

20 August 2026

Araxá: Bigger, Better, World Class

NEED TO KNOW

- Mineral Resource Estimate (MRE) grows 57% to 111.2Mt
- Measured and Indicated (M&I) resource rises 155%
- East Araxá maiden MRE targeted for 4QCY26

MRE grows 57% to 111.2Mt, confirming Araxá's global scale: The updated MRE grades at 3.57% TREO and 0.57% Nb₂O₅, with contained TREO up 38% and Nb₂O₅ up 44%. The deposit remains open in all directions.

M&I resource up 155% to 75.2Mt; large high-grade zones give early optionality: At 3.64% TREO and 0.58% Nb₂O₅, M&I now represents 68% of the MRE, strengthening confidence in the resource. Higher-grade zones hold 830kt TREO above 6.29% and 120kt Nb₂O₅ above 0.90%, offering options to lift early cash flow.

And there's more – East Araxá maiden MRE targeted for 4QCY26: Five diamond rigs are defining geometry, continuity and grade.

Playing in the big league: Lynas' Mt Weld and MP Materials' Mountain Pass are the western world's premier rare earth deposits. St George Mining's (SGQ) MRE upgrade puts Araxá firmly in that company, with its total MRE tonnage, M&I contained TREO and contained NdPr oxide now exceeding the numbers from both of these deposits.

Investment Thesis

Araxá Project set up perfectly to become new Nb producer: The project's prime location next to the world's largest niobium (Nb) producer, existing infrastructure, government support and strong customer interest have SGQ set to become a new Nb producer in a relatively short period, with potential to be producing in 18 months or so. Araxá compares favourably against its global Nb peers, and we estimate a relatively low capex. At full Nb production, we estimate EBITDA of ~US\$130m pa at margins of >60%.

Significant added value from world-class rare earths: Araxá's upgraded high-grade rare earth elements (REE) mineralisation has shown that it is a world-class deposit in both size and grade, comparable to major western world REE producers Lynas and MP Materials. With SGQ pursuing metallurgical testing, pilot plant production and economic studies for the REEs, significant catalysts could drive further value for SGQ.

Further material upgrades to MRE on the way: The drilling campaign will continue at Araxá East and drive an additional upgrade to the MRE with respect to size, confidence and potentially grade, opening the path to longer mine life and higher levels of production.

Valuation (A\$0.45) and Risks

We have upgraded our sum-of-the-parts SGQ valuation to A\$0.45 (previous A\$0.34) as the material increase to the MRE has led to an increase to our EV/Resource valuation for the REEs. We see SGQ shares as substantially undervalued and also see significant potential for upside to our valuation. Key short-term risks: unsatisfactory rare earth metallurgical results, poor Scoping Study outcomes.

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Materials

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ST GEORGE
MINING LIMITED

St George is a global player in niobium and rare earths owning 100% of the advanced niobium-REE Araxá Project in Brazil. Araxá is located in the world's leading district for niobium production and adjacent to the flagship operation of CBMM, the world's largest niobium producer with ~80% of global supply. Araxá is situated in an established mining district with existing infrastructure (roads and power), a proven route to market and access to a skilled workforce, with an open pit, free-digging operation.

Valuation	A\$0.450 (from A\$0.340)
Current price	A\$0.085
Market cap	A\$397m
Cash on hand	A\$80.6m (30 Jun 26)

Upcoming Catalysts / Next News

Period	
3Q/4QCY26	First Araxá economic studies
4QCY26	Maiden East Araxá MRE
4QCY26	Pilot plant commencement
Ongoing	East Araxá drilling and assay results

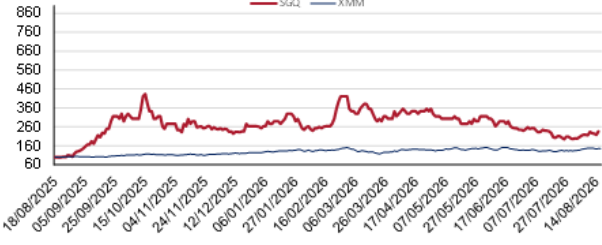
Share Price (A\$)



Source: FactSet, MST Access.

Financial Summary

Figure 1: St George Mining Financial Summary

ST GEORGE MINING LIMITED							SGQ-AU						
Year end 30 June													
MARKET DATA							12-Month Relative Performance vs S&P/ASX Metals & Mining						
Share Price	A\$/sh	0.085											
52 week high/low	A\$/sh	0.18-0.037											
Valuation	A\$/sh	0.45											
Market Cap (A\$m)	A\$m	397											
Net Cash / (Debt) (A\$m)	A\$m	81											
Enterprise Value (A\$m)	A\$m	316											
Shares on Issue	m	4,668											
Options/Performance shares	m	985											
Other Equity	m	446											
Potential Diluted Shares on Issue	m	6,098											
INVESTMENT FUNDAMENTALS		FY24A	FY25A	FY26E	FY27E	FY28E	Profit & Loss (A\$m)		FY24A	FY25A	FY26E	FY27E	FY28E
Reported NPAT	A\$m	(8)	(11)	(10)	(3)	(1)	Revenue		0	0	0	0	0
Underlying NPAT	A\$m	(8)	(11)	(10)	(3)	(1)	Expenses		(8)	(11)	(8)	(8)	(8)
							EBITDA		(8)	(11)	(8)	(8)	(8)
EPS Reported (undiluted)	¢ps	(0.9)	(0.7)	(0.3)	(0.1)	(0.0)	D&A		(0)	(0)	(0)	(0)	(0)
EPS Underlying (undiluted)	¢ps	(0.9)	(0.7)	(0.3)	(0.1)	(0.0)	EBIT		(8)	(11)	(8)	(8)	(8)
Underlying EPS Growth	%	n/m	n/m	n/m	n/m	n/m	Interest		0	0	(1)	5	8
P/E Reported (undiluted)	x	n/m	n/m	n/m	n/m	(7.1)	Tax		0	0	0	0	0
P/E Underlying (undiluted)	x	n/m	n/m	n/m	n/m	(7.1)	NPAT		(8)	(11)	(10)	(3)	(1)
							Exceptionals		-	-	-	-	-
Operating Cash Flow / Share	A\$	(0.00)	(0.00)	(0.00)	0.00	0.00	Reported Profit		(8)	(11)	(10)	(3)	(1)
Price / Operating Cash Flow	x	n/m	n/m	n/m	n/m	86.7	Profit before tax		(8)	(11)	(10)	(3)	(1)
							Balance Sheet (A\$m)		FY24A	FY25A	FY26E	FY27E	FY28E
Free Cash Flow / Share	A\$	(0.01)	(0.01)	(0.01)	(0.00)	(0.03)	Cash		3	3	81	299	168
Price / Free Cash Flow	x	n/m	n/m	n/m	n/m	(3.2)	Receivables		0	0	0	0	0
Free Cash Flow Yield	%	n/m	n/m	n/m	n/m	(0.3)	Inventory		0	0	0	0	0
							PP&E		0	0	21	41	176
Book Value / Share	A\$	0.00	0.01	0.03	0.05	0.05	Exploration		-	47	67	88	88
Price / Book	x	40.82	7.90	2.52	1.82	1.79	Other		1	1	1	1	1
							Assets		3	51	169	428	433
NTA / Share	A\$	0.00	0.01	0.03	0.05	0.05	Creditors		0	0	0	0	0
Price / NTA	x	40.82	7.90	2.52	1.82	1.79	Debt		0	21	21	201	201
							Leases		0	0	0	0	0
Year End Shares	m	989	2,673	4,387	4,861	4,861	Provisions		0	0	0	0	0
Market Cap (spot)	A\$m	84	227	373	413	413	Other		0	0	0	0	0
							Liabilities		1	22	21	202	202
Net Cash / (Debt)	A\$m	3	(18)	60	98	(33)	Net Assets		2	29	148	227	231
Enterprise Value	A\$m	82	245	313	316	446							
							Cashflow (A\$m)		FY24A	FY25A	FY26E	FY27E	FY28E
EV / EBITDA	x	n/m	n/m	n/m	n/m	n/m	Cash From Operations		(3)	(3)	(5)	(3)	(3)
Net Debt / Enterprise Value	x	(0.0)	0.1	(0.2)	(0.3)	0.1	Interest		0	0	(1)	5	8
							Tax		-	0	-	-	-
Dividend Per Share	A¢ps	0.0	0.0	0.0	0.0	0.0	Net Cash From Operations		(3)	(3)	(6)	2	5
							Capex		(0)	(0)	(0)	(0)	(130)
							Exploration		(5)	(4)	(20)	(21)	(5)
							Investments		3	-16	(17)	0	0
							Free Cash Flow		(6)	(24)	(44)	(19)	(130)
							Equity / Options Exercised		5	24	122	56	0
							Borrowings		0	(0)	-	180	-
							Dividend		0	0	0	0	0
							Net Increase / (Decrease) in Cash		(1)	0	78	218	(130)

