

SPA & SHA SIGNING CEREMONY

April 3, 2025



**Southern Alliance
Mining Ltd**



**MCRE Resources
Sdn Bhd**



WHO WE ARE: SOUTHERN ALLIANCE MINING LTD.

Southern Alliance Mining Ltd. (SAM) is a Malaysia-based iron ore exploration and mining company primarily focused on the extraction and sale of high-grade iron ore. Since our listing on the Catalist of the SGX-ST, SAM has diversified into gold explorations and is seeking to venture into rare earth elements (REEs) with the proposed acquisition of 40% of the total shares in the capital of MCRE.



Stock Code

SGX: QNS.SI



Market Cap

~S\$212.6M

(as at 2 April 2025)



Geographic
Footprint

IRON ORE: Chaah Mine

**GOLD: Tenggara
Mine, Mersing**

**REE: State of Perak
(Post-Acquisition of
MCRE)**



Vision &
Mission

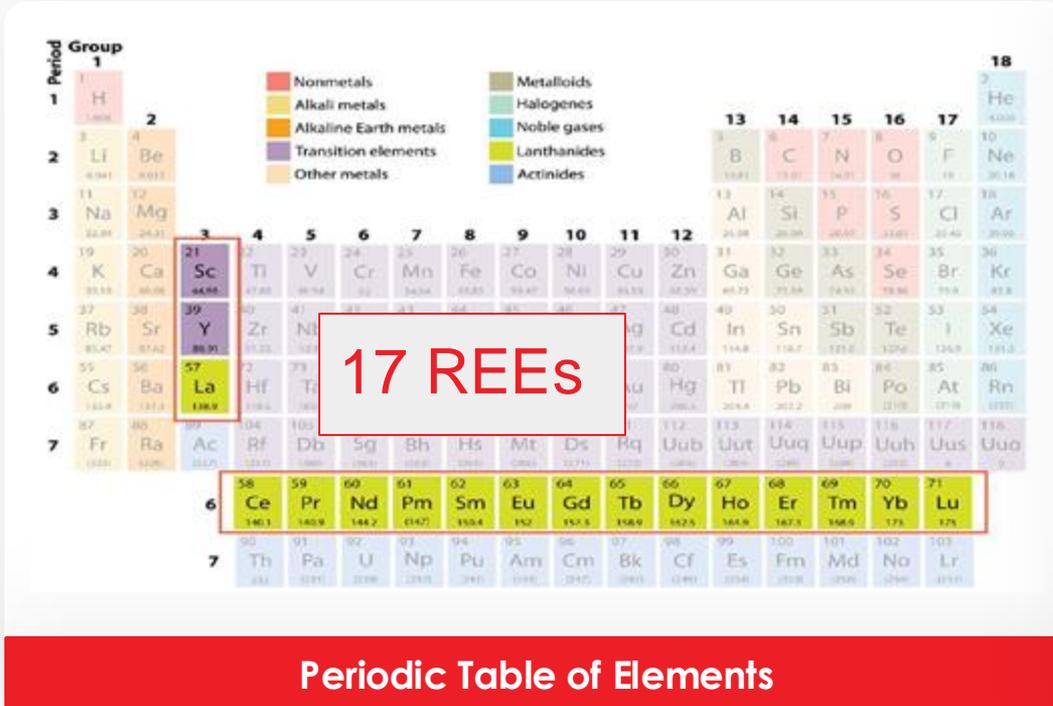
Sustainable Growth: aims for long-term growth through responsible mining practices.

Environmental Commitment: Focuses on minimizing environmental impact, such as transitioning from open-pit to underground mining.

Stakeholder and Community Focus: Prioritizes benefits for stakeholders and welfare of local communities

WHAT IS REE?

