

16 March 2026

Araxá – Moving into the Big League

NEED TO KNOW

- Mineral Resource Estimate (MRE) upgraded by 75%
- Increase in confidence of MRE to support project development
- And there's more: drilling continues to grow MRE further

MRE increases 75%: St George Mining (SGQ) has updated Araxá's MRE, with a 75% increase in tonnage to 70.91Mt @ 4.06% total rare earth oxides (TREO) and 0.62% Nb₂O₅ (niobium pentoxide) at a TREO cut-off of 2%.

Higher confidence; Measured and Indicated (M&I) resource up 218%: The M&I category has to a combined total of 29.49Mt @ 4.56% TREO and 0.75% Nb₂O₅. M&I indicates a higher level of confidence in the resource and can be utilised to underpin development studies, be converted to an economic reserve and be utilised in funding discussions. SGQ's niobium (Nb) economic study and completion of metallurgical test work on REOs are slated for 2QCY26, and a pilot plant will commence in 2HCY26.

The making of a giant; already world class, more upgrades to come: The upgraded MRE places Araxá's TREO resource close to Lynas's (ASX: LYC; mkt cap A\$19b) and is only bettered by MP Material's (NYSE: MP; mkt cap US\$10.4b) Mountain Pass project for grade. As a Nb resource, Araxá is world class and set to become the next major producer. The updated MRE has incorporated results up to 15 February 2026. An additional ~94 holes will be the input to a further MRE upgrade, which is due in 3QCY26.

Investment Thesis

Araxá Project set up perfectly to become new Nb producer: The project's prime location next to the world's largest 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 for a further 2 months and drive an additional upgrade to the MRE in size, confidence and potentially grade, opening the path to longer mine life and higher levels of production.

Valuation (A\$0.36) and Risks

We have upgraded our sum-of-the-parts SGQ valuation to A\$0.36 (previous A\$0.22) as the material increase to the MRE has led to a mine life extension for the Nb project as well as 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.

Equity Research Australia

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\$0.360 (from A\$0.220)
Current price	A\$0.145
Market cap	A\$552m
Cash on hand	A\$52.9m (31 Dec 25)

Additional Resources

Upcoming Catalysts / Next News

Period	
1HCY26	Rare earths metallurgical testing
1HCY26	Scoping Study, niobium project
3QCY26	Increase in MRE
Ongoing	Further drilling results

Share Price (A\$)



Source: FactSet, MST Access.

This report has been prepared and issued by the named analyst of MST Access in consideration of a fee payable by: St George Mining Ltd (SGQ.AX)

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Financial Summary

Figure 1: 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						0.145					
52 week high/low	A\$/sh						0.18-0.015					
Valuation	A\$/sh						0.36					
Market Cap (A\$m)	A\$m						552					
Net Cash / (Debt) (A\$m)	A\$m						53					
Enterprise Value (A\$m)	A\$m						499					
Shares on Issue	m						3,810					
Options/Performance shares	m						1,095					
Other Equity	m						299					
Potential Diluted Shares on Issue	m						5,203					
INVESTMENT FUNDAMENTALS		FY24A	FY25A	FY26E	FY27E	FY28E	Profit & Loss (A\$m)					
Reported NPAT	A\$m	(8)	(11)	(10)	(7)	(18)	Revenue	0	0	0	0	-
Underlying NPAT	A\$m	(8)	(11)	(10)	(7)	(18)	Expenses	(8)	(11)	(8)	(8)	(8)
							EBITDA	(8)	(11)	(8)	(8)	(8)
EPS Reported (undiluted)	¢ps	(0.9)	(0.7)	(0.3)	(0.2)	(0.5)	D&A	(0)	(0)	(0)	(0)	(0)
EPS Underlying (undiluted)	¢ps	(0.9)	(0.7)	(0.3)	(0.2)	(0.5)	EBIT	(8)	(11)	(8)	(8)	(8)
Underlying EPS Growth	%	n/m	n/m	n/m	n/m	n/m	Interest	0	0	(1)	1	(9)
P/E Reported (undiluted)	x	n/m	n/m	n/m	n/m	(0.3)	Tax	0	0	0	0	0
P/E Underlying (undiluted)	x	n/m	n/m	n/m	n/m	(0.3)	NPAT	(8)	(11)	(10)	(7)	(18)
							Exceptionals	-	-	-	-	-
Operating Cash Flow / Share	A\$	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	Reported Profit	(8)	(11)	(10)	(7)	(18)
Price / Operating Cash Flow	x	n/m	n/m	n/m	n/m	(42.0)	Profit before tax	(8)	(11)	(10)	(7)	(18)
							Balance Sheet (A\$m)	FY24A	FY25A	FY26E	FY27E	FY28E
Free Cash Flow / Share	A\$	(0.01)	(0.01)	(0.01)	(0.04)	(0.00)	Cash	3	3	32	34	16
Price / Free Cash Flow	x	n/m	n/m	n/m	n/m	(29.7)	Receivables	0	0	0	0	0
Free Cash Flow Yield	%	n/m	n/m	n/m	n/m	(0.0)	Inventory	0	0	0	0	0
							PP&E	0	0	21	171	176
Book Value / Share	A\$	0.00	0.01	0.03	0.04	0.04	Exploration	-	47	67	88	88
Price / Book	x	69.63	13.48	5.00	3.65	4.00	Other	1	1	1	1	1
							Assets	3	51	120	293	281
NTA / Share	A\$	0.00	0.01	0.03	0.04	0.04	Creditors	0	0	0	0	0
Price / NTA	x	69.63	13.48	5.00	3.65	4.00	Debt	0	21	21	150	150
							Leases	0	0	0	0	0
Year End Shares	m	989	2,673	3,398	3,598	3,598	Provisions	0	0	0	0	0
Market Cap (spot)	A\$m	143	388	493	522	522	Other	0	0	0	0	0
							Liabilities	1	22	21	150	150
Net Cash / (Debt)	A\$m	3	(18)	11	(116)	(134)	Net Assets	2	29	99	143	130
Enterprise Value	A\$m	141	406	482	638	655						
							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)	0.0	(0.0)	0.2	0.3	Interest	0	0	(1)	1	(9)
							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)	(12)
							Capex	(0)	(0)	(0)	(130)	(0)
							Exploration	(5)	(4)	(20)	(21)	(5)
							Investments	3	-16	(17)	0	0
							Free Cash Flow	(6)	(24)	(44)	(153)	(18)
							Equity / Options Exercised	5	24	73	26	0
							Borrowings	0	(0)	-	129	-
							Dividend	0	0	0	0	0
							Net Increase / (Decrease) in Cash	(1)	0	29	2	(18)

Source: Company data, MST Access.