Source: Company data, MST Access.

Larger Resource, Stronger Foundations

The key points of the updated MRE

SGQ has upgraded the MRE at the Araxá Project for the second time. The key highlights are:

- MRE increased by 57% to 111.2Mt @ 3.57% TREO and 0.57% Nb₂O₅.
- Contained TREO and Nb₂O₅ increased by approximately 38% and 44% respectively.
- The Measured and Indicated (M&I) category increased 155% to 75.2Mt @ 3.64% TREO and 0.58% Nb₂O₅. Inferred Resource decreased by 5.42 Mt (12%), consistent with conversion of material into higher-confidence categories.
- M&I now represents 68% of the MRE, compared with approximately 42% previously, providing a stronger basis for mine planning and development studies.
- The updated MRE includes a higher-grade subset containing 830,000 tonnes of TREO above 6.29% grade and 120,000 tonnes of Nb₂O₅ above 0.90% grade, providing optionality for mine scheduling and targeting high-grade zones in the initial years of potential mining.
- Contained TREO of 3.98Mt includes high-value rare earths, comprising 760kt of NdPr as well as significant volumes of heavy rare earths.
- The East Araxá discovery is not yet included in the new MRE; with five diamond rigs operating, it will deliver a maiden resource estimate in 4QCY26.
- The MRE upgrade materially strengthens Araxá's scale and resource confidence, while its location in an established mining district adjacent to CBMM remains a key development advantage.
- 100% of the MRE within 120m of surface is contained wholly in the weathered profile, making it amenable to potential open-pit mining.
- Araxá's M&I Resources contain more NdPr oxide than the M&I Resources at either Mountain Pass or Mt Weld.
- Further growth remains possible, with the main deposit open in all directions and East Araxá excluded from the current MRE.

Figure 2: Araxá upgraded MRE

Classification	Mt	TREO (%)	Nb2O5 (%)
Measured	33.2	3.81	0.63
Indicated	42.0	3.50	0.54
Inferred	36.0	3.43	0.53
Total	111.2	3.57	0.57

Source: SGQ.

Figure 3: Araxá previous MRE

Classification	Mt	TREO (%)	Nb2O5 (%)
Measured	8.0	5.23	1.06
Indicated	21.5	4.31	0.63
Inferred	41.4	3.71	0.52
Total	70.9	4.06	0.62

Source: SGQ.

The MRE Upgrade in Detail

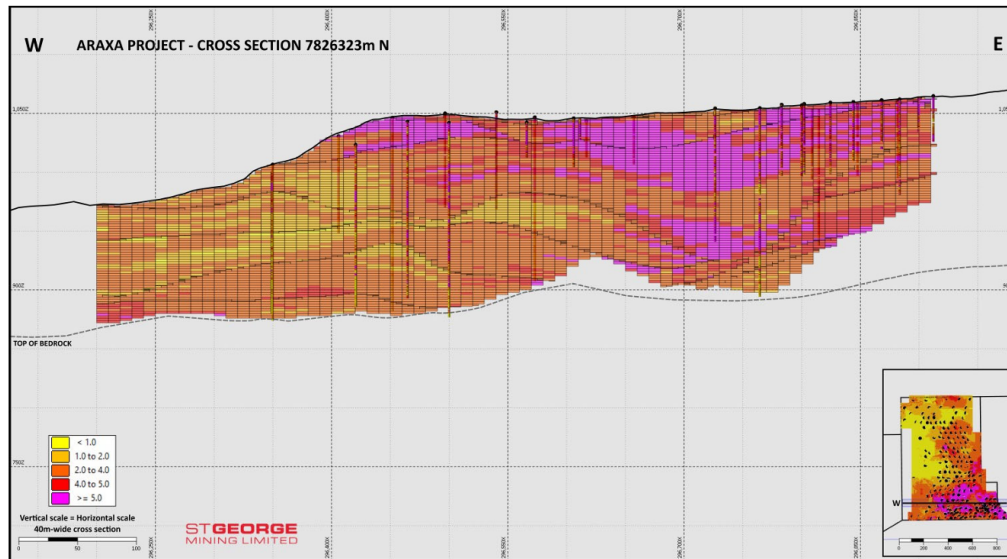
Total tonnage increases 57%, contained TREO 38%

The MRE increased 57% to 111.2Mt @ 3.57% TREO and 0.57% Nb₂O₅, from 70.91Mt @ 4.06% TREO and 0.62% Nb₂O₅ in March.

Average grades declined as the resource expanded, but contained TREO increased approximately 38% from 2.88Mt to 3.98Mt, while contained Nb₂O₅ rose from approximately 440kt to 630kt. The updated estimate also contains 760kt of NdPr oxides.

