

7 April 2026

St George Mining Ltd (SGQ)

BUY

Share Price: A\$0.12

Niobium in focus with Boston Metal

Target Price: A\$0.49

SGQ has signed a MOU with metals processing experts Boston Metal to trial niobium production using feed from SGQ's 100%-owned Araxá Niobium/Rare Earths Project in Minas Gerais, Brazil (Figs. 1-2). This could deliver cleaner and lower-cost production (vs the current pyrometallurgical process) and improve on what are already extremely attractive financial outcomes. We calculate steady state production of 10,000tpa of ferroniobium (FeNb) - forecast start date Sep. Q'28 - generating an annual margin of A\$290m. Adding in subsequent rare earths' production (Petra est. Sep. Q'30), we see SGQ as a uniquely placed player in the critical minerals' space. **BUY, revised TP A\$0.49/sh (prev. A\$0.50) on updated share count.**

Strategic Alliance with Boston Metal (Fig. 3)

- Boston Metal to trial its patented Molten Oxide Electrolysis (MOE) technology to produce niobium products from SGQ's Araxá Resource (Fig. 4).
- This could offer higher yields, a simplified process flow, lower cost, and a reduction in carbon emissions relative to the traditional pyrometallurgical process.

Niobium offers big margins.....with upside

- A Niobium Economic Study is targeted for Jun. Q'26. Our base case assumes a received price of US\$40/kg of contained Nb in FeNb (note: spot price is US\$48/kg, Fig. 5). Predicated on a similar pyrometallurgical flowsheet used by the neighbouring CBMM operation, we calculate AISC at ~US\$10.50/kg. A margin of US\$29.50/kg x 6,600tpa of contained Nb (in 10,000tpa of steady-state FeNb production) = US\$195mpa margin
- Reducing AISC via the MOE process to US\$7.50/kg (for example) increases AISC margin by 10% to US\$215m.

Niobium – a critical metal

- While the importance of rare earths to key technologies and industries is well known, niobium has tended to fly under the radar. However, niobium is classified as a critical metal by the US and EU because of its essential role in producing high strength low alloy (HSLA) steel used in the construction, aerospace and automotive sectors (Fig. 6). The strategic importance of niobium is heightened by its vulnerability to supply disruptions, with production concentrated in just three mines worldwide (2 Brazil, 1 Canada) – Fig. 7.

Key Dates Ahead

- Ongoing – Drill and assay results from Araxá Project.
- Jun. Q'26 – Niobium Economic Study.
- 2H 2026 – Rare Earths Economic Study.

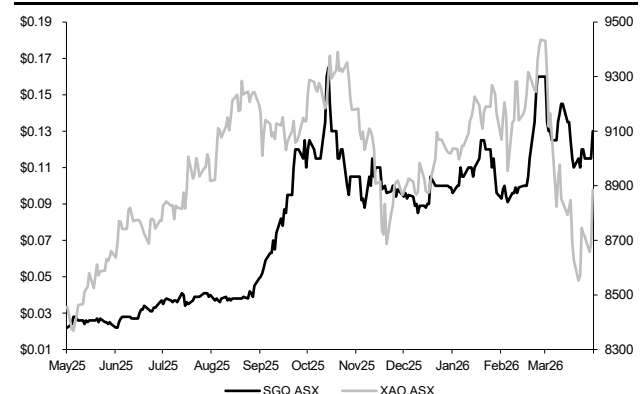
Company Data

Shares – ordinary (M)	3872.5
Right/options (M)	1032
Diluted for rights/options (M)	4905
Market capitalisation (\$M)	465
12 month low/high (\$)	0.01/ 0.18
Average monthly turnover (\$M)	111.9
GICS Industry	Metals & Mining

Financial Summary (fully diluted/normalised)

