Southern Alliance Mining Ltd.
Level 8, Menara Zenith
Jalan Putra Square 6, Putra Square
25200 Kuantan, Pahang, Malaysia

FOR IMMEDIATE RELEASE

Rare Earth Contribution Strengthens SAM's FY2026 Performance as Chaah Underground Development Enters Final Phase

- Revenue rose 29.3% year-on-year to RM257.8 million, supported by the maiden contribution from the rare earth segment
- Rare earth segment delivered RM58.4 million in EBITDA attributable to the parent and RM31.5 million in profit before tax in its maiden year of contribution
- Gross profit increased eightfold to RM25.3 million, with gross profit margin improving to 9.8%
- Loss before tax narrowed 53.2% to RM14.8 million
- Net cash generated from operating activities increased to RM65.9 million from RM4.0 million in FY2025
- Chaah Mine's underground development enters final phase, with transition to commercial operations expected in 2Q FY2027

Singapore, 25 September 2026 – Southern Alliance Mining Ltd. ("SAM" or the "Company", together with its subsidiaries, "the Group"), a Malaysian mining group with a growing presence in rare earths and established high-grade iron ore business in Malaysia, today announced its unaudited financial results for the full financial year ended 31 July 2026 ("FY2026").

FY2026 Financial Highlights

	FY2026 (RM'000)	FY2025 (RM'000)	Y-o-Y Change
Revenue	257,852	199,460	29.3%
Gross Profit	25,312	3,095	717.8%
Gross Profit Margin (%)	9.8%	1.6%	8.2 ppt

Earnings/(Loss) Before Interest, Taxation, Depreciation and Amortisation attributable to the parent	23,848	(12,028)	(298.3%)
Loss before Tax	(14,767)	(31,566)	(53.2%)
Loss Attributable to Equity Holders	(23,265)	(27,310)	(14.8%)
Net Cash from Operating Activities	65,880	4,006	1,544.5%
Basic & Diluted LPS (Malaysian cents)	(3.76)	(5.59)	(32.7%)

ppt: Percentage points

The Group recorded revenue of RM257.8 million in FY2026, up 29.3% from RM199.5 million in FY2025, supported by the maiden contribution from its newly acquired rare earth business. The Group's 40.0% interest in MCRE Resources Sdn Bhd ("MCRE") contributed RM132.1 million in revenue from the sale of 1,150 dry metric tonnes ("DMT") of rare earth oxide ("REO") equivalent, representing the Group's 40.0% share of the 2,880 DMT sold. Iron ore revenue eased to RM112.0 million from RM155.3 million, while bauxite revenue decreased to RM13.7 million from RM44.1 million, as the Chaah Mine progressed through its underground infrastructure development phase.

Gross profit rose almost eightfold to RM25.3 million from RM3.1 million, lifting the gross profit margin by 8.2 percentage points to 9.8%. The rare earth segment delivered EBITDA attributable to parent of RM58.4 million and profit before tax of RM31.5 million in its maiden year of contribution, notwithstanding a RM13.2 million non-cash amortization charge arising from acquisition of MCRE. The amortization relates to the allocation of the excess of consideration paid over the net book value of MCRE's acquired mining assets. The iron ore segment recorded a loss before tax of RM40.8 million, reflecting the impact of the ongoing underground development at Chaah and a negative inventory movement of RM29.1 million as the Group drew down its iron ore concentrate stockpiles under the new turnkey contractor model.

Loss before tax narrowed by 53.2% to RM14.8 million, from RM31.6 million in FY2025. The FY2026 results included three non-cash charges: a RM17.5 million provision against a credit-impaired debtor and amount receivable from a joint venture Rigid Temau Sdn Bhd ("RTSB");

a RM9.5 million share of losses from joint venture RTSB arising from the impairment RTSB's mine properties following the expiry of its mining license; and a RM0.6 million impairment of an inactive exploration asset at Bukit Kepong, Johor. RTSB is currently engaging the relevant authorities to resolve the mining license matter.

These charges are accounting adjustments and do not affect the Group's cash flow.

The Group generated RM65.9 million in net cash from operating activities in FY2026, compared with RM4.0 million in FY2025. Cash and bank balances increased to RM151.6 million as at 31 July 2026 from RM113.8 million a year earlier, while total loans and borrowings were declined to RM8.0 million from RM14.0 million. Net asset value per share rose to 79.39 Malaysian cents from 63.38 Malaysian cents. No dividend has been declared for FY2026, as the Group intends to conserve cash in line with its business expansion strategy.

Rare Earth Business Delivers Strong Maiden Contribution as Group Pursues Further Expansion

MCRE made a significant maiden contribution to the Group in FY2026, with the rare earth segment generating RM132.1 million in revenue, EBITDA attributable to the parent of RM58.4 million and profit before tax of RM31.5 million. During the year, MCRE's Gerik Mine in Hulu Perak, Perak, produced approximately 3,600 wet tonnes of rare earth carbonate from two parcels of land. Development of the third and largest parcel is ongoing, with operations currently targeted to commence by the middle of FY2027.

Global efforts to diversify and strengthen critical mineral supply chains have continued to gather momentum, with Malaysia attracting increasing international interest as a potential source of rare earth elements and as a participant in the development of more diversified global supply chains. The Group believes that these developments provide a supportive backdrop for the continued development of Malaysia's rare earth industry and its progression further along the value chain.

Against this backdrop, the Group continues to pursue opportunities to expand its rare earth portfolio in Malaysia. The proposed acquisition of Paramount Synergy Sdn Bhd remains ongoing and, if completed, would further expand the Group's exposure to Malaysia's developing rare earth sector.