MRE Update – Huge Growth and More Potential

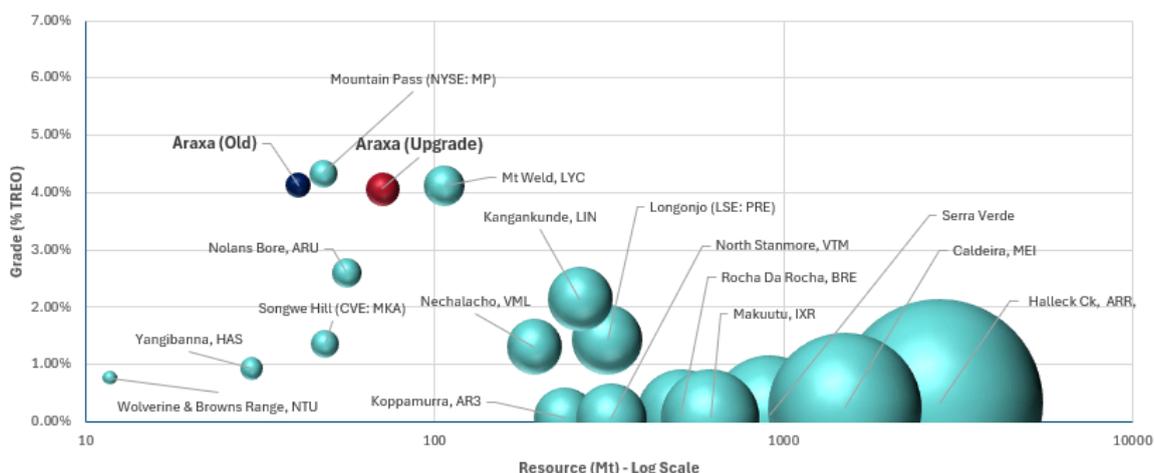
SGQ has released its updated Mineral Resource Estimate (MRE), providing a 75% increase in tonnage to **70.91Mt @ 4.06% TREO and 0.62% Nb₂O₅** (from 40.64Mt @ 4.13% TREO and 0.68% Nb₂O₅) at a TREO cut-off grade of 2%. Importantly, material classified in the Measured and Indicated category has seen a 218% increase to a combined total of 29.49Mt @ 4.56% TREO and 0.75% Nb₂O₅ (from 9.27Mt @ 4.89% TREO and 0.983% Nb₂O₅). With a material amount of drilling to be incorporated into the MRE, we see further substantial upside to the current numbers, with potential for the project to reach greater than 100Mt.

The update significantly improves resource confidence and confirms Araxá's status as a world class rare earths and Nb deposit within a tier-1 jurisdiction, comparable with the world's largest rare earths and Nb projects including MP Materials (NYSE: MP) and Lynas Rare Earths (ASX: LYC) (see Figures 2 and 3).

Araxá well positioned for further expansion

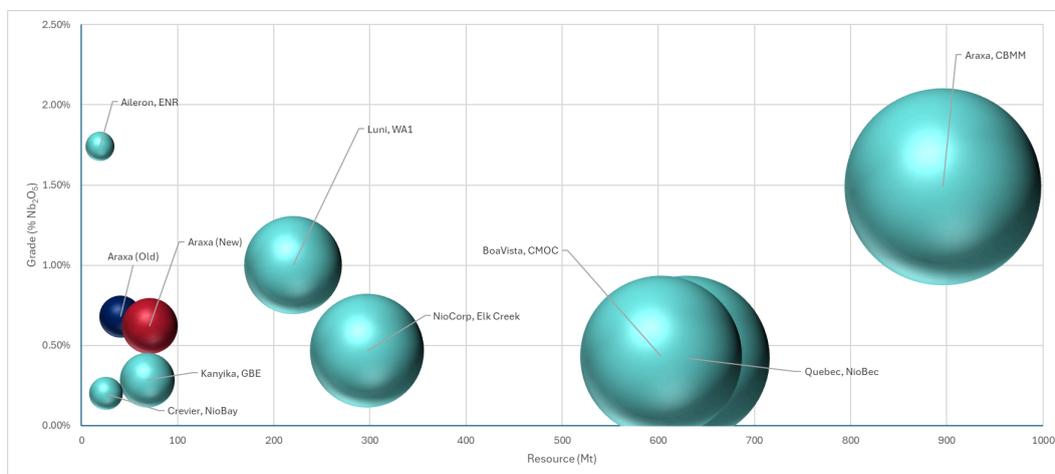
With over 10,000m drilling in progress aimed at defining and expanding the East Araxá Discovery, upgrading Inferred material to Indicated, and expanding the known resource, we see potential to add significant volume to the globally significant 70.91Mt Araxá MRE. The mineralisation remains open at depth and in all directions, and expansion is limited only by the speed of the drilling. With the latest drilling program well underway and extended indefinitely, we expect a subsequent MRE update to be announced in 3QCY26. This would allow further results obtained from 15 February onward (an additional ~94 holes) to be utilised as input to next MRE upgrade.

Figure 2: Araxá deposit compared to other REE deposits globally – high grade, growing resource (bubble size = tonnage size)



Source: Company data.

Figure 3: Araxá deposit compared to other Nb deposits globally – CBMM dominates (bubble size = tonnage size)



Source: Company data.

First update within a multi-step growth strategy

The updated MRE at SGQ's flagship Araxá Project has incorporated results from the company's most recent infill and step-out drilling program together with a refined 3D geological interpretation. The results incorporated in the MRE include those released up to 15 February 2026; 44 additional expansion holes have since been completed, 28 of which await assay in the laboratory. Additionally, 50 drill holes are planned over the next two months, leaving a significant volume of assays to be modelled and included in a follow-on update of this MRE.

Recent significant drill results

We summarise below the key drilling results that contributed to the MRE upgrade, showing the consistency and high-grade nature of the deposit.

