PETRA CAPITAL

4 March 2026

St George Mining Ltd (SGQ) BUY Share Price: A$0.14

That's not an increase…THIS is a Resource increase Target Price: A$0.50

A 75% Resource increase to 71Mt @ 4.06% TREO and 0.62% Nb_2O_5 puts SGQ's 100%-owned Araxá Project in Minas Gerais, Brazil (Figs. 1-2) within touching distance - in terms of both size and grade - of Lynas's (ASX:LYC, mcap A$19.2bn) Mt Weld Resource. The updated Resource, which contains a significantly increased (+200%) Measured & Indicated component, will inform a Niobium Economic Study targeted for June this year. We believe the Study's financial outcomes will be a significant liquidity event (Petra est. capex US$90m, steady state annual EBITDA A$300m, first production 2H CY28). A further Araxá Resource update in May/June (potentially increasing the Resource to +100Mt) and a Rare Earth Economic Study in Sep. Q'26 adds to the near-term transformational news flow. BUY, TP revised to A$0.50/sh (prev. A$0.44).

Tier-1 status confirmed

- Updated Mineral Resource Estimate (MRE) of 70.9Mt +75% on maiden MRE released in April 2025. The updated MRE includes 29.5Mt in the M&I Categories, creating a strong basis for economic studies (Figs. 3-6).
- In terms of rare earths (Fig. 7), the Araxá Resource is now adjacent to Lynas's Mt Weld Resource. Only MP Materials (mcap US$11.3bn) has a higher grade. In terms of Niobium, SGQ's Araxá is a globally significant deposit, and likely to be the next to join a very limited group of producers (Fig. 8).

Further Resource update expected in May/June

- Drill results up to 15 Jan.'26 (61 holes) were included in the updated MRE. Assays for a further 20 drill holes were subsequently announced, including the thickest mineralised interval to date (165m). A further 22 drill holes are pending assays and a further 50 holes are planned to be completed in March/April. A targeted update in Jun. Q'26 could see the Resource increase to +100Mt. The updated Resource is also likely to include a Maiden Resource from East Araxá (Fig.9).

TREO breakdown positive for Rare Earths Study

- A Rare Earths Economic Study will follow the June Niobium Economic Study. A TREO breakdown (Figs. 10,11) shows Araxá's high-value magnetic rare earth oxides (MREO) / TREO ratio at 19%, with the valuable heavy rare earth oxides (HREOs) forming an important 0.1% (1037ppm). In comparison, LYC's MREO/TREO ratio is 23.4%, MP's MREO/TREO ratio is 16.3%.

Key Dates Ahead

- Ongoing – Drill and assay results from Araxá Project.
- May/June 2026 - Updated Araxá Resource.
- June 2026 – Niobium Economic Study.

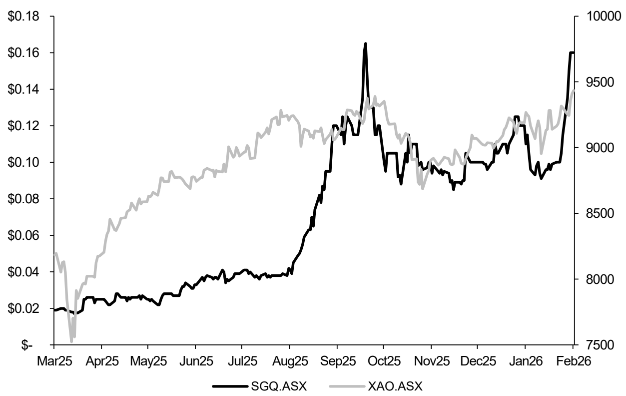
Company Data

Shares – ordinary (M)	3809.6
Rights/options (M)	1133
Diluted for rights/options (M)	4943
Market capitalisation ($M)	514
12 month low/high ($)	0.01/ 0.18
Average monthly turnover ($M)	113.1
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	-4.0	-18.7	94.9	145.5
EPS (¢ps)	-0.3	-0.1	-0.4	1.9	3.0
EPS growth (%)	-ve	-ve	>100%	>100%	53%
PER (x)	na	na	na	7.0	4.6
Op. Cashflow ($M)	-14.9	-5.0	-5.5	114.0	165.2
OCFPS (¢ps)	-0.4	-0.1	-0.1	2.3	3.4
POCFPS (x)	na	na	na	5.8	4.0
Enterprise Value ($M)	464	447	581	589	757
EV / EBITDA (x)	-92.9	-89.5	-116.3	4.2	3.6
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$)	0.14	
Issued Shares (m)	3,810	
Market Cap (A$m)	514	
Options/Rights/To Issue (m)	1,133	
Dilution (m)	200	(A$30m in new equity @ A$0.15/sh)
Fully Diluted no. of Shares (m)	5,143	