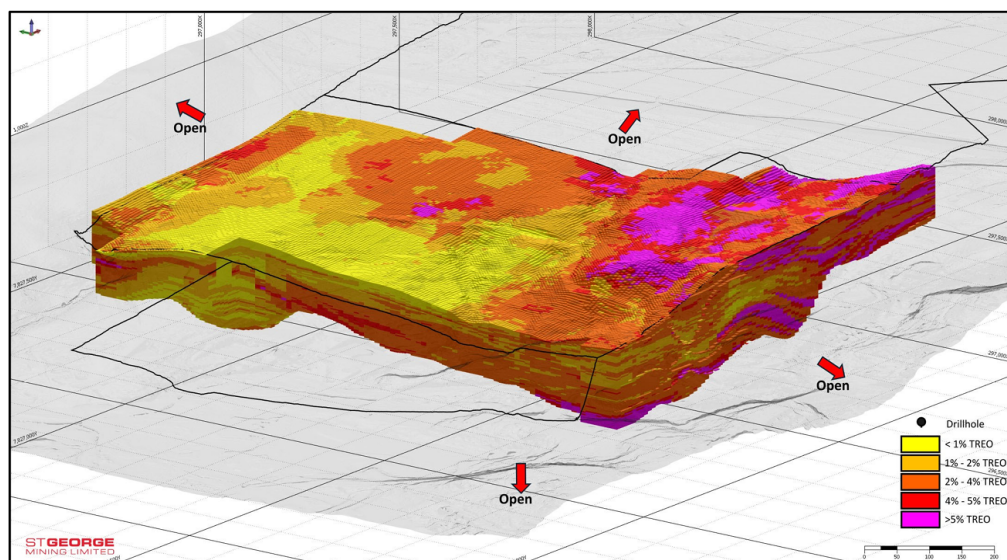
The resource expanded predominantly to the north and west, with mineralisation extending from surface to approximately 180m depth in some areas and remaining open in all directions.

Figure 4: Cross-section of TREO grades



Source: SGQ.

Figure 5: 3D perspective of the new Araxá MRE – TREO (%) grades



Source: SGQ.

M&I Resources rise 155%, materially improving confidence

M&I Resources increased 155%, from 29.49Mt @ 4.56% TREO and 0.75% Nb₂O₅ to 75.2Mt @ 3.64% TREO and 0.58% Nb₂O₅, lifting its share of the MRE from approximately 42% to 68% and giving Araxá a resource base capable of supporting detailed development studies.

Measured Resources alone rose from 8.02Mt to 33.2Mt, while Inferred fell from 41.42Mt to 36.0Mt as drilling converted material into higher-confidence categories.

M&I now contains approximately 520kt of NdPr oxides and 440kt of Nb₂O₅, meaning most of the project's contained metal sits on higher-confidence geological data. That should improve the reliability of assumptions around mineable tonnes, grade continuity, higher-grade scheduling options and future Ore Reserve estimation, and may reduce the infill drilling required, freeing exploration expenditure for resource expansion.

Classification alone does not establish economic viability, which remains dependent on metallurgy, mine design, costs and other modifying factors.

Main resource remains open in all directions

The main Araxá deposit remains open laterally and at depth, while 36.0Mt remains classified as Inferred and available for further conversion through infill drilling. Further drilling at the main deposit offers an additional pathway to expand the existing footprint and increase geological confidence.

Further niobium resource outside of primary resource

Outside the primary TREO-based MRE, SGQ defined an additional resource of 35.2Mt @ 0.38% Nb₂O₅ and 1.43% TREO using a 0.2% Nb₂O₅ cut-off. This compares with 24.56Mt @ 0.52% Nb₂O₅ in March, representing higher tonnage but a lower average Nb grade. Importantly, its M&I component increased from 2.6Mt to 21.3Mt @ 0.37% Nb₂O₅ and 1.49% TREO.

Together, the primary TREO resource and separate additional Nb resource cover 146.4Mt, containing approximately 4.48Mt of TREO, 870kt of NdPr oxides and 770kt of Nb₂O₅. The additional Nb resource excludes material already captured within the primary MRE, preventing double counting. Compared with March, combined contained TREO increased approximately 41%, while contained Nb₂O₅ rose 36%.

Further infill and step-out drilling will focus on upgrading the remaining 36.0Mt Inferred Resource to M&I and extending mineralisation beyond the current resource boundaries, providing further potential to increase both resource scale and confidence.

Higher-grade zones provide mine-scheduling optionality

A higher-grade subset containing 830kt of TREO in material grading above 6.29% TREO and 120kt of Nb₂O₅ in material grading above 0.90% Nb₂O₅ has been identified in the latest MRE.

This material has not been defined as a separate MRE. The scale indicates that higher-grade zones are not limited to isolated narrow intercepts. Subject to their location within an economic pit shell, these zones could provide flexibility to prioritise higher-value feed during the initial years of a potential operation and generate substantial cashflow.

Prioritising this material could lift initial plant head grades and contained metal production without requiring an equivalent increase in processing throughput, supporting stronger early cash generation and a faster recovery of development capital. Mine design will also need to determine whether selectively targeting higher-grade material improves project value without disrupting the efficient extraction of surrounding lower-grade mineralisation.

Simple geology and profile augurs well for mining

Continuous orebody

The refined 3D interpretation and infill drilling indicate broad lateral and vertical continuity of TREO and Nb₂O₅ grades. From a development perspective, a coherent mineralised envelope may simplify orebody definition, support larger mining panels and provide greater flexibility when scheduling higher-grade zones. The increase in M&I Resources also provides greater confidence that this continuity can be incorporated into economic studies rather than remaining an exploration assumption. The updated geological model confirms that Araxá is a broad, laterally continuous mineralised system commencing from surface, rather than a series of isolated high-grade zones.

120m weathered zone

All Mineral Resources occurring within the upper 120m are contained in the weathered profile, while the block model extends locally to approximately 180m depth. This geometry supports the case for open-pit development. Within the weathered profile, SGQ describes the mineralisation as 'free-digging', potentially reducing drill-and-blast requirements and the intensity of primary crushing and grinding. These characteristics could support lower mining and comminution costs relative to a fresh-rock operation.

Fresh rock to 180m – continuity of mineralisation

Below approximately 120m, mineralisation transitions into fresh rock and extends locally to around 180m. This confirms that Araxá is not solely a shallow weathering-related accumulation and provides longer-term depth potential. Fresh rock material is nevertheless likely to require different mining, comminution and recovery assumptions and should therefore be assessed separately from the weathered inventory. With the deposit remaining open laterally and at depth, further drilling may continue to expand the resource. However, the shallow, higher-confidence weathered material is likely to provide the most logical foundation for initial development studies.

High-value rare earths prevalent

High NdPr ratio adds value

NdPr is the principal rare earth used in high-performance permanent magnets and is highly valued in the market place.

The updated MRE contains approximately 760kt of NdPr oxides, including around 520kt within the M&I categories, representing approximately 19% of TREO across the total resource, with a similar proportion in the M&I and Inferred categories.