Assays received in **November** returned thick, high-grade intercepts, including:

- 80.45m @ 5.19% TREO and 0.58% Nb₂O₅ from surface, including:
 - 20.4m @ 7.13% TREO and 0.77% Nb₂O₅ from 56.6m

December returned the thickest intercept to date in drill hole AXDD016:

- 100.1m @ 3.96% TREO and 0.40% Nb₂O₅ from surface, including:
 - 1.3m @ 12.24% TREO and 0.96% Nb₂O₅ from 11.15m
 - 14.35m @ 5.68% TREO and 0.63% Nb₂O₅ from 18m
 - 13.35m @ 7.07% TREO and 0.13% Nb₂O₅ from 74m

January started 2026 with further exceptionally high-grade intercepts from surface, including:

- 128.6m @ 4.87% TREO and 0.85% Nb₂O₅ from surface, including:
 - 31.25m @ 6.09% TREO and 0.76% Nb₂O₅ from 44m
- 100.6m @ 4.25% TREO and 0.73% Nb₂O₅ from surface, including:
 - 19.6m @ 8.16% TREO and 1.39% Nb₂O₅ from surface
 - 20m @ 5.94% TREO and 0.91% Nb₂O₅ from 39m

February saw the final results that were incorporated in the updated MRE, with results including:

- 135.2m @ 3.37% TREO and 0.58% Nb₂O₅ from surface, including:
 - 38.8m @ 4.40% TREO and 0.82% Nb₂O₅ from surface

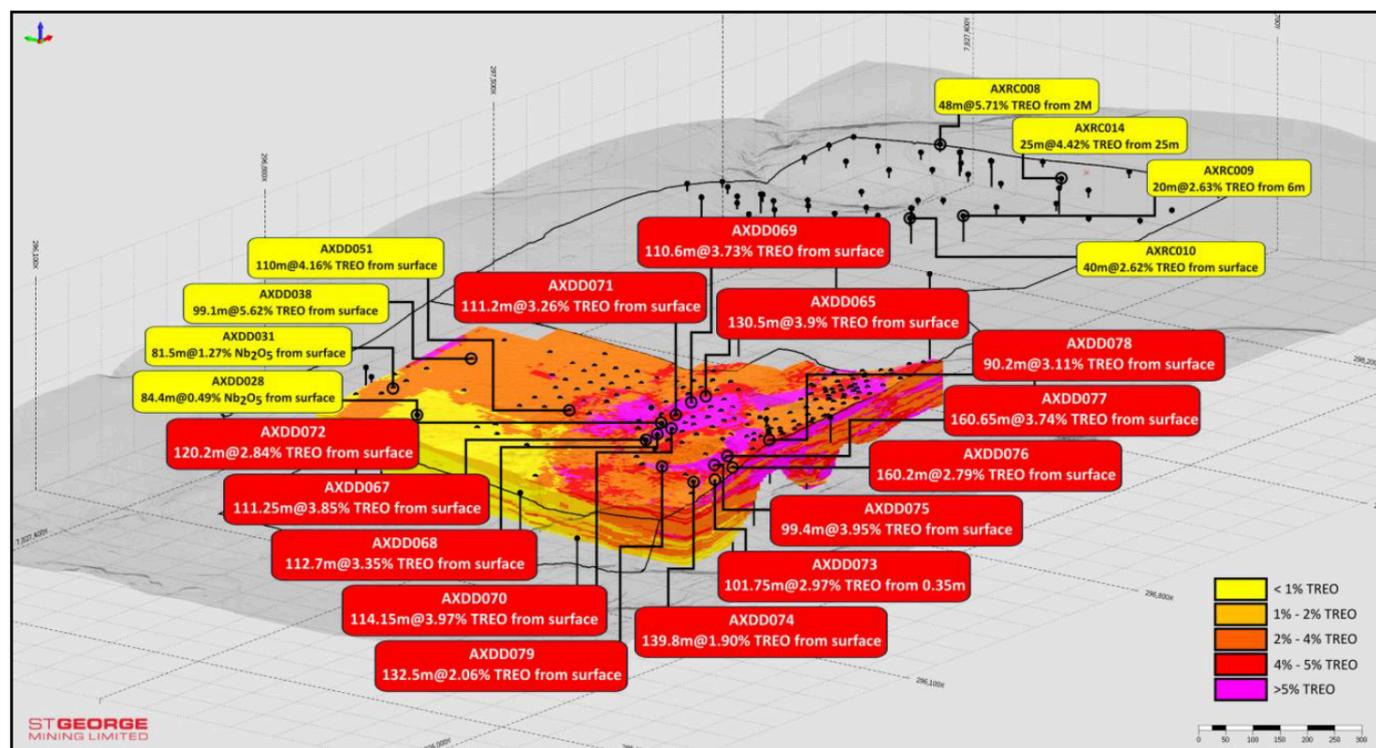
March saw the most recent batch of assays for a further 16 diamond drill holes, confirming further multiple intercepts of thick, high-grade mineralisation from surface including:

- 101m @ 4.72% TREO and 0.65% Nb₂O₅ from surface including 32.55 @ 6.65% TREO and 0.54% Nb₂O₅ from 30m
- 111.3m @ 3.85% TREO and 0.66% Nb₂O₅ from surface including 16.5m @ 7.58% TREO and 0.73% Nb₂O₅ from 17.5m
- 110.6m @ 3.73% TREO and 0.57% Nb₂O₅ from surface including 68m @ 4.82% TREO and 0.68% Nb₂O₅ from 0m
- 13m @ 6.43% TREO and 0.72% Nb₂O₅ from 17m
- 99.4m @ 3.95% TREO and 0.76% Nb₂O₅ from surface including:
 - 33m @ 4.32% TREO and 0.49% Nb₂O₅ from 0m
- 51.4m @ 4.62% TREO and 0.87% Nb₂O₅ from 46m
- 160.65m @ 3.74% TREO and 0.54% Nb₂O₅ from surface including
- 38.85m @ 8.52% TREO and 0.99% Nb₂O₅ from 77.15m
- 15.35m @ 13.86% TREO and 1.19% Nb₂O₅ from 79.65m
- 90.2m @ 3.11% TREO and 0.51% Nb₂O₅ from surface including 6m @ 5.83% TREO and 0.78% Nb₂O₅ from 28m