Year End June	FY26F	FY27F	FY28F	FY29F	FY30F
Revenue (\$M)	0.0	0.0	0.0	197.9	294.7
Costs (\$M)	-5.0	-5.0	-5.0	-57.2	-84.2
EBITDA (\$M)	-5.0	-5.0	-5.0	140.7	210.5
NPAT (\$M)	-8.8	-4.5	-20.3	93.2	143.8
EPS (¢ps)	-0.3	-0.1	-0.4	1.9	2.9
EPS growth (%)	-ve	-ve	-ve	>100%	54%
PER (x)	na	na	na	6.4	4.1
Op. Cashflow (\$M)	-14.9	-5.0	-5.5	114.3	165.5
OCFPS (¢ps)	-0.4	-0.1	-0.1	2.3	3.3
POCFPS (x)	na	na	na	5.2	3.6
Enterprise Value (\$M)	432	415	551	561	729
EV / EBITDA (x)	-86.3	-83.0	-110.2	4.0	3.5
Payout ratio (%)	na	na	na	na	na
Dividends (¢ps)	0.0	0.0	0.0	0.0	0.0
Yield (%)	na	na	na	na	na
Franking (%)	0%	0%	0%	0%	0%

SGQ – performance over one year



Disclosure and Disclaimer

This report must be read with the disclosure and disclaimer on the final page of this document.

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Analysis

St George Mining (SGQ)

Year End June

Share price (A\$)	0.12
Issued Shares (m)	3,872
Market Cap (A\$m)	465
Options/Rights/To Issue (m)	1,032
Dilution (m)	200 (A\$30m in new equity @ A\$0.15/sh)
Fully Diluted no. of Shares (m)	5,104

P&L Statement (A\$m)	FY26F	FY27F	FY28F	FY29F	FY30F	FY31F	FY32F
Revenue	0.0	0.0	0.0	198	295	642	783
Costs	(5.0)	(5.0)	(5.0)	(57.2)	(84.2)	(178)	(211)
EBITDA	(5.0)	(5.0)	(5.0)	141	210	464	572
Depreciation & Amortisation	0.0	(0.5)	(10.0)	(20.0)	(20.0)	(40)	(40)
Operating profit	(5.0)	(5.5)	(15.0)	121	190	424	532
NOI	(3.9)	0.0	(0.8)	0.0	0.0	0	0
EBIT	(8.9)	(6)	(16)	121	190	424	532
Interest income	0.1	1.0	1.5	1.0	0.7	2	7
Interest expense	0.0	0.0	(6.0)	(12.0)	(22.0)	(27)	(17)
Tax expense	0.0	0.0	0.0	(16.5)	(25.4)	(120)	(157)
Minority interest	0.0	0.0	0.0	0.0	0.0	0	0
Reported NPAT	(8.8)	(4.5)	(20.3)	93.2	144	280	365
EPS Reported (A\$c)	(0.26)	(0.10)	(0.42)	1.88	2.90	5.6	7.4
DPS - Declared (A\$c)	0.0	0.0	0.0	0.0	0.0	1.0	2.0
Avg. no. of shares (m)	3,397	4,316	4,860	4,960	4,960	4,960	4,960
YE no. of shares (m)	3,872	4,760	4,960	4,960	4,960	4,960	4,960

Araxá Niobium Project	FY27F	FY28F	FY29F	FY30F	FY31F	FY32F
Mill throughput (kt)	0	0	1,000	1,500	2,000	2,000
Nb grade (%)	na	na	0.65%	0.65%	0.65%	0.65%
Nb recovery (%)	na	na	51%	51%	51%	51%
FeNb 66% conc. production (t)	0	0	5,023	7,534	10,045	10,045
Index FeNb price (US\$/kg CFR China)	na	na	40	40	40	40
ARP (US\$/kg)	na	na	40	40	40	40
AISC (US\$/kg)	0	0.0	11.8	10.9	10.4	10.4
Revenue (A\$m)	0	0	198	295	390	390