REEs are used across various hi-tech and green industries



About Rare Earth Elements



- **Wide application and critical** in the manufacturing of modern electric vehicles, green energy generation, electronics like laptops and smartphones and high-performance airframes
- **China has the highest reserves** of REEs
- **Malaysia** has identified the potential of REEs and aims to tap into its **18.2 million** tons of non-radioactive REs reserves by 2030⁽¹⁾
- This is valued at **RM747.2 billion** and has the potential to attract **RM100 billion worth of investments** creating 4,000 job opportunities⁽¹⁾

REE: INDUSTRY OUTLOOK AND EMERGING TRENDS

Market Growth & Projections⁽²⁾



Global REE Market Value (2024):

~US\$3.74 billion



Projected Growth:

Expected to reach ~US\$8.14 billion
(2024 – 2032)



CAGR:

~10.2% (2024 – 2032)

Key Demand Drivers



Electric Vehicles (EVs):

Neodymium & praseodymium essential
for high-strength permanent magnets



Renewable Energy:

Wind turbines and solar panels rely
on REEs for efficient performance



Advanced Technologies:

Smartphones, defense systems and
medical equipment drive demand

APPLICATIONS OF RARE EARTH ELEMENTS (“REE”)

The importance of REEs in renewable energy and high-tech products



Electric Vehicles



Solar Panels



Wind Turbines

Batteries & other consumer electronic products



REE VALUE CHAIN

3 Segments: Up/Mid/Downstream

It is expected to contribute approximately RM9.5 billion⁽²⁾ to Malaysia's GDP by 2025



**RM 810
billion⁽³⁾**



*Market value of
Rare earth
carbonate*

**RM1
trillion⁽³⁾**



*Supply chain commercial
value worth*

Sources:

(2) Information obtained from The Edge Malaysia, <https://theedgemy.com/content/advertise/might-drive-downstream-rare-earth-industry-for-optimum-value-creation>

(3) Information obtained from Malay Mail, <https://www.malaymail.com/news/malaysia/2023/09/15/malaysias-rare-earths-elements-could-be-worth-up-to-rm1-t-pahang-varsity-don-says-as-putrajaya-mulls-export-ban/91014>

REE VALUE CHAIN

MCRE is involved in the upstream industry



TARGET COMPANY

MCRE Resources Sdn Bhd

Propose Acquisition of 40% stake in MCRE



Engaged in the **exploration, mining, processing and sale of ion adsorption** rare earth materials



Headquartered in **Kuantan, Malaysia** with its mine located in the State of Perak

1st

Malaysian Company

Appointed as sub-mining operator to utilise advanced mining method from China in Malaysia.

121

Million tonnes

Total resources of MCRE's mine area

2,161

hectares

estimated total mining area

84.9

Million metric tonnes

Total reserves of MCRE's mine currently with a 100% value of

RM790.3

Million

Based on qualified person's and valuation reports

WHY THIS ACQUISITION?



MARKET OPPORTUNITIES

The proposed acquisition will position SAM as a key player in the rare earth and mineral extraction section which will enable us to capitalise on the increasing global demand for these critical minerals.



EXPANSION OF RESOURCE PORTFOLIO

The proposed acquisition will enable SAM to secure access to high value REEs produced by MCRE, thereby building sustainable revenue and diversifying its resource portfolio, in addition to iron ore operation and gold exploration.



STRENGTHENED OPERATIONAL ABILITIES

SAM will benefit and gain competitive edge from MCRE's in-situ leaching technology which demonstrated enhanced mining efficiency, minimised environmental impact, improved cost-effectiveness as the Group works towards achieving sustainable mining.

SYNERGIES & STRATEGIC BENEFITS

MCRE's Strategic Advantage

STRONG POSITION

A pioneer in rare earth mining in Malaysia; currently the only Malaysian company that has an exclusive partnership rights with strategic partners in China

ESTABLISHED RESOURCES

A producing mine with an estimated rare earth oxide resource of approximately 58.7 kilotonnes based on its independent qualified person report dated 15 March 2025

LOW CARBON FOOTPRINT

The in-situ leaching method to extract NR-REE carbonates helps preserve the natural landscape with an overall low carbon emission footprint



Benefits to SAM

MULTI-YEAR GROWTH PROSPECTS

REE is used across various industries like semiconductor as well as the renewable energy industries ensuring growing demand in the future

DIVERSIFICATION OF INCOME

Further strengthen SAM's position as a diversified mining company to build a sustainable revenue

POTENTIAL FOR GREATER SHAREHOLDER VALUE

Aim to contribute to the Group's performance, as the Group continues to enhance values to shareholders by delivering better returns

Sponsor Statement

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