Figure 6: Breakdown of light rare earth oxides (LREO) using a 2% TREO cut-off

Resource Classification	Mt	Suite of LREO's					
		CeO ₂ (%)	La ₂ O ₃ (%)	Nd ₂ O ₃ (%)	Pr ₆ O ₁₁ (%)	Sm ₂ O ₃ (ppm)	LREO(%)
Measured	33.2	1.88	1.06	0.54	0.18	0.03	3.71
Indicated	42.0	1.71	0.96	0.51	0.17	0.05	3.4
Inferred	36.0	1.68	0.94	0.50	0.16	0.05	3.34
Total	111.2	1.75	0.98	0.51	0.17	0.05	3.47

Source: SGQ.

Heavy rare earths provide additional, but unproven, value

The heavy rare earths dysprosium and terbium are particularly relevant to permanent magnets, which require improved temperature resistance, while yttrium has applications across advanced ceramics, electronics and other specialised technologies.

The updated MRE averages approximately 108ppm dysprosium oxide, 28ppm terbium oxide and 413ppm yttrium oxide, with broadly consistent concentrations across the resource classifications.

The scale of the resource means these heavy rare earths could contribute additional product value, but head grades alone do not establish an economic by-product. Their contribution will depend on mineral deportment, recovery through the selected flowsheet, separation performance and the specifications and payability of the final product. Similarly, any strategy to remove or commercialise the larger lanthanum and cerium components could increase the relative concentration of NdPr and heavy rare earths in the final product.

Potential to be refined by studies

Overall, the higher-grade zones provide SGQ with potential flexibility to optimise pit staging and feed selection, while the NdPr and heavy rare-earth inventory may enhance the value of the resulting product. The economic benefit will ultimately depend on whether mine planning and metallurgical studies can convert this geological optionality into recoverable, payable production.

East Araxá maiden MRE targeted for 4QCY26

Five-rig campaign advancing East Araxá towards a maiden resource

The updated 111.2Mt MRE covers only the main Araxá deposit and excludes the East Araxá discovery, located approximately 1km to the east.

Five diamond rigs are now operating 24/7 at East Araxá, with drilling focused on defining the geometry, grade distribution and continuity of the mineralised system. The campaign is intended to establish sufficient drill spacing and geological data to support a maiden MRE targeted for 4QCY26, subject to assay turnaround and completion of resource modelling.

Initial auger and aircore drilling established the discovery and returned individual assays of up to 12.34% TREO, while subsequent RC drilling confirmed thicker intervals of rare earth and Nb mineralisation from near surface. Standout results included:

- 48m @ 5.71% TREO from 2m in AXRC008
- 40m @ 2.62% TREO and 1.05% Nb₂O₅ from 2m in AXRC010.

These intercepts provide a strong basis for follow-up, with the current diamond program seeking to demonstrate that the mineralisation connects into coherent zones of sufficient scale.

Demonstrating further continuity

Further Mineral Resource defined at East Araxá would be additional to the current 111.2Mt estimate, and the next resource growth catalyst for the project. The key outcomes will be total tonnage, average TREO and Nb₂O₅ grades, continuity and the depth and weathering profile of the mineralisation.

Metallurgical compatibility with the main deposit will also be important. If East Araxá exhibits similar mineralogy and processing characteristics, it could potentially provide additional feed for a broader Araxá development.

A quick recap on the last drilling results

Prior to the upgraded resource, SGQ released a final batch of drilling results, further demonstrating the quality of the project, including a record intercept of 207m of mineralisation. For a detailed look at the drilling results that preceded those shown below, please see our report published 2 July 2026: ['Araxá Funded and Firing'](#).

TREO results

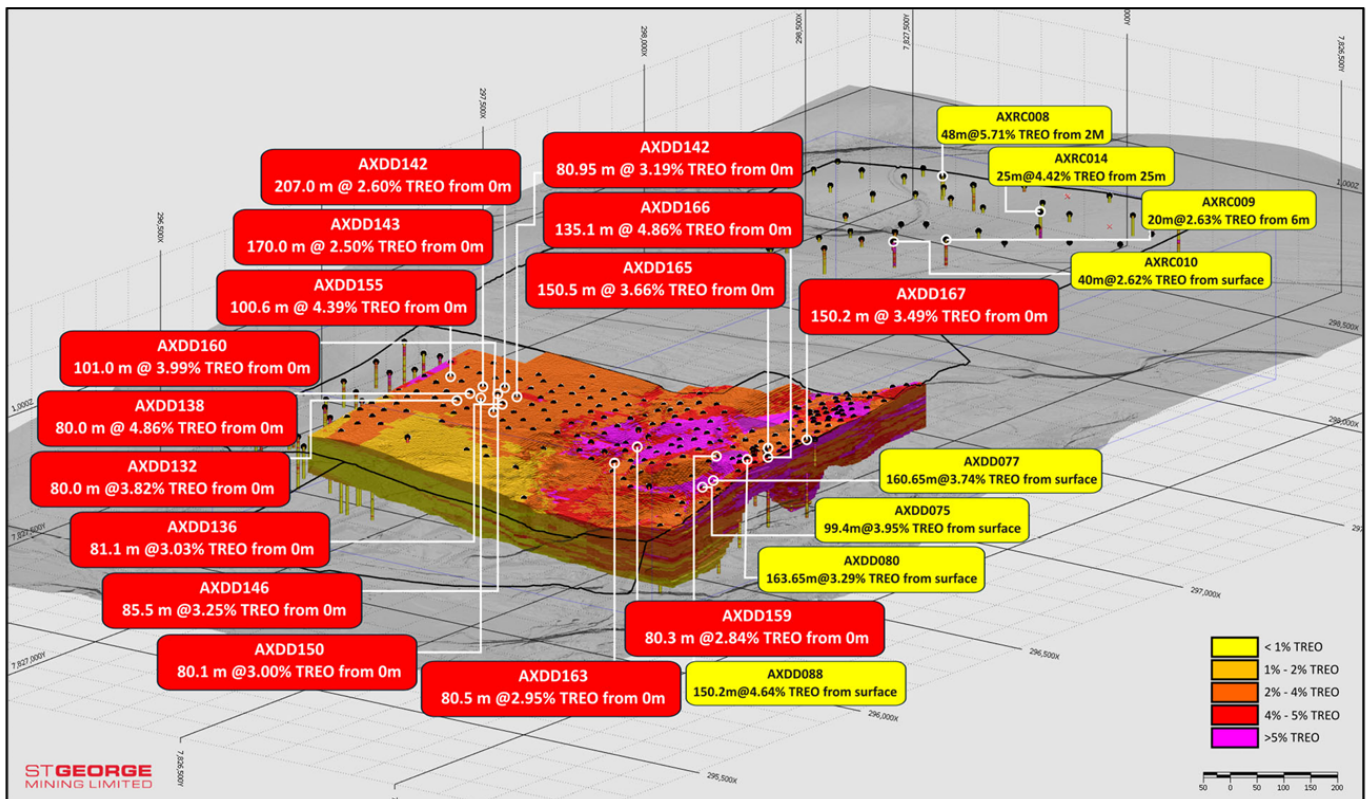
- 135.1m @ 4.86% TREO from surface in AXDD166, including:
 - 69m @ 7.33% TREO from surface
 - 20m @ 12.65% TREO from surface
- 150.5m @ 3.66% TREO from surface in AXDD165, including:
 - 67m @ 5.46% TREO from surface
- a record 207m @ 2.60% TREO from surface in AXDD142, including:
 - 45m @ 4.68% TREO from surface.