Araxá REE Project	FY27F	FY28F	FY29F	FY30F	FY31F	FY32F
Mill throughput (kt)	0	0	0	0	100	150
TREO grade (%)	na	na	na	na	9.0%	9.0%
TREO recovery (%)	na	na	na	na	60%	60%
MREC production (t)	0	0	0	0	5,400	8,100
Index Nd/Pr (US\$/kg, CFR China)	100	105	110	110	115	120
ARP MREC (US\$/kg)	na	na	na	na	31.7	33.0
AISC MREC (US\$/kg)	0	0	0	0.0	11.6	10.5
Revenue (A\$m)	0	0	0	0	252	393

Note: TREO = Total Rare Earth Oxides, MREC = Mixed Rare Earth Carbonate

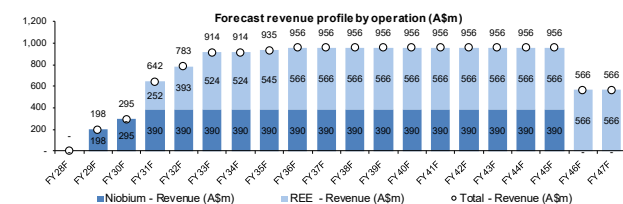
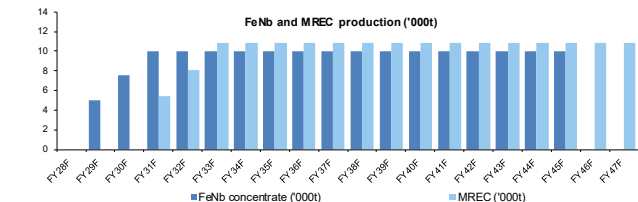
Cash Flow (A\$m)	FY26F	FY27F	FY28F	FY29F	FY30F	FY31F	FY32F
EBITDA	(5.0)	(5.0)	(5.0)	140.7	210.5	464	572
Working capital change	(9.9)	0.0	(0.5)	(9.9)	(19.6)	(75)	(100)
Tax expense	0.0	0.0	0.0	(16.5)	(25.4)	(120)	(157)
Operating Cash Flow	(14.9)	(5.0)	(5.5)	114	166	269	316
Capex (growth)	(22.5)	(10)	(150)	(100)	(300)	0	0
Capex (sustaining)	0	0	0	(8)	(8)	(28)	(28)
Explor./development	(10)	(5)	(5)	(5)	(5)	(5)	(5)
Investing Cash Flow	(33)	(15)	(155)	(113)	(313)	(33)	(33)
Net interest received / (paid)	0.1	1.0	(4.5)	(11.0)	(21.3)	(25)	(10)
Debt drawdown / (payment)	0.0	0.0	120.0	0.0	200.0	(100)	(100)
Dividends	0.0	0.0	0.0	0.0	0.0	0	0
Equity raised / (repaid)*	77.5	0.0	30.0	0.0	0.0	0	0
Financing Cash Flow	77.6	1.0	145.5	(11.0)	178.7	(125)	(110)
Other**	0.0	35.5	(0.8)	0.0	0.0	0	0
Inc/(Dec) in Cash	30.3	16.5	(15.8)	(9.7)	31.2	112	172

Balance Sheet (A\$m)	FY26F	FY27F	FY28F	FY29F	FY30F	FY31F	FY32F
Cash & Equivalents	33.0	49.5	33.8	24.1	55.3	167	339
Receivables	0.0	0.0	0.0	15.8	23.6	61.1	111.1
Inventories	0.0	0.0	0.0	9.9	29.5	39.3	49.0
Other Current Assets	0.2	0.2	0.2	0.2	0.2	0.2	0.2
PPE and Explo/Dev.	80	94	239	332	625	618	611
Deferred tax asset	0.0	0.0	0.0	0.0	0.0	0	0
Other Non Current Assets	0.0	0.0	0.0	0.0	0.0	0	0
Total Assets	113	144	273	383	734	886	1,111
Payables and other CL	3.0	3.0	2.5	18.3	26.1	26.1	26.1
ST Debt / Lease Liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LT Debt/Lease Liabilities	0.0	0.0	120.0	120.0	320.0	220	120
Other NC Liabilities	8.9	8.9	8.9	8.9	8.9	9	9
Other	0.0	0.0	0.0	0.0	0.0	0	0
Total Liabilities	11.8	11.8	131.4	147.2	354.9	255	155
Equity	101	132	142	235	379	631	956
Liabilities & Equity	113	144	273	383	734	886	1,111