Further high grade Nb was also intersected:

- 130.5m @ 0.55% Nb₂O₅ from surface including 25.5m @ 0.68% Nb₂O₅ from surface and 37.7m @ 0.69% Nb₂O₅ from 63.3m
- 111.25m @ 0.66% Nb₂O₅ from surface including 89.9m @ 0.75% Nb₂O₅ from 6.1m and 4m @ 2.81% Nb₂O₅ from 73m and 1.25m @ 5.05% Nb₂O₅ from 73.75m

Figure 4: Latest drilling results released in March - more high grade REE and Nb



Source: SGQ

MRE in detail

Araxá's MRE has increased by 75% to 70.91Mt @ 4.06% TREO and 0.62% Nb₂O₅ (see s 5 and 6) with 2.88Mt of contained TREO. The increase has expanded the original MRE towards the northwest, with shallow mineralisation extending from surface down to a depth of 120–160m.

The overall TREO grade has declined slightly to 4.06% (from 4.13%), and Nb₂O₅ to 0.62% (from 0.68%). However, the Measured and Indicated (M&I) component of the resource has significantly increased by 218% to 29.49Mt @ 4.56% TREO and 0.75% Nb₂O₅.

Additionally, the volume of Inferred material has increased to 41.42Mt, which is larger than the entirety of the previous MRE (40.64Mt). The next stages of infill and resource definition drilling will work towards converting the high volume of Inferred material to M&I, unlocking further value alongside the continued resource expansion and exploration drilling.

Figure 5: Updated MRE: 2% TREO cutoff

Classification	Mt	TREO (%)	MREO (%)	Nb ₂ O ₅ (%)
Measured	8.02	5.23	0.95	1.06
Indicated	21.46	4.31	0.8	0.63
Inferred	41.42	3.71	0.72	0.52
Total	70.91	4.06	0.77	0.62

Source: SGQ.

Figure 6: Previous MRE

Classification	Mt	TREO (%)	MREO (%)	Nb ₂ O ₅ (%)
Measured	1.9	5.44	1.04	1.19
Indicated	7.37	4.76	0.9	0.93
Inferred	31.37	3.9	0.74	0.59
Total	40.64	4.13	0.78	0.68

Source: SGQ.

Additional large niobium resource

The updated MRE has been modelled as a TREO resource with a cutoff grade of 2% TREO, yielding 70.91Mt (as shown in Figure 5). This material also includes incidental Nb₂O₅ which occurs in the same cells as the TREO and which has returned an overall grade of 0.62% with M&I grade of 0.75%.

However, there is an **additional 24.56Mt of material @ 0.52% Nb₂O₅** that occurs in cells that do not meet the 2% TREO threshold; this has been modelled using a 0.2% Nb₂O₅ cutoff (see Figure 7). This section excludes blocks already included in the TREO-based resource and defines a separate volume of 24.56Mt where a Nb₂O₅ cutoff has instead been applied.

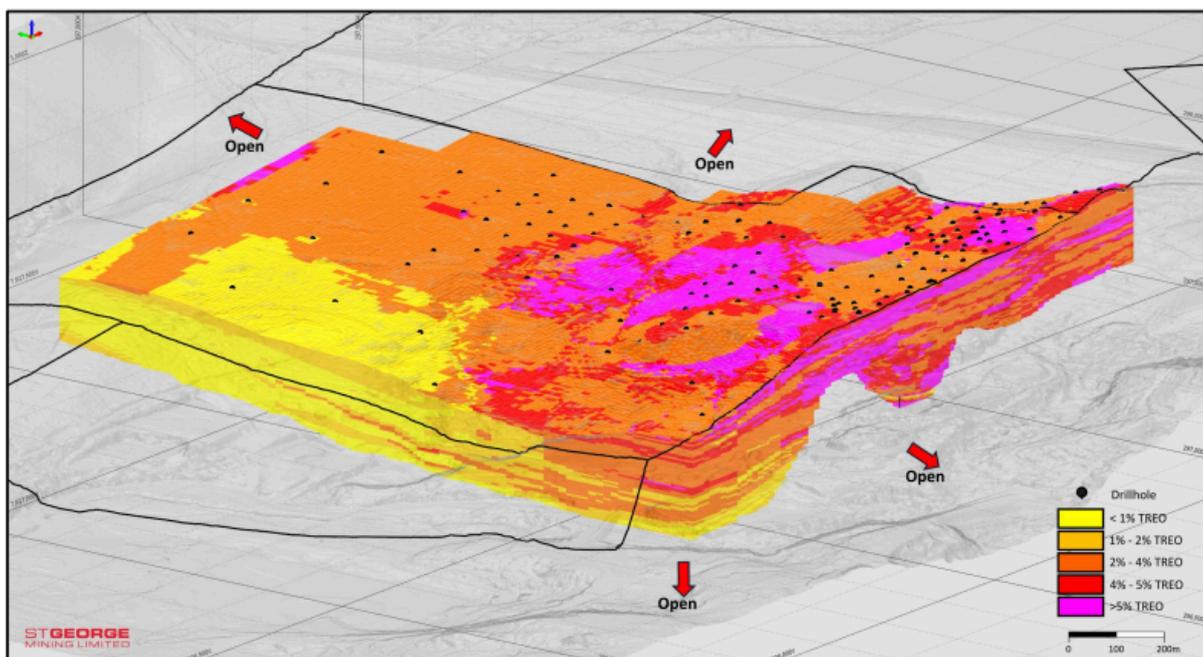
Within this additional section, there is 2.6Mt of M&I material @ 0.31% Nb₂O₅ and 1.45% TREO, which is naturally lower than in the TREO-based MRE due to the 2% cutoff. These two separate sections result in a combined volume of **567kt of contained Nb₂O₅** and **3.17Mt of contained TREO**.

Figure 7: Updated MRE: niobium resource with 0.2% cutoff

Classification	Mt	Nb ₂ O ₅ (%)	TREO (%)	MREO (%)
Measured	0.02	0.51	1.77	0.34
Indicated	2.59	0.31	1.44	0.31
M&I	2.6	0.31	1.45	0.31
Inferred	21.95	0.54	1.17	0.27
Total	24.56	0.52	1.2	0.28

Source: SGQ.