Nb results

Further high-grade Nb was also intersected:

- 150.2m @ 0.72% Nb₂O₅ from surface in AXDD167, including:
 - 50.7m @ 0.87% Nb₂O₅ from 32.9m
 - 19m @ 1.32% Nb₂O₅ from 85m
- 150.5m @ 0.70% Nb₂O₅ from surface in AXDD165, including:
 - 53m @ 1.21% Nb₂O₅ from surface
 - 5.6m @ 2.09% Nb₂O₅ from 6m.

Figure 7: Results released in July – latest diamond drill holes as well as other significant drilling completed



Source: SGQ.

A World-Class Orebody – Compares to the Best

The upgrade to the Araxa MRE has confirmed the orebody as world class.

A high-quality rare earths project

Lynas' Mt Weld and MP Materials' Mountain Pass are the western world's premier rare earth deposits. SGQ's MRE upgrade puts Araxá firmly in that company, with its numbers for total MRE tonnage, M&I contained TREO and contained NdPr oxide now exceeding those for both of these premier projects.

The comparison of the orebodies is not a perfect science, and Araxá is immature compared to these two producing assets, but it is clear that Araxá has an orebody that could be classified as amongst the best in the western world.

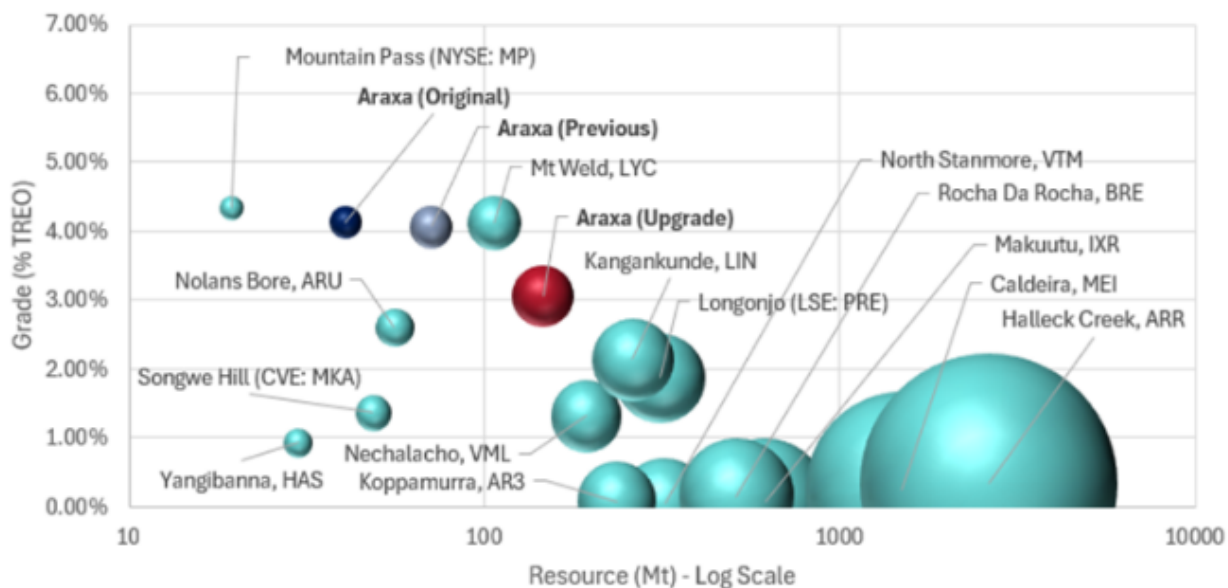
Figure 8 compares these key projects, and Figure 9 shows Araxá compared to a broader sample of rare earths projects.

Figure 8: Comparison of Araxá to Mt Weld (Lynas) and Mountain Pass (MP Materials)

	St George	Lynas	MP
Mkt Cap and Exchange	A\$385m ASX	A\$16.4b ASX	US\$9.1b NYSE
Project	Araxá, Brazil	Mt Weld, Aust.	Mountain Pass, USA
Deposit Style	Hard-rock	Hard-rock	Hard-rock
Stage	Development studies	Producing	Producing
REE Product	Oxide	Oxide	Oxide
MRE for TREO (Mt)	Measured: 33.2 Indicated: 42 Inferred: 36 Total: 111.2	Measured: 20 Indicated: 15.5 Inferred: 71.1 Total: 106.6	Measured: 0.1 Indicated: 31.5 Inferred: 9.1 Total: 40.6
TREO Grade (%)	Measured: 3.81% Indicated: 3.5% Inferred: 3.43% Total: 3.57%	Measured: 7.2% Indicated: 4.3% Inferred: 3.2% Total: 4.1%	Measured: 9.5% Indicated: 6.2% Inferred: 5.1% Total: 5.9%
M&I Contained NdPr (t)	522,000	481,500	298,642
MRE Contained NdPr (t)	760,000	1,023,397	394,025
MRE Contained Nb₂O₅	630,000	Nil Reported	Nil Reported

Source: Company data, SGQ.

Figure 9: Major REE deposits Resource Size and Grade



Source: Company data.

Don't forget the niobium!

Araxá stands tall amongst Nb projects as well.

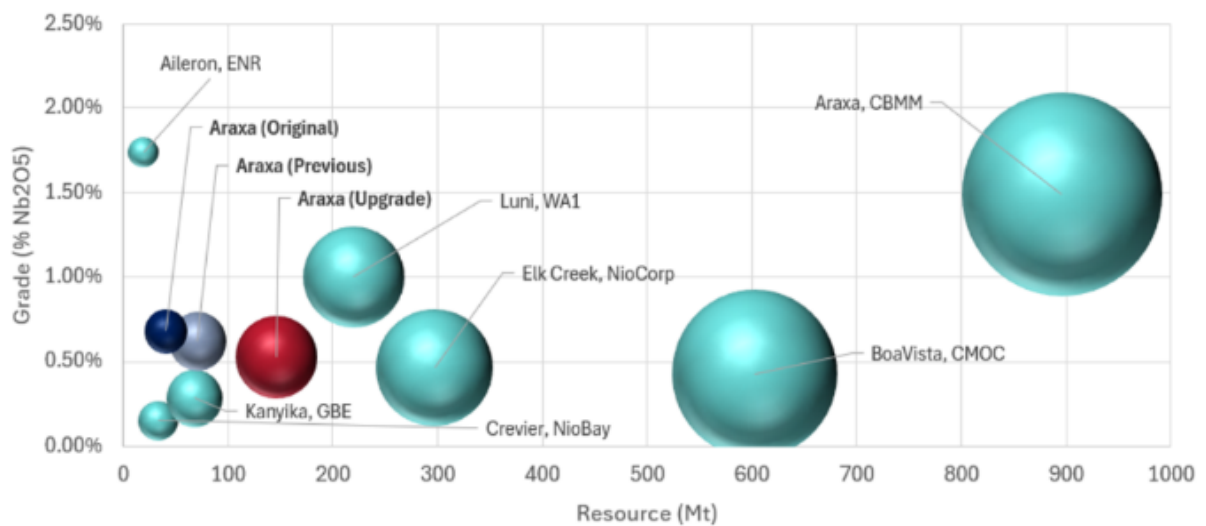
CBMM (Araxá's neighbour) stands out as the world's largest and highest-grade deposit. However, Araxá stacks up as a high-quality Nb deposit when compared to the remainder of its peers.

