RM2 through the allotment of one (1) unit of new ordinary share at RM1. Northern RE Resources Sdn Bhd has remained dormant since its date of acquisition.

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PART III - ADDITIONAL DISCLOSURE REQUIRED FOR MINERAL, OIL AND GAS COMPANIES

17 Use of funds/cash by mineral, oil and gas companies pursuant to Rule 705(6)(a)

For the purpose of this section, the Group's disclosure is on exploration costs (excludes cost associated with the acquisition mining rights which is considered as part of the exploration and evaluation asset and depreciation for accounting purposes) and the ex-mining cost (costs that are directly attributable to mining activities excluding amortisation and depreciation, as well as sales-related cost and costs related to the land)

(i) Use of funds/cash for the fourth quarter ended 31 July 2026 ("4Q FY2026")

	4Q FY2026		
Activities	Projected RM'000	Actual RM'000	Variance RM'000
Mine exploration and evaluation	300	72	(228)
Mining related expenditure (excluding capital expenditure)	24,000	21,266	(2,734)
Total	24,300	21,338	(2,962)

Exploration activities

Exploration activities generally refer to the investigative work conducted to determine the presence of ore for eventual economic extraction.

The 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 the Group.

Mine exploration and evaluation are the exploration and evaluation ("**E&E**") costs incurred mainly at Chaah Mine and Gerik Mine. The Group recorded a lower E&Ecosts as the focus was on the Chaah turnkey transition and most of the exploration work was only conducted by in-house geologists. As a result, the Group underutilised RM0.2 million of the budget allocated to E&E.

Mining activities

Included in the mining-related expenditure are the expenditure incurred for the mining works at the Chaah Mine amounting to RM8.3 million and Gerik Mine amounting to RM13.0 million.

<u>Chaah Mine</u>

Effective from March 2026, the Subcontractor undertakes the full mining operations, including but not limited to, iron ore extraction, crushing and concentration activities, as well as the construction of tunnel access and related infrastructure.

The overutilisation of mining-related expenditures was attributed to the accelerated progress on the turnkey transition, leading to an overutilisation of iron ore related mining expenditure by RM3.0 million.

<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 material 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 the injection system. Consequently, the rare earth division underutilised approximately RM5.7 million of its allocated mining-related expenditure during the period.

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

Item	Projection for 1Q FY2027 RM'000
a. Mine exploration and evaluation	300
b. Mining-related expenditure (excluding capital expenditure)	26,000
Total	**26,300**

As it is important to continue to ascertain the potential extension of the iron ore body, which may influence the future mining plans, the 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 objective of identifying potential extensions of the existing ore resources.

In line with the developments above, the Group has updated the allocation for the mining-related expenditure to RM26.0 million for the first quarter ending 31 October 2026 ("**1Q FY2027**") and has maintained the expenditure projection for mine exploration and evaluation.

18 Negative confirmation by the Board pursuant to Rule 705(6)(b)

On behalf of the Board, we the undersigned, hereby confirm that to the best of their knowledge, nothing has come to their attention which may render such information provided in section 17 above to be false, misleading in any material aspect.

19 Pursuant to Rule 705(7) – 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

The Group places significant emphasis on exploration activities, not only for their potential to enhance the value of its mineral assets, but more importantly, to support the long-term sustainability of its mining operations. This is consistent with the Group's commitment to sustainable mining. Accordingly, the Group continues to allocate financial and technical resources to its exploration activities.

(i) ML 1/2023 and PML 14/2023 (Chaah Mine)

<u>Exploration and Resource Definition Activities</u>

(a) Underground Tunnel Mapping:

During FY2026, geological mapping activities resumed at two levels, namely Level -137N and -118N. The locations of the mapping works are illustrated in Figure 1.1a and Figure 1.1b.

The tunnel mapping works were undertaken to identify structural features and geological formations at the respective levels and drives, with the findings used to refine the geometry of the block model developed in July 2025. Table 1.1 summaries the tunnels involved in the mapping activities undertaken during FY2026.