Figure 8: Updated MRE showing TREO mineralisation



Source: SGQ.

Mineralisation geometry and extension potential

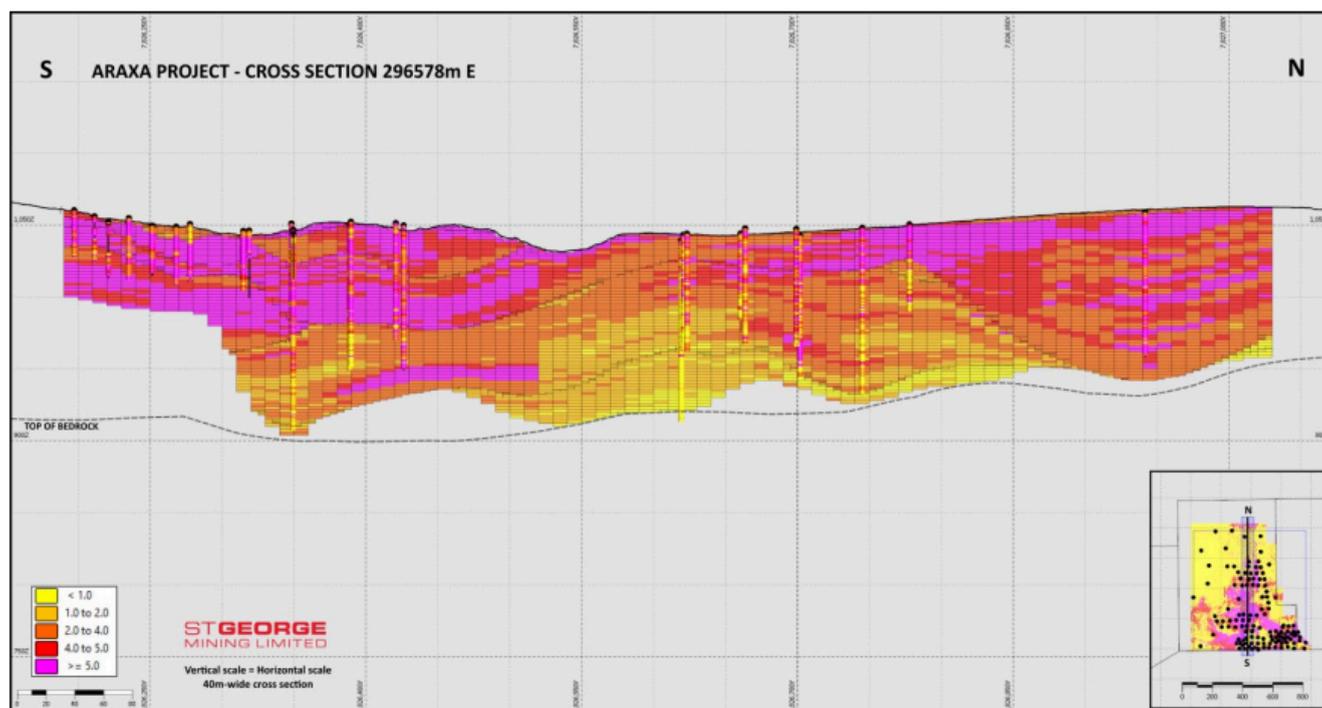
The updated geological model confirms that rare earth and Nb mineralisation at Araxá forms a laterally continuous, near-surface system hosted predominantly within a well-developed weathering profile. 100% of the current resource within the upper 120m is contained within strongly weathered material. The mineralisation is 'free-digging', allowing shallow open-pit extraction and minimal drill-and-blast in the upper portions of the deposit leading to lower-cost mining.

The refined 3D geological interpretation demonstrates strong grade continuity throughout the weathered horizon, with mineralisation forming a coherent envelope rather than isolated pods. Infill drilling has tightened geological boundaries and reinforced confidence in the lateral and vertical consistency of TREO and Nb₂O₅ distribution, particularly within areas previously classified as Inferred.

Below approximately 120m, mineralisation transitions into fresh rock where extensions are supported by both geological logging and grade distribution. While this deeper material represents a smaller proportion of the current inventory, its presence confirms that the system is not limited to supergene enrichment alone and remains open at depth. The inclusion of fresh rock material highlights longer-term scale potential beyond the shallow oxide component, with mining and processing assumptions to be evaluated in future technical studies.

The MRE remains open in all directions, including laterally and at depth. Step-out drilling incorporated into the update has successfully extended the mineralised envelope, and multiple priority target areas have been identified for follow-up. Araxá is a large, coherent mineralised system with strong potential for further MRE growth and confidence upgrades.

Figure 9: North-south cross section of MRE showing TREO mineralisation towards bedrock



Source: SGQ.

MRE rare earth assemblage – Nd:Pr ratio and heavy rare earths

Nd:Pr – the valuable stuff – a strong ratio

The neodymium–praseodymium (Nd:Pr) ratio is important in rare earth deposits because these two elements are the key inputs in the production of high-performance permanent magnets.

Nd and Pr are typically produced and sold together as a combined NdPr product, so the proportion of these elements within a rare earth deposit strongly influences its economic value. Deposits with a higher NdPr proportion relative to total rare earth oxides (TREOs) are generally more valuable because Nd and Pr are among the most in-demand and highest-priced magnet rare earths.

Typically, Nd:Pr ratios of around 15–20% are considered to be high-value deposits. Drilling at Araxá has shown Nd:Pr ratios as high as 31%, showing the potential to target areas of high Nd:Pr.

The revised M&I MRE has an Nd:Pr ratio of 18% at a cutoff of 2%, while the Inferred category has Nd:Pr of 19% at a 2% cutoff.

Heavy rare earths – rarer and high value

The valuable heavy rare earths (HREEs) are those that are scarce and critical for high-performance magnet and advanced technology applications. The most economically important heavy rare earths are:

- dysprosium (Dy) – used in small amounts in NdFeB magnets to improve heat resistance, making them suitable for electric vehicle motors and wind turbines. It is one of the most valuable and supply-constrained rare earths.
- terbium (Tb) – even rarer than dysprosium and used to enhance the magnetic strength and temperature stability of permanent magnets. It is also used in some phosphors and specialised electronics.
- yttrium (Y₂O₃) – has several high-technology applications, including phosphors and displays. Compounds are used in LED lights, television screens, display technologies and advanced ceramics.