P&L Statement (A$M)	FY26F	FY27F	FY28F	FY29F	FY30F	FY31F	FY32F
Revenue	0.0	0.0	0.0	198	295	642	783
Costs	(5.0)	(5.0)	(5.0)	(57.2)	(84.2)	(178)	(211)
EBITDA	**(5.0)**	**(5.0)**	**(5.0)**	**141**	**210**	**464**	**572**
Depreciation & Amortisation	0.0	(0.5)	(10.0)	(20.0)	(20.0)	(40)	(40)
Operating profit	**(5.0)**	**(5.5)**	**(15.0)**	**121**	**190**	**424**	**532**
NOI	(3.9)	0.0	(0.8)	0.0	0.0	0	0
EBIT	**(8.9)**	**(6)**	**(16)**	**121**	**190**	**424**	**532**
Interest income	0.1	1.5	2.0	1.0	0.7	2	7
Interest expense	0.0	0.0	(5.0)	(10.0)	(20.0)	(25)	(15)
Tax expense	0.0	0.0	0.0	(16.7)	(25.7)	(120)	(157)
Minority interest	0.0	0.0	0.0	0.0	0.0	0	0
Reported NPAT	**(8.8)**	**(4.0)**	**(18.7)**	**94.9**	**146**	**281**	**367**
EPS Reported (A$c)	(0.26)	(0.09)	(0.39)	1.93	2.95	5.7	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)	3,381	4,284	4,828	4,928	4,928	4,928	4,928
YE no. of shares (m)	3,840	4,728	4,928	4,928	4,928	4,928	4,928

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	(16.7)	(25.7)	(120)	(157)
Operating Cash Flow	**(14.9)**	**(5.0)**	**(5.5)**	**114**	**165**	**269**	**315**
Capex (growth)	(5.5)	(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	**(16)**	**(15)**	**(155)**	**(113)**	**(313)**	**(33)**	**(33)**
Net interest received / (paid)	0.1	1.5	(3.0)	(9.0)	(19.3)	(23)	(8)
Debt drawdown / (payment)	0.0	0.0	100.0	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**	**1.5**	**127.0**	**(9.0)**	**180.7**	**(123)**	**(108)**
Other**	0.0	35.5	(0.8)	0.0	0.0	0	0
Inc/(Dec) in Cash	**47.3**	**17.0**	**(34.2)**	**(8.0)**	**32.9**	**113**	**174**

Balance Sheet (A$M)	FY26F	FY27F	FY28F	FY29F	FY30F	FY31F	FY32F
Cash & Equivalents	50.0	67.0	32.8	24.8	57.8	171	345
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.	63	77	222	315	608	601	594
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**	**145**	**255**	**366**	**719**	**873**	**1,099**
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	100.0	100.0	300.0	200	100
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	111.4	127.2	334.9	235	135
Equity	101	133	144	239	385	638	965
Liabilities & Equity	**113**	**145**	**255**	**366**	**719**	**873**	**1,099**

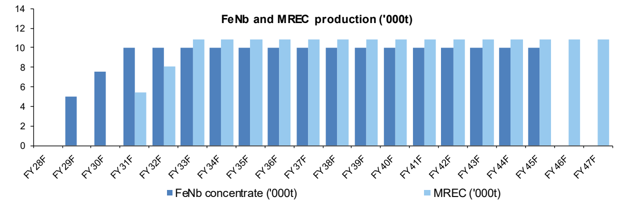
Ratios	FY26F	FY27F	FY28F	FY29F	FY30F	FY31F	FY32F
P/E (x)	na	na	na	7.0	4.6	2.4	1.8
Debt/Equity	0%	0%	69%	42%	78%	31%	10%
ROE (%)	-8.7%	-3.4%	-13.5%	49.5%	46.7%	55.0%	45.8%