Level	Region	Adits	Type of structure
-137 N	North	AT01NE, AT01NE(A2), AT01NE(A2B)	Fault, Fault (lithological boundary), joint, bedding
-118 N	North	RT06SW, AT02NE(A1), AT02NE(A1B)	Fault, lithological boundary

Table 1.1 *Summary of the mapping activities conducted during FY2026*

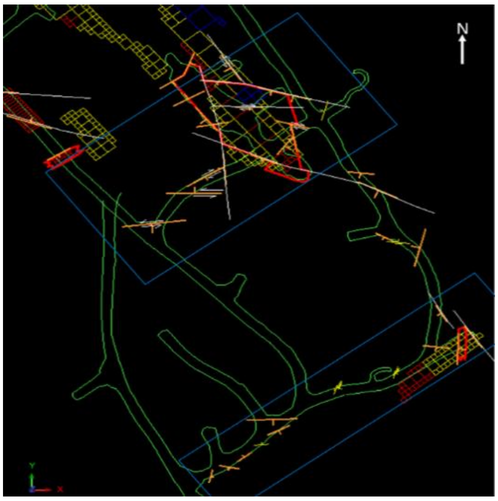

Figure 1.1a: *Illustration of geological mapping undertaken at Level -137 N, as delineated by the blue boundary. The mapped lithological contact (red boundary) indicates that the proposed mineralized zone defined in the block model is consistent with the actual lithological boundary observed in the field.*

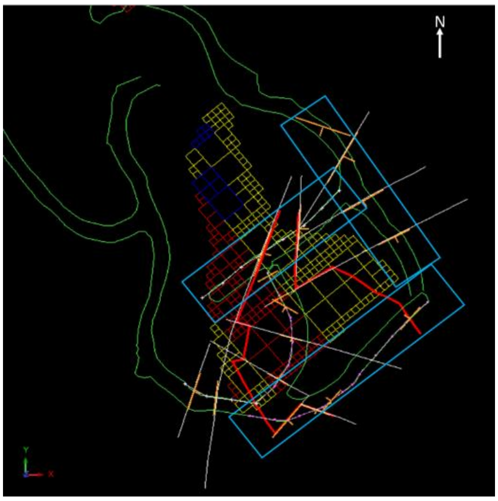

Figure 1.1b: *Illustration of geological mapping undertaken at Level -118N, as delineated by the blue boundary. The mapped lithological contact indicates that the proposed mineralized zone defined in the block model is slightly larger than the actual mineralized area (red boundary) observed in the field.*

(b) Exploration Drilling

During FY2026, drilling activities were primarily focused on the northern area, following encouraging indications of a potential extension of the iron ore body beyond the boundaries of the existing resource block model. The geophysical anomalies identified cover an area of approximately 17.4 acres, as illustrated in **Figure 1.2.**