Chaah Underground Development Enters Final Phase Ahead of Commercial Operation

During FY2026, the Chaah Mine continued to advance the development of its underground mining infrastructure as the Group progressed 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, including extraction, hauling, crushing, screening and processing.

Development works during the year focused on underground tunnel infrastructure and access, with stoping drilling resuming in April 2026 and construction of the conveyor belt adit commencing in May 2026. Underground ore extraction continued during the fourth quarter, with approximately 48,700 tonnes extracted, while processing activities were moderated to prioritise the completion of the remaining underground development works.

With the underground development programme now entering its final phase, the Group is focused on completing the remaining infrastructure and development works ahead of the transition to commercial underground operations, which is currently expected in **2Q FY2027.**

Business Outlook

The outlook for rare earths remains supported by growing global efforts to secure and diversify critical mineral supply chains. Rare earth elements are essential inputs across a range of advanced technologies, while global supply and processing capacity remain highly concentrated. Against this backdrop, the Group believes Malaysia is increasingly well positioned to participate in the development of more diversified rare earth supply chains. The Group will continue to focus on the development of MCRE's operations, including the third parcel at Gerik, while pursuing opportunities to expand its rare earth portfolio in Malaysia.

For the iron ore segment, FY2027 is expected to mark an important transition for the Chaah Mine as the Group works towards completing the remaining underground development and infrastructure works. With underground development now entering its final phase, the Group currently expects to transition to commercial underground operations in 2Q FY2027. The performance of the segment will thereafter depend on the pace of the production ramp-up, prevailing iron ore prices and movements in the ringgit against the US dollar.

The Group will also continue to progress its longer-term mineral exploration opportunities. At the Tenggaroh Gold Prospect in Johor, subsidiary Selatan Anjung Minerals Sdn. Bhd. entered into a six-year memorandum of understanding in June 2026 with the Department of Mineral and Geoscience Malaysia, State of Johor, to collaborate on exploration activities within selected areas of the Tenggaroh Exploration Licence in Mersing, which spans approximately 7,045 hectares. The collaboration provides access to the Department's technical expertise and historical geoscience datasets, while exploration remains at an early stage.

Dato' Sri Pek Kok Sam, Managing Director of Southern Alliance Mining, commented:

> ***"FY2026 demonstrated the value of the Group's diversification strategy, with our rare earth business making a strong maiden contribution to the Group's performance. This provides us with a solid foundation to further develop our presence in Malaysia's rare earth sector, including advancing our Labis rare earth project as part of the Group's next phase of growth.***
>
> ***"As we enter FY2027, our focus is increasingly on execution and growth. We are targeting the transition of Chaah to commercial underground operations in 2Q FY2027, while development of MCRE's third and largest parcel at Gerik continues towards commencement of operations by the middle of FY2027. At the same time, we continue to pursue opportunities to expand our rare earth portfolio in Malaysia. Together, these initiatives are intended to broaden the Group's earnings base and position Southern Alliance Mining for its next phase of development."***

– END –

About Southern Alliance Mining Ltd

Southern Alliance Mining Ltd. (the "Company" and together with its subsidiaries, the "Group") is an established producer of high-grade iron ore products in Malaysia, and was listed on the Catalist Board of Singapore Exchange on 26 June, 2020 (SGX: QNS).

Headquartered in Pahang, Malaysia, the Group is principally involved in the exploration, mining and processing of iron ore for subsequent sale. The Group sells (i) rare earth carbonates; (ii) iron ore concentrate of low level of impurities with total Fe grade of between 62% to 65% to steel mills and trading companies mainly located in Malaysia and China; and (iii) pipe coating materials that are crushed iron ore with a natural characteristic of a higher density for subsea pipes.

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. This move is intended to capitalise on the increasing demand for REEs and to further diversify the Group's income streams, reducing dependence on a single commodity.

The Group's iron ore asset, the Chaah Mine, consisting of two (2) mining leases and covering an aggregate area of 225.7 hectares. The Chaah Mine is strategically located near existing road networks to ports. The Group's established supporting infrastructure and facilities consist of four (4) fixed crushing plants, two (2) lines of mobile crushers and two (2) beneficiation plants both capable of operating on a 24-hour shift. The Group has an approximate monthly production capacity of 60,000 tonnes of iron ore concentrates (not including pipe coating materials). In addition, the Group has also been granted the right to carry out exploration and mining operations at five (5) 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 had commenced exploration activities since February 2022.

For more information, please contact:

Ms Emily Choo
Mobile: +65 9734 6565
Gem Comm
Email: emily@gem-comm.com

IMPORTANT NOTICE

This press release is for information only and does not constitute an offer or form part of an invitation, solicitation or offer to acquire, purchase or subscribe for securities in Singapore or any other jurisdiction nor anything herein shall relate in any place in which or to any person to whom it would not be lawful to make such an offer or invitation, or form the basis of, any contract, commitment or investment decision whatsoever.

This press release may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of Southern Alliance Mining Ltd. The forecast financial performance of Southern Alliance Mining Ltd. is not guaranteed. A potential investor is cautioned not to place undue reliance on these forward-looking statements, which are based on the beliefs and assumptions of Southern Alliance Mining Ltd.'s management, and which in turn are based on currently available information.

This press release 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 press release, including the correctness of any of the statements or opinions made or reports contained in this press release. The Sponsor has also not drawn on any specific technical expertise in its review of this press release.

The contact person for the Sponsor is Ms. Ng Shi Qing, 16 Collyer Quay, #10-00 Collyer Quay Centre 049318, sponsorship@ppcf.com.sg.