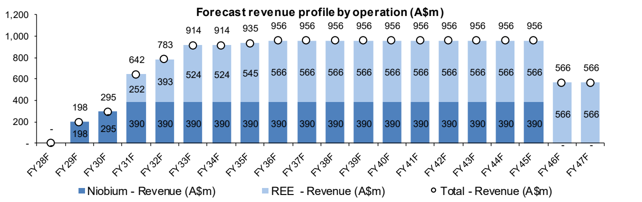
Araxá Niobium Project	FY27F	FY28F	FY29F	FY30F	FY31F	FY32F
Mill throughput (kt)	0	0	1,000	1,500	2,000	2,000
Nb grade (%)	na	na	0.65%	0.65%	0.65%	0.65%
Nb recovery (%)	na	na	51%	51%	51%	51%
FeNb 66% conc. production (t)	0	0	5,023	7,534	10,045	10,045
Index FeNb price (US$/kg CFR China)	na	na	40	40	40	40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

Araxá Resources (March 2026)	Tonnes (Mt)	Nb_2O_5 (%)	Nb_2O_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 f'cast 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 f'cast 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	0.30
REE risk discount (timing, capex, ARP, opex)	*50%*	
REE Project - risked	728	0.15
Araxá combined Nb & REE Projects	2,347	0.48
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	0.49
Net cash (debt) FY26F	50	0.01
Equity value	**2,441**	**0.50**

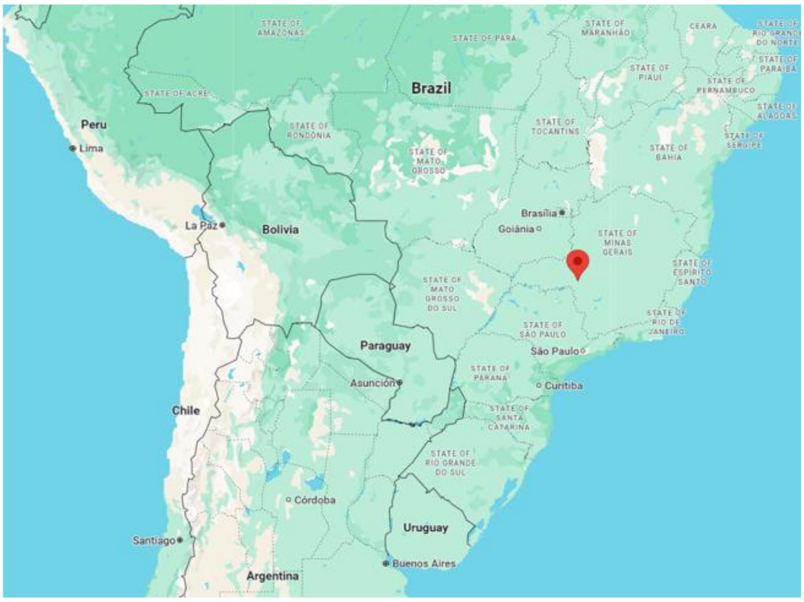
*Note: * Diluted for forecast A$30m in new equity in FY28F at A$0.15/sh. ** Diluted for in-the-money options; in FY26F 39m options @ A$0.10 = A$3.9m and in FY27F 888m options @ A$0.04 = A$35.5m.*

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 Barriero 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

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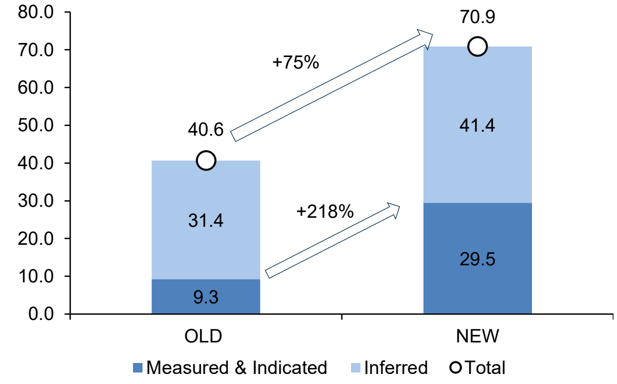
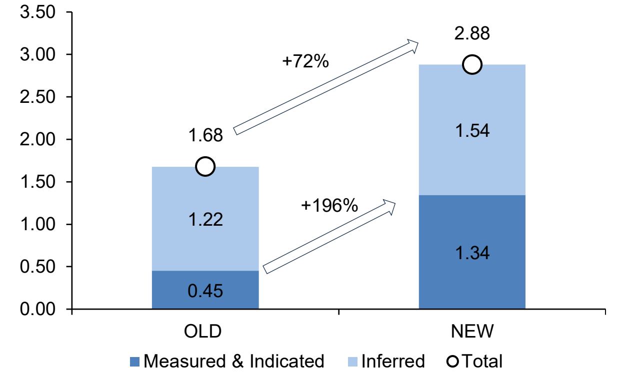
Figure 3: Resource tonnes OLD vs NEW (TREO) (Mt)