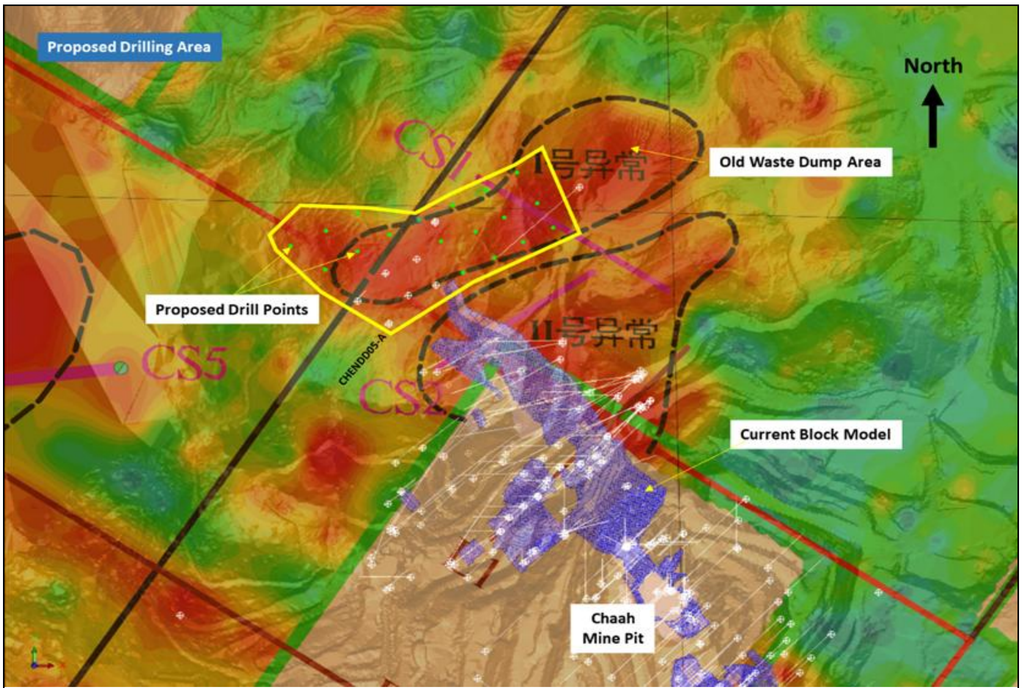

Figure 1.2: *Location of proposed drill holes (green dots) in the northern area (yellow-line polygon), overlaid on the geophysical anomaly and topographic map showing the main ore body. No drilling is planned to the east of the proposed area due to the presence of a thick old waste dump.*

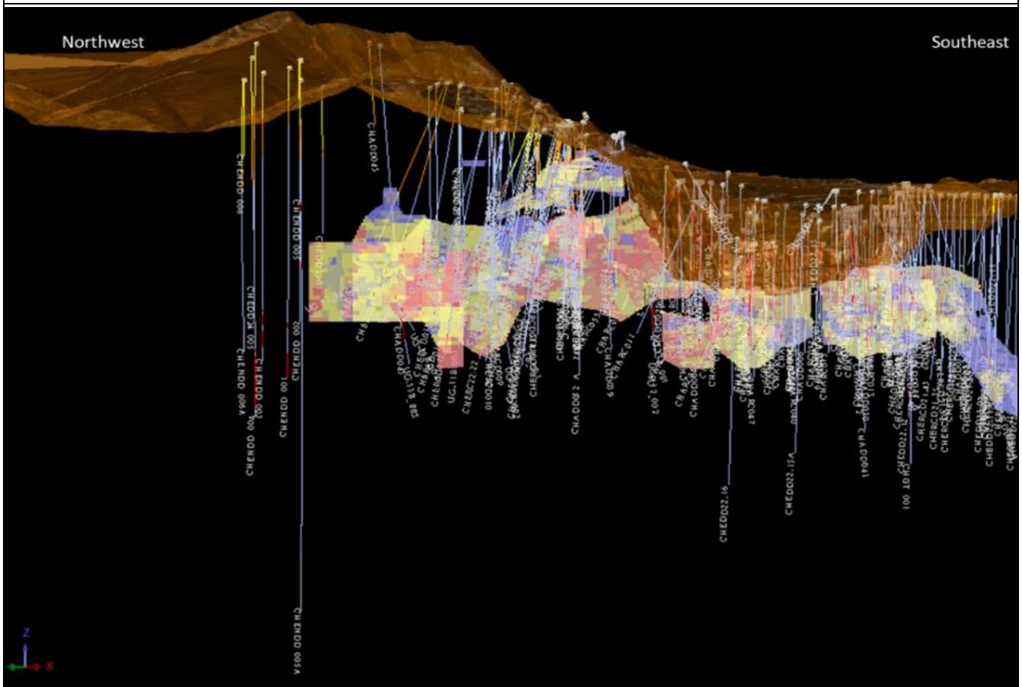

Figure 1.3*: Crossed-sectional veiw of all proposed drilling locations in relation to the existing ore block. Viewing direction to northeast.*

To date, the Group has completed 16 boreholes, comprising seven (7) surface boreholes and nine (9) underground boreholes, with a further five (5) boreholes terminated. A total of approximately 4,685 metres was drilled during FY2026. A summary of the exploration drilling activities is set out in **Table 1.2** below:

No	Borehole Identification ("BHID")	Area	Status	Universal Transverse Mercator ("UTM") coordinate		Azimuth	Inclined	Total depth (meter)
				X	Y			
1	CWEDD25_009A	Surface	Completed	275065.125	242151.595	50	-70	31.0
2	CHENDD_001	Surface	Completed	275094.780	242120.630	0	-90	407.4
3	CHENDD_002	Surface	Completed	275114.930	242466.860	0	-90	317.8
4	CHENDD_003	Surface	Completed	275087.176	242204.884	0	-90	378.5
5	CHENDD_004	Surface	Completed	275042.344	242485.128	0	-90	469.7
6	CHENDD_005	Surface	Terminated	275047.930	242406.781	0	-90	186.0
7	CHENDD_005A	Surface	Terminated	275048.109	242408.802	0	-90	727.0
8	CHENDD_006	Surface	Terminated	275113.798	242562.870	0	-90	101.0
9	CHENDD_006A	Surface	Completed	275113.997	242564.891	0	-90	356.9
10	CHENDD_007	Surface	Terminated	275004.264	242517.361	0	-90	396.5
11	CHGT_001	Surface	Completed	275749.885	241996.531	0	-90	351.0
12	UG-112_001	Underground	Completed	275352.388	242081.985	53	-24	102.6
13	UG-112_002	Underground	Completed	275352.345	242081.921	53	-50	101.4
14	UG-118_001	Underground	Completed	275222.835	242224.020	60	-20	100.1
15	UG-118_002	Underground	Completed	275222.835	242224.020	60	-50	101.4
16	UG-118_003	Underground	Completed	275189.112	242252.917	45	-35	101.7
17	UG-118_004	Underground	Completed	275131.856	242314.252	60	-20	103.4
18	UG-118_005	Underground	Completed	275131.856	242314.252	60	-50	103.3
19	UG-118_006	Underground	Completed	275161.227	242209.759	225	-10	100.2
20	UG-118_007	Underground	Terminated	275108.321	242457.031	20	-10	45.6
21	UG-118_007A	Underground	Completed	275108.321	242457.031	20	-20	102.5

***Table 1.2** Summary of the FY2026 exploration drilling programme.*

Notes:
CHENDD-005 - Drilling was affected by a mechanical issue with the core barrel, which became stuck inside the borehole. Attempts to retrieve the core barrel were unsuccessful, and the hole was subsequently terminated.
CHENDD-005A - The hole was originally planned to reach a depth of 1,000 m to assess the drilling rig's capability to drill deeper holes. However, due to poor ground conditions encountered at a depth of 727 m, the hole was terminated before reaching the planned target depth.
CHENDD-006 - The hole was terminated due to borehole collapse.
CHENDD-007 - The hole was terminated due to poor ground conditions, resulting in the borehole becoming increasingly tight and preventing further drilling.
UG-118-007 - The hole was terminated due to high water pressure encountered within the borehole.

The exploration drilling programme encountered iron ore mineralization across several surface and underground boreholes, as summarized in Table 1.3 below. Certain mineralized intervals have been confirmed by assay results, while assay results for other intervals remain pending as at the reporting date.

BH ID	Location	Core Interval, m	Lithology / Mineralization	Iron Content
CWEDD25-009A	Surface	0 - 11.1m (11.1m)	Sandstone	NA
		11.1 - 71.1m (60m)	Andesite	NA
		71.1 - 72.9m (1.8m)	Hematite	62.45%
		72.9 - 88m (15.1m)	Andesite	NA
		88 - 89m (1m)	Hematite	49.24%
CHENDD_001	Surface	0 - 44.8m (44.8m)	Sandstone	NA
		44.8 - 75m (30.2m)	Conglomerate	NA
		75 - 334.3m (259.3m)	Andesite	NA
		334.3 - 341.9m (7.6m)	Hematite	57.63%
		341.9 - 373.8m (31.9m)	Andesite	NA
		373.8 – 400.1m (26.3m)	Hematite	61.40%
		400.1 – 407.4m (7.3m)	Hematite	42.02%
CHENDD_002	Surface	0 - 40.3m (40.3m)	Sandstone	NA
		40.3 - 77m (36.7m)	Conglomerate	NA
		77 - 317.8 (240.8m)	Andesite	NA
CHENDD_003	Surface	0 - 62m (62m)	Sandstone	NA
		62 - 109m (47m)	Conglomerate	NA
		109 - 311.5m (202.5m)	Andesite	NA
		311.5 - 314.2m (2.7m)	Hematite	43.12%
		314.2-318m (3.8m)	Andesite	NA
		318 - 330.2m (12.2m)	Hematite	55.82%
		330.2-338m (7.8m)	Andesite	NA
		338 - 360.3m (22.3m)	Hematite	54.53%
		360.3 - 378.5m (18.2m)	Andesite	NA
CHENDD_004	Surface	0.0-75.0m (75.0m)	Sandstone	NA
		75.0-168.4m (93.4m)	Conglomerate	NA
		168.4-381.5m (213.1m)	Andesite	NA
		381.5 - 385.6m (4.1m)	Hematite	51.29%
		385.6-390.3m (4.7m)	Andesite	NA
		390.3 - 458.7m (68.4m)	Hematite	55.51%
		458.7-469.7m (11.0m)	Andesite	NA