Figure 10: Araxá compares favourably in terms of most desirable features (Nb comparison)

	SGQ's Araxa	WA1's West Arunta	NioCorp's Elk Creek	Globe Metals & Mining's Kanyika
Resource Size	✓	✓	✓	-
Resource Grade	✓	✓	-	✗
Infrastructure	✓	✗	-	✗
Metallurgical process	✓	-	-	-
Approvals Process	✓	✓	-	-
Capex	✓	✗	-	-
Opex	✓	-	-	-
Time to market	✓	✗	-	-
Jurisdiction	✓	✓	✓	✗

Source: Company reports, MST.

Figure 11: Niobium Project Comparisons Resource Size and Grade



Source: Company data.

Next Steps – Studies, Met Work and Funding

SGQ is working towards finalising economic studies on Nb, conducting metallurgical testing and pilot plant trials for rare earths and continuing discussions with strategic investors for funding of the project and downstream partners for offtake arrangements.

Niobium economic study – 2HCY26: a major milestone

SGQ had planned to release a Scoping Study (SS) for the development of the Nb resource in late CY25. However, due to the success of the drilling campaign, SGQ decided to defer the SS until after the upgraded resource was known.

SGQ now expects to have a SS out for the Nb project in 2HCY26, and we see this as a major potential catalyst for the stock as a key valuation marker for the project.

Studies, metallurgy and funding – advancing towards development

Met testing – results: SGQ is continuing with metallurgical testing of rare earths, and expects to release results in 3QCY26. The testing is important as the results will determine the optimal process flowsheet and the type of product from the plant.

Pilot plant – commencing 3Q/4QCY26: SGQ has an agreement with CEFET University to establish the St George Technological Centre in Minas Gerais.

The pilot plant, to be constructed by SGQ, will cornerstone the Technological Centre. The plant will have capacity for both mineral processing and hydrometallurgical refinement with an input of 200–300kg per hour with potential to produce sample products of ferroniobium and rare earths – including rare earth concentrate, MREC (mixed rare earth carbonate) and rare earth oxides.

The new pilot plant will build on the previous pilot plant study completed in 2012–2013 by the previous owner of the project. That study produced a rare earths oxalate from the chemical refinement of the rare earths from the Araxá Project.

The historical pilot plant is in SGQ's possession and a review will be completed jointly by CEFET and SGQ as to how the previous equipment can be utilised in the new St George Technological Centre.

The pilot plant is targeted to commence in 3Q/4QCY26.

Ongoing funding and offtake discussions

SGQ has established a world-class REE and Nb project in a very short period, which (as discussed above) has the potential to grow materially larger.

The project has attracted significant interest from potential strategic investors (at both the project and corporate level), funding institutions, customers and downstream processors for both REEs and Nb.

SGQ continue to discuss the project with these parties and SQG expects that from these discussions, there will be material commitments to support the development of Araxá.

Permitting

SGQ continues to progress permitting and licensing, with 2 mining and 1 exploration permit in process. SGQ also continues to engage with the government and the community and has received strong support from both. Further approvals will be required upon SGQ going forward with the development of processing plants.

Valuation: MRE Upgrade Drives Higher Valuation

Methodology: SOTP includes risked NPV (Nb) + EV/Resource (rare earths)

We value SGQ using a sum-of-the-parts (SOTP) valuation of risked NPV for Nb production and EV/Resource for the REEs. Our valuation is A\$0.45 per share (previous A\$0.34 per share), fully diluted (see Figure 12).

We believe SGQ shares are currently trading at a substantial discount to fair value based on our assessment of the fundamental value of the flagship Araxá Project. In our view, the share price does not factor in the value of the project given its location in Brazil, the established infrastructure, government support, a high-grade world-class REE resource and an Nb market that needs new suppliers.

Our valuation has increased substantially, driven by the second material upgrade to the MRE. After the previous MRE upgrade, we extended the mine life of the Nb project by 10 years to 25 years; we have kept this assumption constant this time around as we await a study from SGQ. Our REE valuation has increased, however, due to a material increase in the size of the resource and the potential value placed upon it by the market.

We also believe that there is significant possible upside to our valuation due to a potential further material upgrade to the resource on the back of further substantial drilling results, extension to our assumed mine life and potential production upside. The inclusion of Araxá East in a further upgrade to the MRE should see an additional increase to our valuation for the REEs.

REE not specifically modelled at this stage – preliminary NPV calculated

We have not modelled REE production at this stage, as this portion of the project is not as advanced as the Nb portion. There is metallurgical work underway on the REEs; however, SGQ is still determining the processing route and the final REE product. Given the complex nature of REE production and the options open to SGQ along the REE value chain, we consider that an NPV-based valuation at this stage would be highly risked and would not adequately reflect the full value of the asset. We consider the EV/Resource valuation as a reflection of the 'value in the ground' and believe that it demonstrates how substantially undervalued SGQ's REE project is when compared to its listed peers.

We have, however done a very preliminary and rudimentary NPV for the REE portion of the asset as a scenario analysis (not used in our base case), and have arrived at an unrisksed valuation of A\$2.2b or A\$0.39 per share (and hence an unrisksed total share value of A\$0.53 per share). At this point we do not place any reliance on this valuation and show it only as a potential indication of the value of the REE portion of the project.

Niobium NPV modelled

In our base-case SOTP valuation, we have the probability rating for the Nb project as 100% – we see the progression of the project as a virtual certainty. We await the updated Scoping Study in 2HCY26 to further enhance our numbers.

Figure 12: Valuation – sum of the parts (base case)

NPV OF PROJECTS	US\$M	Ownership	Risk	A\$M	A\$/share	Previous Valuation
ARAXA - Niobium - Risked NPV	658	100%	100%	983	0.16	0.17
ARAXA - REE EV / Resource Valuation	1,101	100%	100%	1,643	0.29	0.16
Corporate Costs	(65)	100%	100%	(70)	(0.01)	(0.01)
Net Cash (Debt)	53	100%	100%	81	0.01	0.02
Total				2,637	0.45	0.34
WACC					10.0%	
AUDUSD					0.67	
Shares on issue (Undiluted)					4,668	
Options & Performance Rights					985	
Additional Equity Required					446	
Shares on issue (Fully Diluted)					6,098	

Source: MST.