With regards to market levels, reasonable levels are considered 100–300 parts per million (ppm) of Dy, 10–30ppm of Tb and 100-500ppm for Y₂O₃. Araxá's resource contains 110ppm of Dy and 29 ppm of Tb. At 431ppm, Araxá's Y₂O₃ levels are considered to be reasonably high.

Met testing will show the ability to extract the HREEs from the Araxá ore; however, current ratios would suggest that some economic benefit may be obtained from these HREEs.

Looking to maximise heavy rare earth value

SGQ is developing proprietary technology to separate cerium and lanthanum – which comprise a large portion of the TREO at the Araxá Project – as part of a downstream strategy to upgrade the concentration of NdPr and heavy rare earths in the rare earth product potentially produced from Araxá.

As a result SGQ and Nanum Nanotecnologia have entered into a strategic alliance to assess the potential for Nanum to process the cerium component of the high-grade rare earths at the Araxá Project into a commercially saleable product.

The primary focus for developing the rare earths resource at Araxá is recovery of the high NdPr content as well as heavy rare earths that include yttrium and dysprosium.

The ability to commercialise the cerium in the Araxá rare earths has potential to add significant value via delivering a mixed rare earth oxide product with a higher concentration of the high-value NdPr and HREO.

Figure 10: Composition of heavy rare earths at Araxá

Resource Classification	Million Tonnes (Mt)	Suite of HREOs										
		Dy ₂ O ₃ (ppm)	Er ₂ O ₃ (ppm)	Eu ₂ O ₃ (ppm)	Gd ₂ O ₃ (ppm)	Ho ₂ O ₃ (ppm)	Lu ₂ O ₃ (ppm)	Tb ₄ O ₇ (ppm)	Tm ₂ O ₃ (ppm)	Y ₂ O ₃ (ppm)	Yb ₂ O 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: SGQ.

Figure 11: Nd:Pr ratio at Araxá

Cut-off (% TREO)	Million Tonnes (Mt)	TREO (%)	Nb ₂ O ₅ (%)	MREO (%)	LREO (%)	HREO (ppm)	NdPr:TREO
Measured Resource Category							
0	8.04	5.22	1.06	0.95	5.10	1204	18
2	8.02	5.23	1.06	0.95	5.11	1205	18
4	5.20	6.22	1.21	1.11	6.09	1342	18
6	1.97	8.59	1.58	1.51	8.40	1811	17
8	0.97	10.33	1.88	1.82	10.11	2243	17
10	0.40	12.41	2.22	2.20	12.14	2762	17
Indicated Resource Category							
0	26.21	3.75	0.56	0.70	3.65	952	18
2	21.46	4.31	0.63	0.80	4.20	1051	18
4	10.58	5.52	0.76	0.99	5.40	1174	18
6	2.87	7.39	0.90	1.27	7.26	1340	17
8	0.66	9.49	1.09	1.56	9.33	1538	16
10	0.17	11.55	1.27	1.88	11.36	1852	16
Measured + Indicated Resource Category							
0	34.25	4.09	0.68	0.76	3.99	1011	18
2	29.49	4.56	0.75	0.84	4.45	1093	18
4	15.78	5.75	0.91	1.03	5.63	1229	18
6	4.83	7.88	1.18	1.36	7.72	1532	17
8	1.64	9.99	1.56	1.71	9.79	1957	17
10	0.57	12.15	1.93	2.10	11.91	2489	17
Inferred Resource Category							
0	76.63	2.48	0.46	0.50	2.40	774	20
2	41.42	3.71	0.52	0.72	3.61	997	19
4	14.65	5.02	0.62	0.93	4.91	1122	18
6	1.96	6.89	0.74	1.19	6.77	1269	17
8	0.21	8.97	0.85	1.50	8.82	1564	16
10	0.02	11.38	1.47	1.81	11.20	1837	16

Source: SGQ.

Next Steps for Next MRE Upgrade (3QCY26)

+10,000m drilling program in progress

SGQ is continuing with a substantial drilling program which has now been extended indefinitely. Over 10,000m of RC and diamond drilling are planned as SGQ expands the resource at Araxá, both outside and within the newly defined MRE.

This drilling program will consist of:

- approximately 2,700m of RC resource definition drilling to upgrade Inferred material to Indicated
- west, north and depth expansion diamond drilling which will follow the assay results already released across November 2025–January 2026.

East Araxá – a new resource on its way

Part of the +10,000m drilling program will also include drilling 1km to the east of the existing MRE within the **East Araxá Discovery**, which was made in July 2025 when initial auger and aircore drilling was conducted to test under-explored areas. Drilling returned exceptional grades and intersected high levels of magnet rare earths with NdPr:TREO ratios up to 35%, exposing a large extension to the REE mineral system. All 22 auger drill holes intersected high-grade mineralisation, including:

- 13.5m 12.34% TREO from 0.5m in AXAG022, with the hole ending in **13.4% TREO**

Follow-up RC drilling was conducted with assays released in September, confirming thick, high-grade mineralisation with intercepts including:

- 48m @ 5.71% TREO from 2m (in AXRC008, announced 17 September 2025)
- 40m @ 2.62% TREO and 1.05% Nb₂O₅ from 2m (in AXRC010, announced 17 September 2025)

The drilling also revealed higher magnet and heavy rare earths grades than those found in the existing MRE, with NdPr values up to 3.96% NdPr as well as high levels of **samarium, making up to 2,600ppm of TREO**. Samarium is the core material in samarium cobalt magnets, which are used heavily in military applications, including in F-35 fighter jets.

Other **heavy rare earths, including dysprosium, terbium, lutetium and gadolinium, make up 1,500ppm of TREO**. The East Araxá Discovery also exhibited high-grade rare earth and Nb mineralisation, with grades of up to 16.87% TREO and 4.06% Nb₂O₅.

Next Steps – Studies, Met Work and Funding

In addition to continuing the drilling campaign, 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 – 2QCY26: 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 2QCY26, and we see this as a major potential catalyst for the stock as a key valuation marker for the project.

Rare earths: met testing and pilot plant; then economic studies

Met testing – results: SGQ is continuing with metallurgical testing of rare earths, and expects to release results in 2QCY26. 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.