BH ID	Location	Core Interval, m	Lithology / Mineralization	Iron Content
	Surface	0.0-85.8m (85.8m)	Sandstone	NA

CHENDD _005		85.8-132.5m (46.7m)	Conglomerate	NA
		132.5-186.0m (53.5m)	Andesite	NA
CHENDD_ 005A	Surface	0.0-84.0m (84.0m)	Sandstone	NA
		84.0-125.0m (41.0m)	Conglomerate	NA
		125.0-190.0m (65.0m)	Andesite	NA
		190.0-197.5m (7.5m)	Hematite	AP
		197.5-265.5m (68.0m)	Andesite	NA
		265.5-273.5m (8.0m)	Hematite	AP
		273.5-418.7m (145.2m)	Andesite	NA
		418.2-428.3m (10.1m)	Hematite	AP
		428.3-727.0m (298.7m)	Andesite	NA
CHENDD_ 006	Surface	0.0-101.0m (101.0m)	Sandstone	NA
CHENDD_ 006A	Surface	0.0-108.3m (108.3m)	Sandstone	NA
		108.3-145.6m (37.3m)	Conglomerate	NA
		145.6-356.9m (211.3m)	Andesite	NA
CHENDD_ 007	Surface	0.0-90.6m (90.6m)	Sandstone	NA
		90.6-130.5m (39.9m)	Conglomerate	NA
		130.5-384.5m (254.0m)	Andesite	NA
		384.5-396.5m (12.0m)	Hematite	AP
CHGT_00 1	Surface	0.0-12.5m (12.5m)	Sandstone	NA
		12.5-351.0m (338.5m)	Andesite	NA
UG- 112_001	Undergrou nd	0.0-18.2m (18.2m)	Andesite	NA
		18.2-52.7m (34.5m)	Hematite	57.31%
		52.7-102.6m (49.9m)	Andesite	NA
UG- 112_002	Undergrou nd	0.0-5.4m (15.4m)	Andesite	NA
		5.4-54.7m (49.3m)	Hematite	53.39%
		54.7-101.4m (46.7m)	Andesite	NA
UG- 118_001	Undergrou nd	0.0-49.1m (49.1m)	Andesite	NA
		49.1-58.1m (9.0m)	Hematite	AP
		58.1-100.1m (42.0m)	Andesite	NA
UG- 118_002	Undergrou nd	0.0-54.9m (54.9m)	Andesite	NA
		54.9-73.9m (19.0m)	Hematite	AP
		73.9-101.4m (27.5m)	Andesite	NA
UG- 118_003	Undergrou nd	0.0-44.7m (44.7m)	Andesite	NA
		44.7-48.7m (4.0m)	Andesite	NA
		48.7-68.7m (20.0m)	Hematite	AP
		68.7-101.7m (33.0m)	Andesite	NA
UG- 118_004	Undergrou nd	0.0-15.0m (15.0m)	Andesite	NA
		15.0-43.6m (28.6m)	Hematite	AP
		43.6-52.4m (8.8m)	Andesite	NA
		52.4-55.4m (3.0m)	Hematite	AP
		55.4-103.4m (48.0m)	Andesite	NA
UG- 118_005	Undergrou nd	0.0-23.3m (23.3m)	Andesite	NA
		23.3-31.8m (8.5m)	Hematite	AP
		31.8-62.4m (30.6m)	mix Andesite + Hematite	AP
		62.4-103.3m (40.9m)	Andesite	NA

BH ID	Location	Core Interval, m	Lithology / Mineralization	Iron Content
UG-118_006	Underground	0.0-100.2m (100.2m)	Andesite	NA
UG-118_007	Underground	0.0-1.5m (1.5m)	Hematite	AP
		1.5-45.6m (44.1m)	Andesite	NA
UG-118_007A	Underground	0.0-1.4m (1.4m)	Hematite	AP
		1.4-26.5m (25.1m)	Andesite	NA
		26.5-30.5m (4.0m)	Hematite	AP
		30.5-102.5m (72.0m)	Andesite	NA

Table 1.3 *Summary of FY2026 geological intersections of the boreholes.*

NA denotes: not applicable
AP denotes: assays pending

The presence of substantial iron ore mineralisation intersected in surface boreholes CHENDD_001, CHENDD_003, CHENDD_004, CHENDD_005A, and CHENDD_007 is encouraging, as illustrated in **Figure 1.3**. The Group intends to continue exploration programme during the next reporting period, as the inner portions of these mineralised zones appear to be geologically connected to the existing ore body.