Base-case valuation components

Niobium: risked NPV = A\$0.16 base-case contribution

We have completed an NPV assessment of the Nb project. The valuation is preliminary in nature and is based on our assumptions, which use the 2013 Preliminary Economic Assessment (PEA) as a basis, and make adjustments for what we see as a lower-capital Nb mine and plant. **We await the release of the Scoping Study in 2H2026** (deferred from CY2025 due to the material upgrade in the resource just announced), at which time there may be some substantial adjustments as we enhance our inputs and firm up our valuation. Our preliminary assessment of the Nb project at Araxá shows a valuation in excess of the current share price.

2013 Preliminary Economic Analysis: the original starting point

In 2013, Itafos conducted a PEA on the project. Key features of the PEA, which contemplated a large REE project including the processing of Nb, were:

- 40-year mine life
- 2-phase production
- Phase 1 capex of US\$406m
- Phase 1 REO production of 119.4ktpa
- Phase 1 Nb production of 742tpa
- NPV of project of US\$967m.

MRE brings about new assumptions and a higher valuation for niobium

The PEA set the groundwork for our original valuation. However, given the age of the PEA and changes in costs and SGQ's initial focus on producing Nb, and the substantial increase in resource that followed the PEA, we previously further reviewed the inputs and extended the mine life by 10 years to 25 years. We have retained this assumption in our new valuation, and all other inputs have remained constant. The extended mine life consumes approximately 77% of the current resource. We highlight the following key assumptions (a full list is shown in Figure 13):

- **Opex:** We view cost assumptions in the PEA as too high; Nb is cheaper to produce than the PEA assumes. The PEA uses US\$10,000/t but we note that neighbouring project costs are around US\$3,000/t. We assume opex of US\$5,000/t.
- **Capex:** The PEA assumes a multi-product concentrator with a capex of US\$400m. We have considered a much simpler Nb-only float plant for US\$130m.
- **Production rate:** We have estimated an initial full rate of production of 5ktpa of ferroniobium (FeNb), ramping up to 10ktpa from FY38 (we add US\$60m of capex in year 7 to ramp up to 10ktpa of production). The PEA did not detail this level of production.
- **Inclusion of REEs:** We have not considered production of REEs at this stage.
- **Risk:** Our valuation assumes a 100% probability. The project is early stage; however, with a high-quality recently upgraded resource, established infrastructure, government support and customer interest, we see the probability of Araxá coming into production as virtually certain.
- **Funding:** We have assumed an 80:20 debt-to-equity funding ratio.
- **Currency:** Our long-term A\$/US\$ assumption is 0.67

Figure 13: Nb NPV assumptions

Assumptions	Current Valuation
PROJECT ASSUMPTIONS	
Project Ownership (%)	100%
First production	FY29
Processing Plant Throughput (mtpa)	2.7
Grade (% Nb ₂ O ₅)	0.82%
Leach Efficiency (%)	41%
Annual Ferroniobium Production (kt)	5 ramping up to 10
Contained Annual Niobium (ktpa)	3.25
Mine Life (years)	25
Capex (US\$m, real)	130
Operating Cash cost (US\$/t, real)	5,000
FINANCIAL ASSUMPTIONS	
Discount Rate (%)	10%
Inflation Rate (%)	1.5%
Probability / Risk Assumption %	100%
Funding Debt / Equity %	80 / 20
Share price assumption cap raise (A\$/s)	0.130
PRICING & TAX ASSUMPTIONS	
Niobium Basket Price (US\$/t) -real	50,000
Royalty Rate (%)	10%
Corporate Tax Rate (%)	34%

Source: MST.

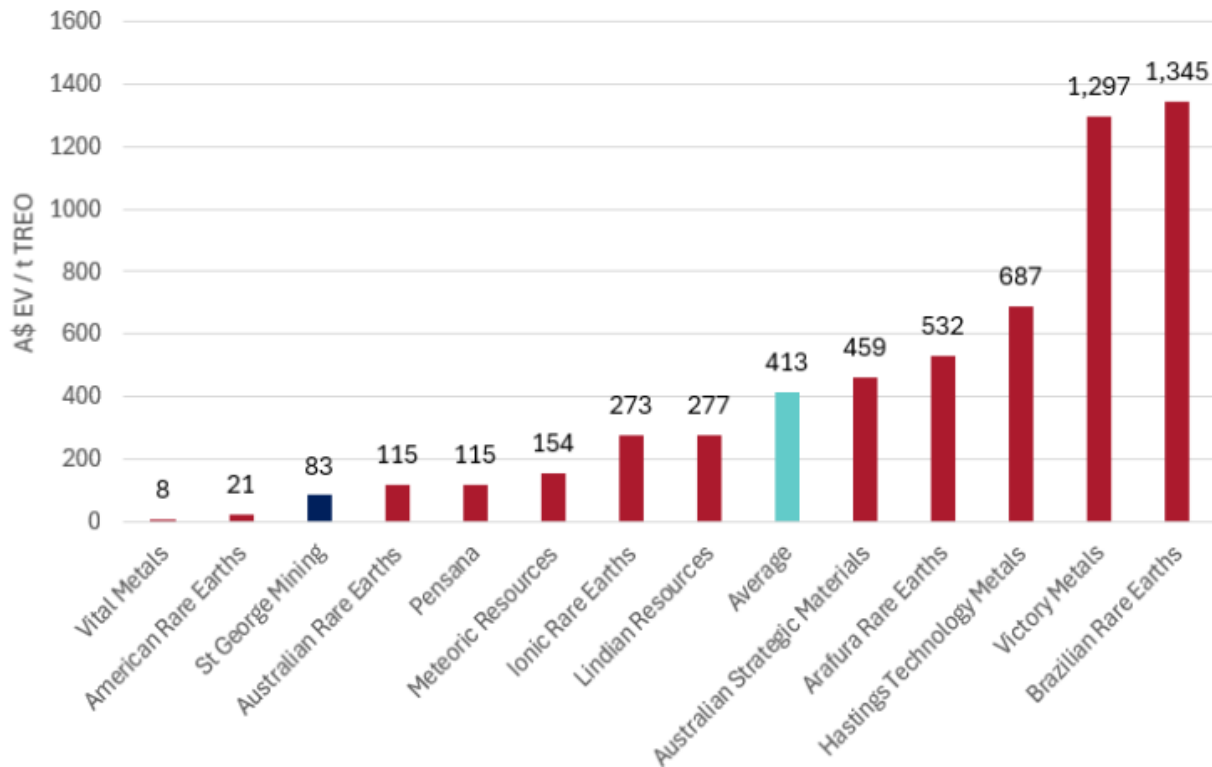
REEs: EV/Resources = A\$0.29 base-case contribution

We consider the REE component of the resource development to be at too early a stage to contemplate including an NPV calculation in our base case. However, given the high-grade, strong recent drilling results from both within and outside the current resource envelope and the potential value of the REEs, it is appropriate to assign a value to them – for this purpose, we use EV/Resources.