Strategic Land Acquisition for Plant Site

SGQ has agreed to acquire a strategic parcel of land, which is suitable for the location of processing and related operational facilities required for the potential development of a niobium and rare earths mine. The land being comprises 166 hectares located less than 2km from of the Araxá Project mining tenure and is zoned for mining and industrial use, which is the appropriate classification for St George's proposed purpose. The land is flat-lying and cleared of trees, representing an ideal setting for installation of processing facilities to support a potential mining operation at Araxá.

The consideration for the acquisition of the project land is approximately A\$3.8 million, payable in two equal instalments – the first upon signing of the agreement (which occurred on 13 February 2026) and the second on 30 September 2026.

Figure 12: Location of SGQ's land acquisition



Source: SGQ

Processing options - could St George look at Mosaic's plant?

Mosaic's Araxá mine and its beneficiation plant have been part of a strategic review and potential sale process, but no confirmed transaction has been completed for that asset (see location of Mosaic's plant NW of SGQ's Araxá mine).

In 2025, The Mosaic Company launched a "dual-track process" involving the Patrocínio mine and the Araxá mine and beneficiation facilities.

The two options Mosaic was evaluating were:

- Sell the Araxá mine and beneficiation facilities, or
- Bring in partners / capital to develop a niobium processing project using the Araxá beneficiation plant.

What has already been sold

Mosaic sold Patos de Minas phosphate mine in Oct 2025 for ~US\$111M. This sale is separate from Araxá.

Current status of the Araxá beneficiation plant

The Araxá beneficiation facility is important as it processes phosphate ore from the carbonatite deposit. The same ore system contains niobium and rare earth elements and existing infrastructure could potentially support niobium / REE recovery

The plant could be sold or partnered, depending on investor interest. No confirmed completed sale has been publicly reported.

Potential for SGQ to Acquire

There remains an option for SGQ to look at Mosaic's plant for processing of the Niobium from SQQ's mine, with potential to reduce capital costs and speed up the commencement of production.

Mixing it With the Big Kids – SGQ into the All Ords

SGQ has been included in the S&P/ASX All Ordinaries Index (All Ords) effective prior to the open of trading on Monday, 23 March 2026. The All Ords represents the 500 largest companies listed on the ASX by market capitalisation. The inclusion in the All Ords reflects the strong performance of SGQ's stock price off the excellent drilling results at Araxá.

Inclusion in the All Ords typically means more liquidity, more investors, and stronger market credibility, all of which can support a company's share price and long-term capital market access. We believe this development could broaden SGQ's profile, as well as potentially improve liquidity through exposure to a wider range of investors, including index-tracking funds and institutional investors.

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\$0.36 per share (previous A\$0.22 per share), fully diluted (see Figure 13).

Our valuation has increased substantially, driven by the material upgrade to the MRE. The upgrade has increased our NPV for the Nb project because we extended the mine life by 10 years to 25 years, while the REE valuation has increased due to a material increase in the size of the resource and the potential value placed upon it by the market.

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.

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, potential production upside and the inclusion of REEs in the production profile.

REE not specifically modelled at this stage

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.

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 2QCY26 to further enhance our numbers.

Figure 13: Valuation – sum of the parts (base case)

NPV OF PROJECTS	US\$M	Ownership	Risk	A\$M	A\$/share	Previous Valuation
ARAXA - Niobium - Risked NPV	609	100%	100%	908	0.17	0.11
ARAXA - REE EV / Resource Valuation	629	100%	100%	939	0.19	0.11
Corporate Costs	(65)	100%	100%	(70)	(0.01)	(0.01)
Net Cash (Debt)	34	100%	100%	53	0.01	0.01
Total				1,830	0.36	0.22
WACC					10.0%	
AUDUSD					0.67	
Shares on issue (Undiluted)					3,810	
Options & Performance Rights					1,095	
Additional Equity Required					299	
Shares on issue (Fully Diluted)					5,203	

Source: MST.

Base-case valuation components

Niobium: risked NPV = A\$0.17 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 2QCY26** (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 recent substantial increase in resource, we have further reviewed the inputs. Given the large increase in the resource, we have extended the mine life by 10 years to 25 years. All other inputs have remained constant. The extended mine life consumes approximately 77% of the current resource, and the valuation has increased accordingly. We highlight the following key assumptions (a full list is shown in Figure 14):

- **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. This assumption is unchanged.
- **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 (from 0.65) to reflect recent strength in the AUD.

Figure 14: 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.

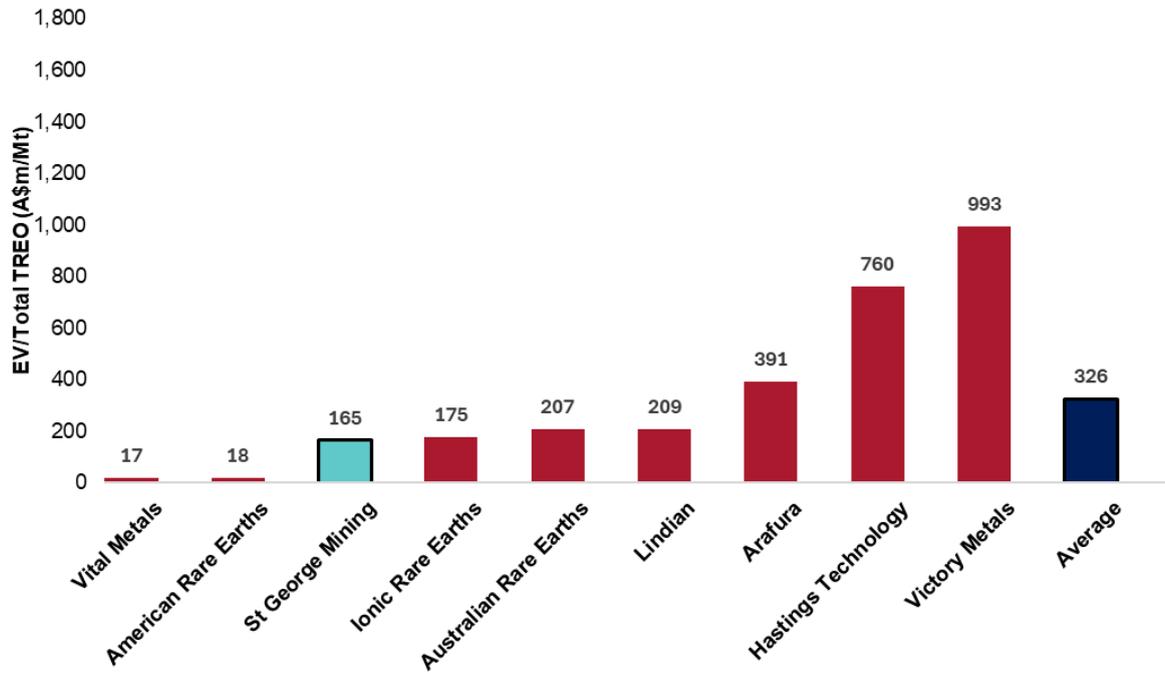
REEs: EV/Resources = A\$0.19 base-case contribution