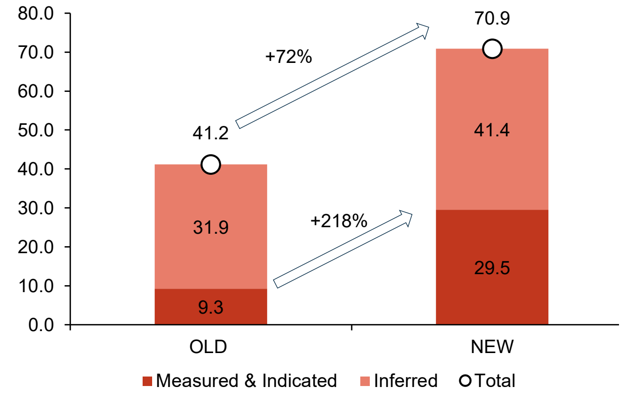
Source: Company, Petra Capital forecast

Figure 4: Contained TREO OLD vs NEW (Mt)



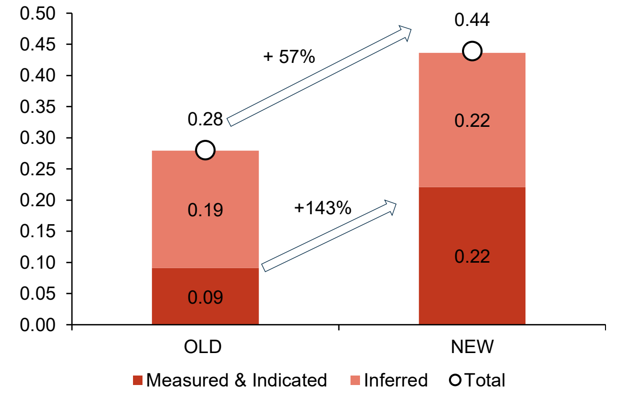
Source: Company, Petra Capital forecast

Figure 5: Resource tonnes OLD vs NEW (Nb) (Mt)



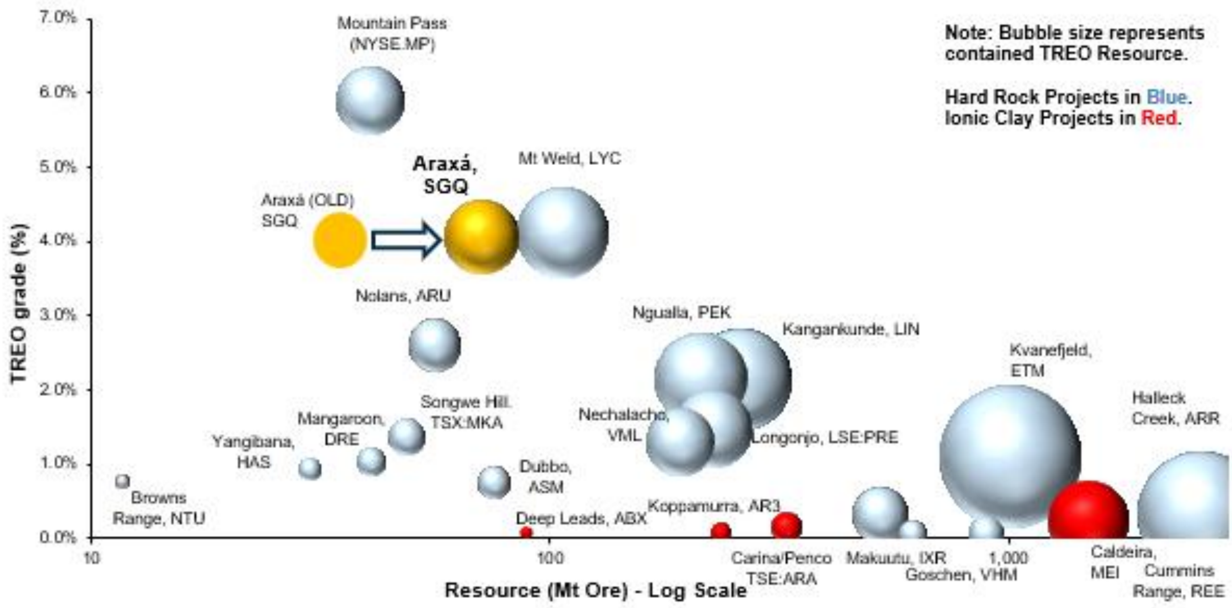
Source: Company, Petra Capital forecast

Figure 6: Contained Nb_2O_5 OLD vs NEW (Mt)