Ratios	FY26F	FY27F	FY28F	FY29F	FY30F	FY31F	FY32F
P/E (x)	na	na	na	6.4	4.1	2.1	1.6
Debt/Equity	0%	0%	84%	51%	84%	35%	13%
ROE (%)	-8.7%	-3.9%	-14.8%	49.4%	46.8%	55.4%	46.0%

Note: * Diluted for forecast A\$30m in new equity in FY28F at A\$0.15/sh. ** Diluted for in-the-money options; in FY26F 39m options @ A\$0.10 = A\$3.9m and in FY27F 888m options @ A\$0.04 = A\$35.5m.

Araxá Resources (March 2026)	Tonnes (Mt)	Nb ₂ O ₅ (%)	Nb ₂ O ₅ (Mt)
Niobium	70.9	0.62%	0.44
Araxá Resources (March 2026)	Tonnes (Mt)	TREE (%)	TREE (Mt)
Rare Earths	70.9	4.06%	2.88



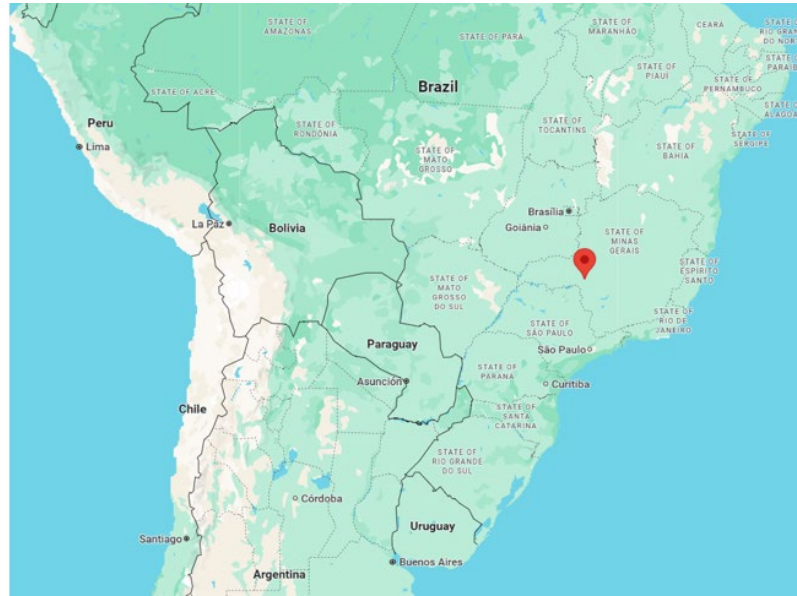
Valuation	(A\$m)	(A\$/sh)
Niobium fcast mine inventory NPV10 (34.7Mt ore)	1,145	0.23
Residual Resource (36.2Mt ore)	474	0.10
Niobium Total Resource (70.9Mt ore)	1,618	0.33
REE fcast mine inventory NPV10 (3.4Mt ore)	1,151	0.23
Residual Resource (67.4Mt ore)	305	0.06
REE Total Resource (70.9Mt ore)	1,456	0.29
REE risk discount (timing, capex, ARP, opex)		50%
REE Project - risked	728	0.15
Araxá combined Nb & REE Projects	2,347	0.47
Araxá exploration upside (nominal)	100	0.02
Australian Li, Ni, Cu Projects (nominal)	25	0.01
Corporate costs	(81)	(0.02)
Enterprise value	2,391	0.48
Net cash (debt) FY27F	50	0.01
Equity value	2,440	0.49

Source: Petra Capital

Araxá Niobium-REE Project (SGQ 100%)

The Araxá Niobium-REE Project is located in the State of Minas Gerais, Brazil, 375km west of the state capital Belo Horizonte, and 550km north of Sao Paulo and the port of Santos (the second largest container port in Latin America) – Fig. 1.