We selected a group of peers for comparison (see Figure 14). This group is made up of comparable ASX-listed rare earth development companies based in Australia, Brazil and Africa. For this peer group, we assessed the average EV/Resource multiples paid by the market. (We note that this comparison is not exactly precise due to differences in the natures of the orebodies, as well as the different stages of development, grade and size).

We apply the average value (A\$413 per tonne of contained TREO) of the selected companies to the contained TREO of 3.98Mt (111.2Mt @ 3.57% TREO) at Araxá. This equates to an EV of A\$1,643m, or A\$0.29 per share on a fully diluted basis, reflecting a substantial premium to the current share price.

Figure 14: EV/Resource comparables (EV/t contained TREO in Resource, A\$)

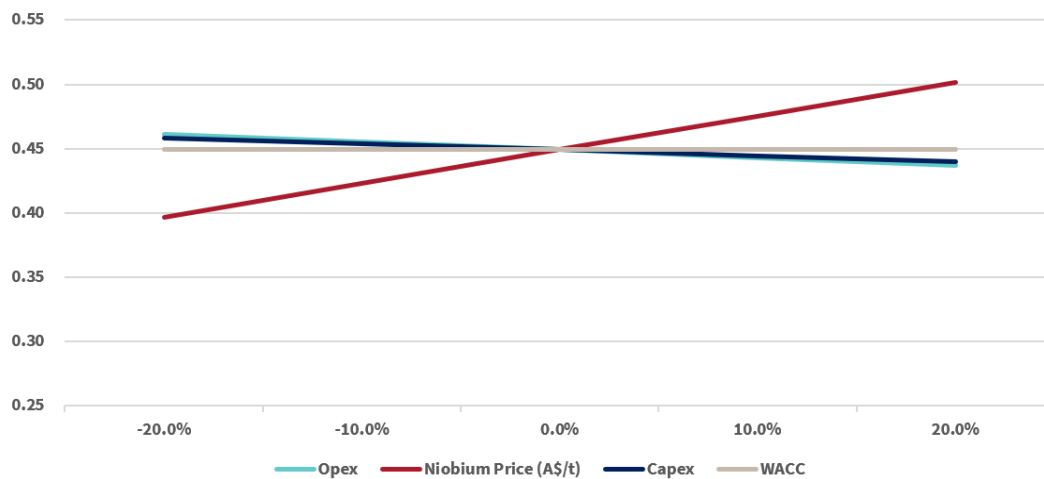


Source: Company data, MST.

Key sensitivities: commodity prices, forex, costs, discount rate

The key sensitivities for our valuation are shown in Figure 15, with the Nb price being the key driver.

Figure 15: Sensitivity analysis



Source: MST estimates.

Positive catalysts for share price/valuation

We believe that SGQ has significant potential for further share price upside and capacity to move towards our valuation. Beyond that, further development of the project and significant funding for it could potentially move the share price above our current valuation as the risks of the project being delivered are reduced. We highlight a number of key milestones/catalysts which may deliver share price upside over the near term and move the stock price towards our valuation.

Further exploration and infill drilling – increase to quality and quantity of resource

Extension drilling continues at East Araxá to further increase the resource. There has been significant success to date, and we see further upside from this further drilling.

Scoping Study – niobium

The upcoming Scoping Study has the potential to show a stronger and higher-value project than that assumed by both the market and our valuation.

Rare earths progression

Progression of REE processing options would be a catalyst for the share price, given the high grade of the REEs in the project. Any studies showing processing and product options could also add to our valuation as we currently do not give the REEs a DCF valuation.

Offtake agreements

Offtake agreements are key to ensuring the project has a viable market. The confirmation of existing offtake MoUs and the addition of further customer offtakes would likely act as positive catalysts for the stock price.

Conversion of MoUs to binding agreements

SGQ has a number of MoUs in place covering offtakes, construction and approvals. Conversion of such MoUs to binding agreements would likely be a positive catalyst for the stock price.

Approvals

Key to all mining projects is obtaining the relevant approvals. A recent signing of an MoU with the regional government for fast tracking of approvals is a positive sign for the project. Confirmation of approvals would be a key catalyst for share price appreciation.

Project funding

Key to getting a project up and running is funding. SGQ has a number of available options, including offtake funding, contractor funding for construction, royalties and conventional project funding. Any progress on funding would be a positive catalyst for the stock.

Niobium pricing

The Nb price is reasonably tightly controlled by major producer CBMM. However, the market is showing strong long-term fundamentals, and increased pricing would be both positive for the share price and our valuation.

Early project delivery

The early commencement of the project relative to the currently outlined timeline of development would provide earlier cash flows and reflect positively on the management team, which would likely increase the valuation.

Risks to share price and valuation

The project's location in Brazil with beneficial access to existing critical infrastructure, as well as its tier-1 location, strong fundamentals and government support, are all notable positives for the project. We believe these factors partially offset the risk inherent to a mining development in general as well as the project-specific risks, which we identify below.

Disappointing rare earths metallurgical results

The upcoming rare earth metallurgical testing results are key to taking the REE development forward. Any disappointing outcomes would be detrimental to the share price and may have the potential to reduce our valuation.

Capex funding

The potential size of the Araxá Project is reasonably large – we estimate capex of ~US\$130m. The project could require funding from various sources including government, strategic partners, commercial debt and equity. There is risk to obtaining the required funding.

Lack of Brazilian Government support

Although we see this as extremely low risk, the support of the Brazilian Government for the Araxá Project is key to its progress and approval. Any change in policy would pose a key risk for the project.

Disappointing Scoping Study results

The Scoping Study is a key short-term catalyst that will provide project details, setting up the project for funding discussions. Any disappointing results from this study are a risk to the stock.

Approval delays

Any approval delays would be detrimental to the share price, as this would delay the potential start of the project and add to the risk that it will not get approved.

Execution and construction

Over the medium term, a project of this size will have execution, timing and construction risks.

Price decreases in key commodities

The market sentiment and valuation is sensitive to underlying Nb prices. Price decreases would have a negative effect on the valuation and share price.

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Michael Bentley received assistance from the subject company or companies in preparing this research report. The company provided them with communication with senior management and information on the company and industry. As part of due diligence, they have independently and critically reviewed the assistance and information provided by the company to form the opinions expressed in this report. They have taken care to maintain honest and fair objectivity in writing this report and making the recommendation. Where MST Financial Services or its affiliates has been commissioned to prepare content and receives fees for its preparation, please note that NO part of the fee, compensation or employee remuneration paid has, or will, directly or indirectly impact the content provided in this report.

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St George Mining Ltd (SGQ.AX) | Price A\$0.085 | Valuation A\$0.450;

Price and valuation as at 20 August 2026 (not covered)*

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