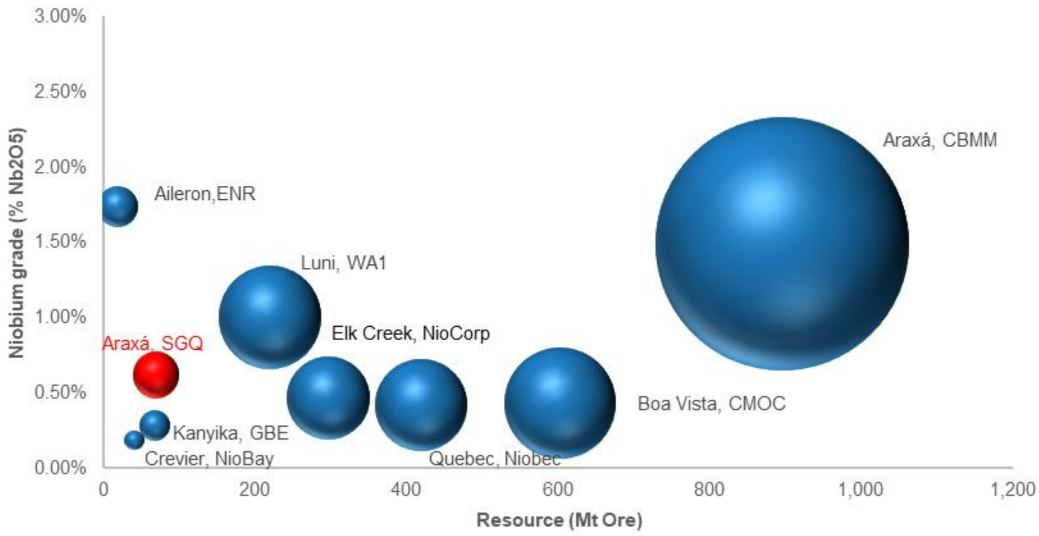
Source: Company, Petra Capital forecast

Figure 7: Rare earth projects – peer comp of Resources in ore (Mt) and grade (% TREO)



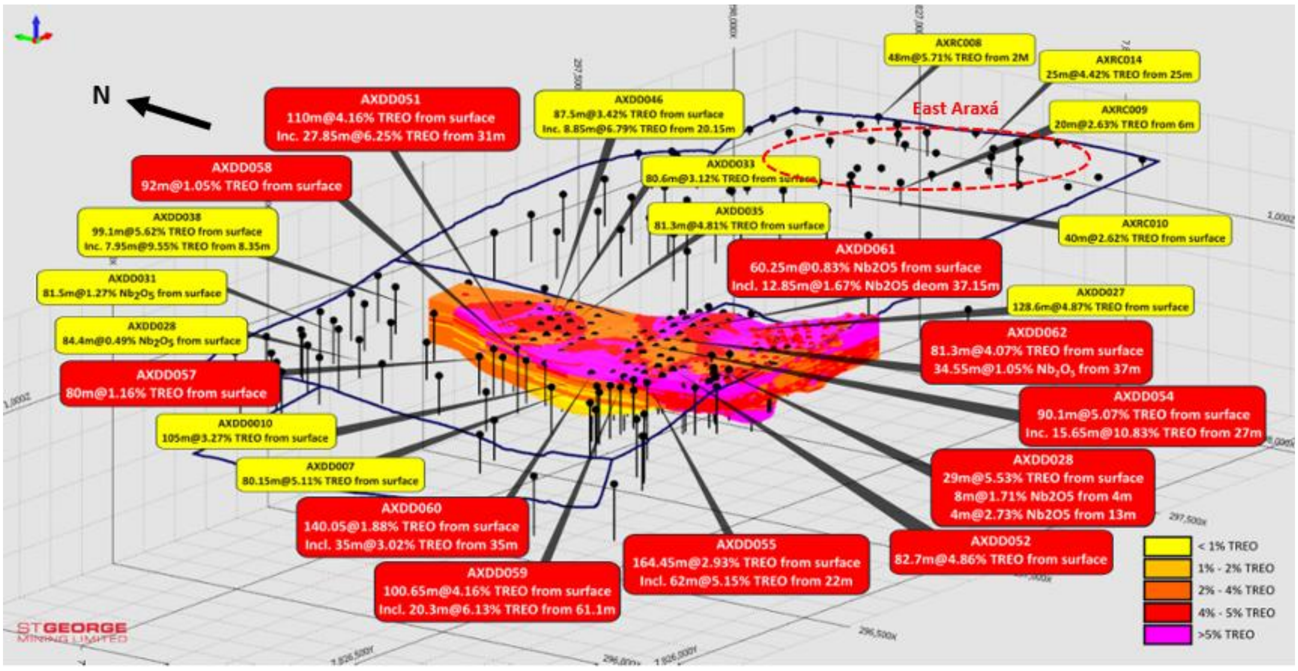
Source: Companies, compiled by Petra Capital