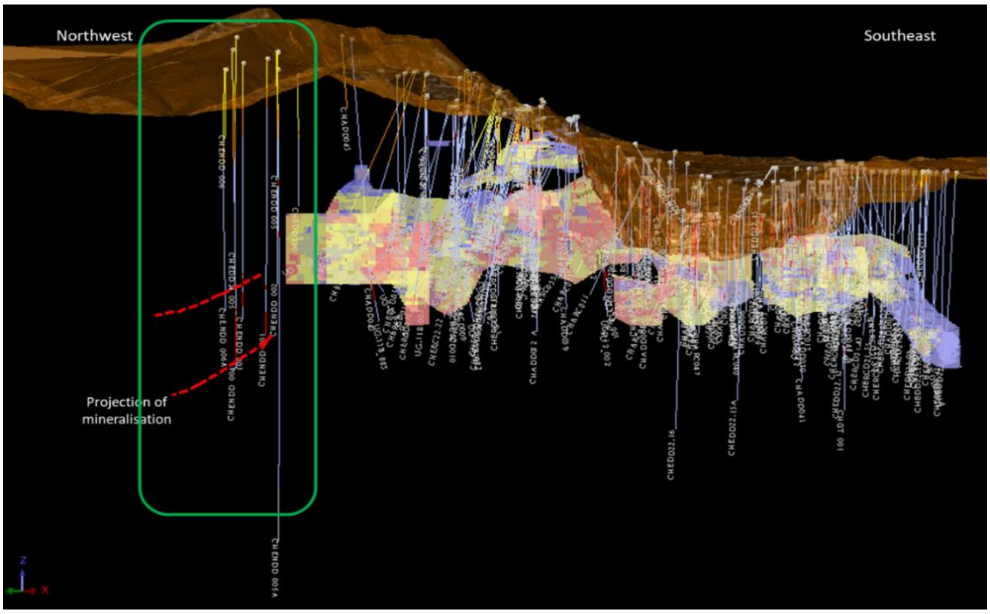

Figure 1.3*: Cross-sectional view of the Northern Area boreholes showing iron mineralization zones (red shading) within the green box, intersected in CHENDD01, CHENDD03, CHENDD_004, and CHENDD_007. Viewing direction is toward the northeast. The red dotted line represents the interpreted mineralization boundary.*

In addition, the underground drilling programme has identified several new mineralised zones extending beyond the boundaries of the existing mineralization domain. This is supported by mineralized intersections encountered in boreholes UG-112_001, UG-112_002, UG-118_001, UG-118_002, UG-118_003, UG-118_004, UG-118_005, and UG-118_007A. The locations are illustrated in **Figure 1.4**.