Figure 1: Araxá Project location in the State of Minas Gerais, Brazil



Source: Google Maps

The Project is adjacent to, and within, the same Barreiro carbonatite intrusion that hosts CBMM's niobium mine (~80% of the world's niobium production). Mosaic's (NYSE: MOS) phosphate mine is immediately to the southwest. On 16 February 2026, SGQ announced it had secured land (A\$3.8m) suitable for a processing facility, less than 2km from the Araxá Project mining tenure (Fig. 2).

Figure 2: Aerial image of the Barreiro carbonatite complex, Araxá Project and adjacent mines



Source: Company

Figure 3: Strategic alliance with award winning Boston Metal. CEO ex CBMM.

- **Strategic Downstream Alliance:** St George and Boston Electrometallurgical Corporation (**Boston Metal**) have entered into a strategic alliance to trial Boston Metal’s patented Molten Oxide Electrolysis technology to produce niobium products from the large niobium resource at St George’s world-class Araxá Project, in the Brazilian State of Minas Gerais.
- **Boston Metal – a leader in innovative metals processing:** Developed at the world-renowned Massachusetts Institute of Technology (MIT) and commercialised at Boston Metal, Molten Oxide Electrolysis (MOE) is a platform technology that enables efficient metals production from low-grade raw materials, offering the promise of higher yields, simplified process flow, lower cost, and significant reduction in carbon emissions.
- **Global recognition of Boston Metal:** In addition to attracting over US\$500 million in investment from a world-class syndicate, MOE won the inaugural S&P Global Platts Metals Award for new technology in the metals and mining industry and was twice recognised by TIME Magazine, which in 2024 named Boston Metal one of its Top 100 Influential Companies and placed MOE on its Best Inventions List in 2025.
- **Strong industry support:** Boston Metal’s financial backers include global majors BHP, BMW, Microsoft, ArcelorMittal, Vale and Aramco. Additionally, Boston Metal is executing a global portfolio of projects with major mining and metals companies to explore MOE’s differentiated performance.

The Chairman and CEO of Boston Metal is Mr Tadeu Carneiro, a metallurgical engineer, who has extensive experience in the metals industry including deep expertise in niobium. Mr Carneiro worked at CBMM for nearly 30 years, including 10 years as CEO during which he led an 800% increase in the global niobium market. Mr Carneiro is also the lead independent director at Ivanhoe Mines.

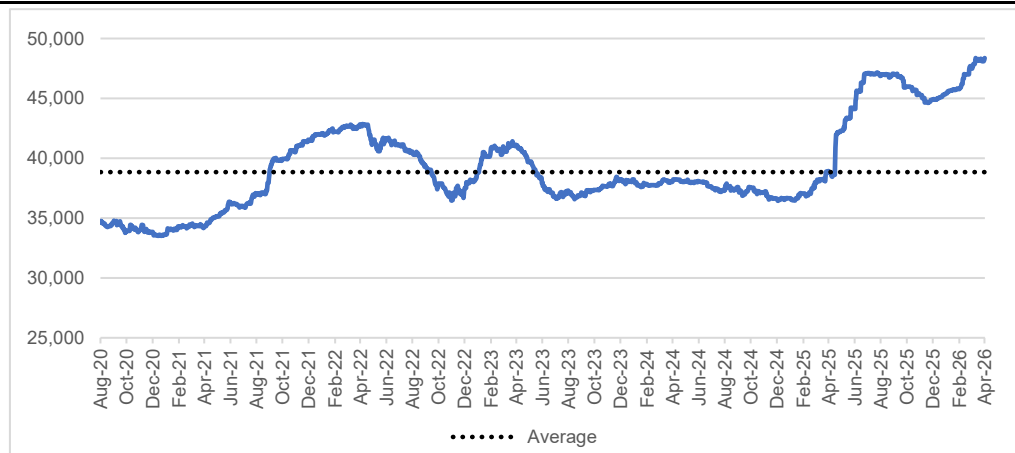
Source: Company

Figure 4: Araxá Project Resource (71Mt @ 4.06% TREO and 0.62% Nb₂O₅)