Figure 8: Niobium projects – peer comp of Resources in ore (Mt) and grade (% Nb_2O_5)



Source: Companies, compiled by Petra Capital. Note: Current Nb producers are CBMM, CMOC, Niobec

Figure 9: Oblique section showing some of the latest diamond drill holes (red labels) as well as other significant drilling completed in the current campaign, set against the maiden 3D model of the MRE



Source: Company, Petra Capital

Figure 10: Resource showing tonnes and grade TREO (%), MREO (%), Nb_2O_5 (%)

Resource Classification	Million Tonnes (Mt)	TREO (%)	MREO (%)	Nb_2O_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[2]	**70.91**	**4.06**	**0.77**	**0.62**

Source: Company

Figure 11: Breakdown of Heavy Rare Earth Oxide (HREO)

Resource Classification	Million Tonnes (Mt)	Suite of HREO's										
		Dy_2O_3 (ppm)	Er_2O_3 (ppm)	Eu_2O_3 (ppm)	Gd_2O_3 (ppm)	Ho_2O_3 (ppm)	Lu_2O_3 (ppm)	Tb_4O_7 (ppm)	Tm_2O_3 (ppm)	Y_2O_3 (ppm)	Yb_2O_3 (ppm)	HREO (ppm)
Measured	8.02	130	36	159	321	18	2	33	4	483	19	**1205**
Indicated	21.46	112	33	127	272	16	2	29	4	439	16	**1051**
Inferred	41.42	105	29	123	263	15	2	28	3	416	14	**997**
Total	**70.91**	**110**	**31**	**128**	**272**	**15**	**2**	**29**	**3**	**431**	**15**	**1037**

Source: Company

Summary of Changes

Changes to our operational forecasts and valuation include:

- Incorporation of new Resource (lifting the valuation of our assumed Residual Resources).
- We have pushed out the forecast start date of FeNb production to 2H CY2028 (i.e., to FY29F) vs prev. 1H CY2028 (i.e., FY28F). This reflects a slippage in timelines following the extension of the drilling program at Araxá on the back of consistently positive infill and step out drilling results.
- We maintain A$30m in forecast new equity, but have increased the assumed issue price to A$0.15/sh (prev. A$0.11/sh) reflecting recent share price gains.
- Net impact is a 12% increase in SGQ's equity valuation to A$2,441m (prev. A$2,179m). TP increased by 13% to A$0.50/sh (prev. A$0.44/sh) on lower dilution.

Figure 12: Summary of Changes (FY26F-FY28F)

		FY26F			FY27F			FY28F		
		New	Old	% var	New	Old	% var	New	Old	% var
Revenue	A$m	0.0	0.0	na	0.0	0.0	na	0.0	123.7	-ve
EBITDA	A$m	-5.0	-5.0	0%	-5.0	-5.0	0%	-5.0	86.4	-ve
EBIT	A$m	-8.9	-8.9	0%	-5.5	-6.3	-12%	-15.8	76.0	-ve
NPAT	A$m	-8.8	-8.8	0%	-4.0	-4.6	-13%	-18.7	47.8	-ve
EPS	A$c/sh	-0.26	-0.26	0%	-0.1	-0.1	-10%	-0.4	1.0	-ve
DPS	A$c/sh	0.0	0.0	na	0.0	0.0	na	0.0	0.0	na
Valuation	**A$m**	**2,441**	**2,179**	**12%**						
Price target	**A$/sh**	**0.50**	**0.44**	**13%**						
FeNb 66% conc. prod.	t	0	0	na	0	0	na	0	3,139	-ve
MREC production (t)	t	0	0	na	0	0	na	0	0	na
Index FeNb price	US$/kg	na	na	na	na	na	na	na	40	na
Index NdPr price	US$/kg	na	na	na	na	na	na	na	na	na
AUDUSD	#	0.66	0.66	0%	0.67	0.67	0%	0.67	0.67	0%

Source: Petra Capital forecasts

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