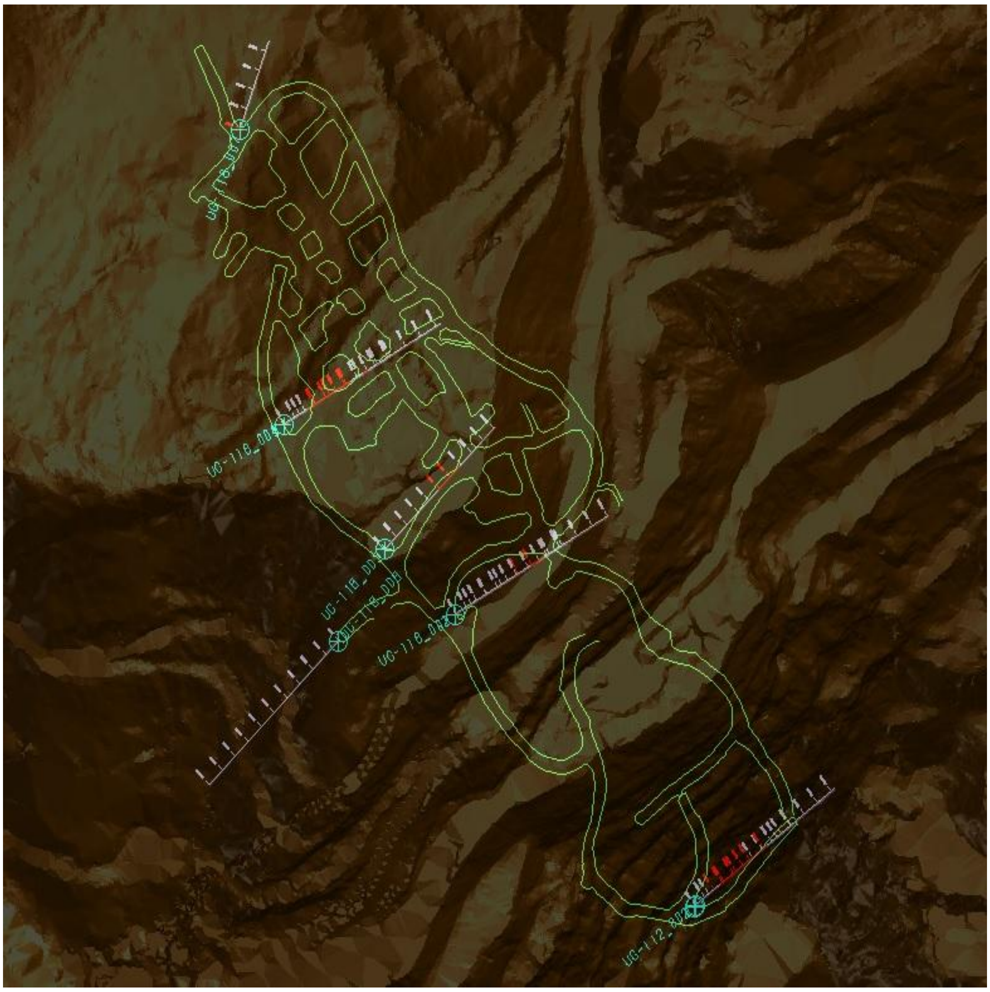

Figure 1.4: *Plan view of the underground drilling boreholes, with red shading indicating intervals logged as iron mineralization involves the boreholes UG-112_001, UG-112_002, UG-118_001, UG-118_002, UG-118_003, UG-118_004, UG-118_005, and UG-118_007A. Assay results for certain intersections remain pending as at the reporting date.*

Based on these encouraging exploration results, the Group intends to undertake further geological evaluation to assess the continuity and extent of the newly identified mineralized zones and their potential implications for the existing resource model. The spatial distribution of these newly identified mineralized zones is presented in **Figure 1.5**.

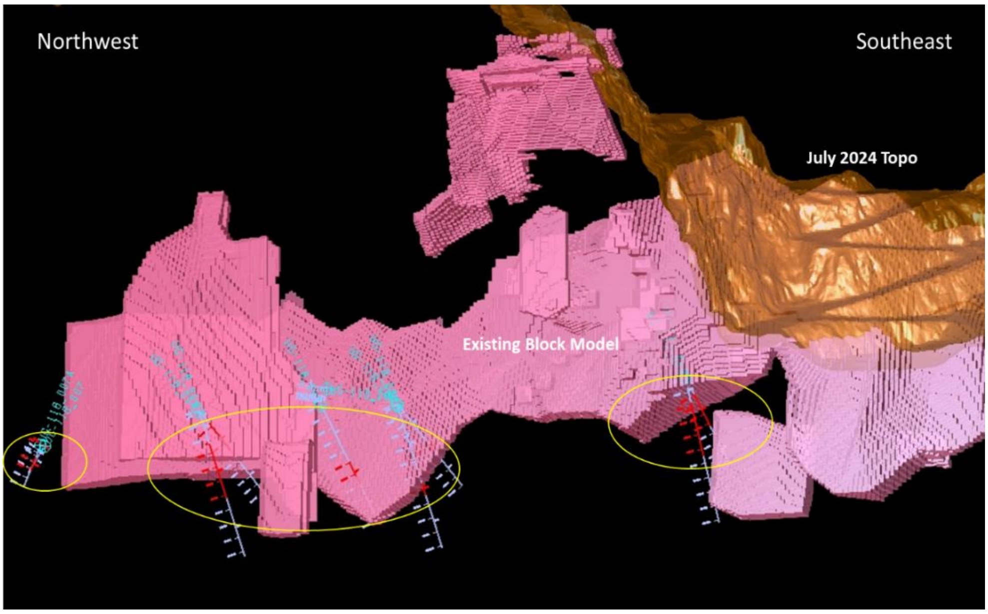

Figure 1.5: *View of the underground boreholes in relation to the existing block model, showing mineralised intersections encountered beyond the current block model boundary (highlighted by yellow circle). Viewing direction towards the northeast.*