Resource Classification	Million Tonnes (Mt)	TREO (%)	MREO (%)	Nb ₂ O ₅ (%)
Measured	8.02	5.23	0.95	1.06
Indicated	21.46	4.31	0.80	0.63
M&I	29.49	4.56	0.84	0.75
Inferred	41.42	3.71	0.72	0.52
Total	70.91	4.06	0.77	0.62

Source: Company

Figure 5: Ferroniobium price (US\$/t Nb in alloy) (Aug. 2020-present)



Source: Bloomberg, compiled by Petra Capital

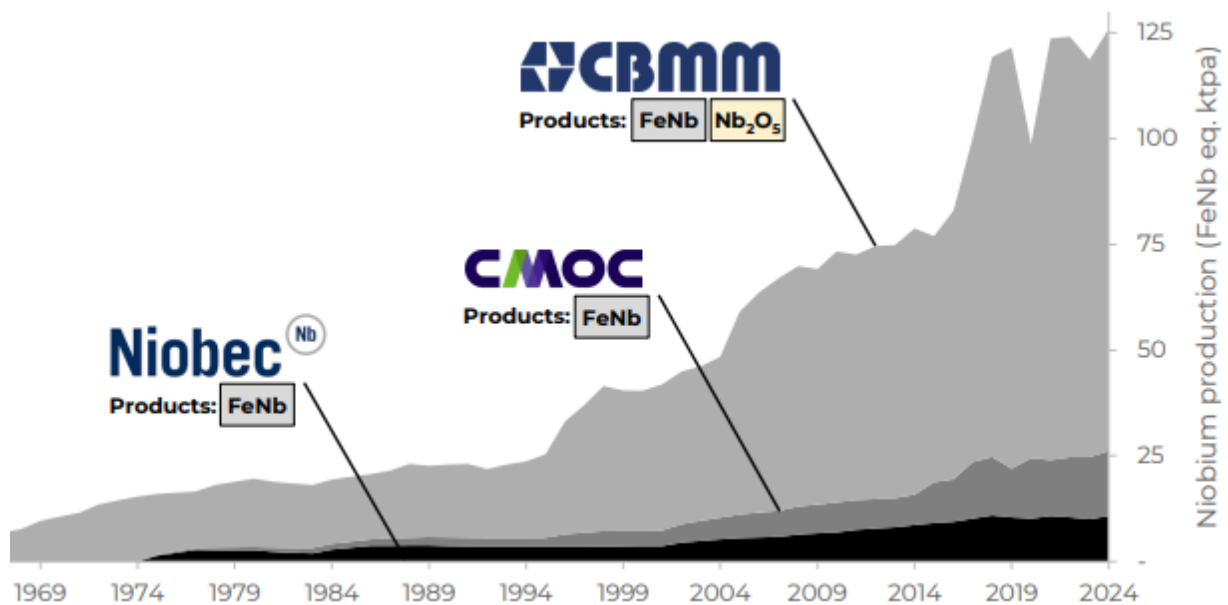
Figure 6: Niobium is ranked second in terms of potential US GDP loss from supply disruption



Source: Visual Capitalist

Current global niobium demand is ~125,000tpa with 90% of supply coming from CBMM and CMOC's Brazilian operations and 10% from Niobec's Canadian operations (Fig. 7).

Figure 7: Global niobium production is dominated by three producers - CBMM, CMOC, Niobec



Source: WA1



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