(c) Assays of Exploration Samples

During FY2026, a total of 205 samples were collected for analytical testing, comprising of 169 core samples, 19 tunnel grab samples, and 17 QA/QC samples. All samples were submitted to an accredited third-party laboratory for independent verification.

All sampling activities were conducted in accordance with established standard procedures to ensure the accuracy, consistency, and reliability. A breakdown of the sample categories is presented in Table 1.4 below.

Sample Type	Number of Samples
RC	0
DD	169
Duplicates	2
OREAS	9
Blanks	6
Grabs/Channel	19
QAQC (Rejects & Pulps)	0
TOTAL	205

Table 1.4 *shows the total sample based on type sent for analysis*

Mining activities

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

During 4Q FY2026, the Group continued to advance underground infrastructure, tunnel development, dewatering and stoping preparation activities at the Chaah Mine. These activities followed the access and infrastructure improvements undertaken during third quarter ended 30 April 2026 ("3Q FY2026") and are intended to support safe and sustainable underground mining operations and future ore extraction.

Underground Dewatering Infrastructure
The installation of the underground dewatering pumps and piping systems, which remained ongoing at the end of 3Q FY2026, was completed in July 2026.

The completed dewatering system conveys underground water from the low point at Level -137mRL (South) to the temporary dewatering pond at Level -62mRL. The pumps installed at Level -62mRL were also commissioned during the quarter.

The completed system enhances underground water management and provides safer operating conditions for continued tunnel development and mining activities.

Tunnel Development Activities
Tunnel development work continued during 4Q FY2026 following its resumption in the preceding quarter. Progress on the principal development headings was as follows:

(a) RT02SW – Ramp development towards Level -162mRL: Completed in July 2026.
(b) RT03N – Ramp connection from Level -137mRL to Level -87mRL: Development remained ongoing, with approximately 50 metres remaining as at the end of the quarter.
(c) Emergency ramp from Level -23.5mRL to Level -42mRL: Completed in June 2026.
(d) Ramp access from Level -37mRL to Level -18mRL: Development remained ongoing, with approximately 50 metres remaining as at the end of the quarter.

The completed and ongoing ramp developments are intended to improve underground connectivity, emergency access, ventilation, operational flexibility and access to future mining areas.

Conveyor Belt Adit Development
Construction of the conveyor belt adit connecting Level -150N to Level -12N, which commenced in May 2026, continued throughout 4Q FY2026.

As at the end of the quarter, approximately 200 metres of the planned 570-metre adit had been completed, representing progress of approximately 35%. Upon completion, the conveyor belt adit is expected to support the underground material-handling system and improve the efficiency of transporting mined material.

Stoping Drilling Activities
Stoping drilling activities, which resumed in April 2026, continued during 4Q FY2026 at the following mining levels:

(a) **Level -42mRL:** Approximately 90% completed.
(b) **Level -57mRL:** Approximately 90% completed.
(c) **Level -72mRL:** Approximately 95% completed.

The continued progress of stoping drilling activities supported the preparation of these mining levels for subsequent ore extraction.

Ore extraction
As a result of the above recalibration, underground ore extraction for 4Q FY2026 amounted to approximately 48,700 tonnes.

There was no iron ore concentration activity during 4Q FY2026, as the efforts were focused on the development of tunnel infrastructure. Commercial production is scheduled to commence in 2Q FY2027, in accordance with the planned production schedule. Consequently, no iron ore was processed and no iron ore concentrates were produced during the quarter.

(ii) Kota Tinggi Mine

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

(iii) Gerik Mine

During the reporting period, a total of approximately 3,600 wet-tonnes of rare earth carbonate was produced from two parcels of land, namely Parcel 1 and Parcel 2. Development works for Parcel 3 are ongoing, with operations currently targeted to commence by mid-FY2027.

BY ORDER OF THE BOARD

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

25 September 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.

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