We consider the REE component of the resource development to be at too early a stage to contemplate an NPV calculation. 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 15). 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 ore bodies, as well as the different stages of development, grade and size). Brazilian Rare Earths is not included as it is an outlier.

We apply the average value (A\$326 per tonne of contained TREO) of the selected companies to the contained TREO of 2.87Mt (70.91Mt @ 4.06% TREO) at Araxá, this equates to an EV of A\$939m, or A\$0.19 per share on a fully diluted basis, reflecting a substantial premium to the current share price.

Figure 15: EV/Resource comparables

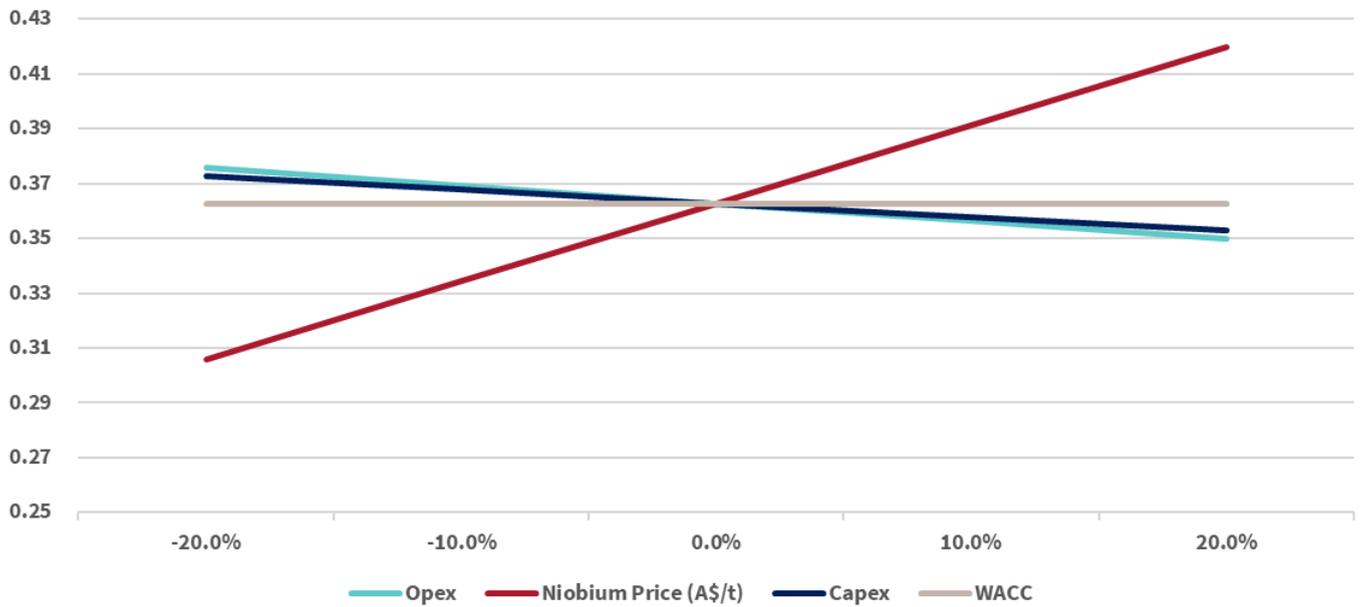


Source: Company data, MST.

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

The key sensitivities for our valuation are shown in Figure 16, with the Nb price being the key driver.

Figure 16: 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 reduce. 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

The current infill and extension drilling aims to both boost the confidence of the resource further (increasing Measured and Indicated) as well as increase the resource via drilling both along strike and below the current resource, which is open in all directions. There has been significant success to date; however, there is a substantial amount of drilling still to be completed and we see further upside from this.

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 to 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.

Appendix 1: Peer Comparisons

Niobium comparables

We have compared the Araxá Project to other key pre-production Nb projects, including WA1's West Arunta Project (ASX: WA1), NioCorp's Elk Creek Critical Minerals Project (NASDAQ: NB) and Globe Metals and Mining's Kanyika Niobium Project (ASX: GBE). The projects all have existing resources and are aspiring to bring Nb production to the market in as short a time frame as possible. The Araxá Project compares very favourably with these competing projects in terms of grade, infrastructure, jurisdiction, timeline, and first to market.

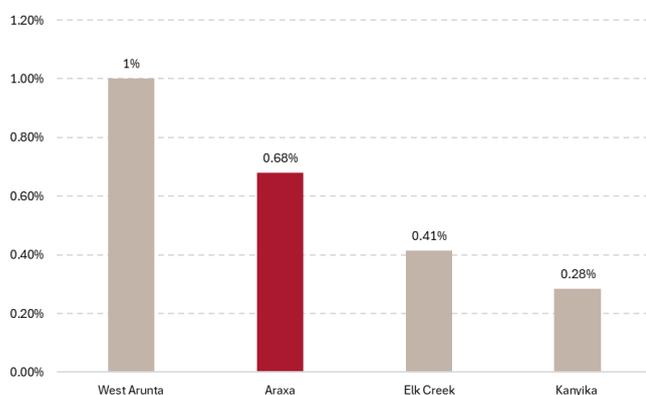
Figure 17 shows our assessments of SGQ's peers. Green indicates an advantage/superior outcome to peers, orange indicates being in line with peers while red indicates being at a disadvantage to peers.

Figure 17: 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	✓	✓	✓	✗

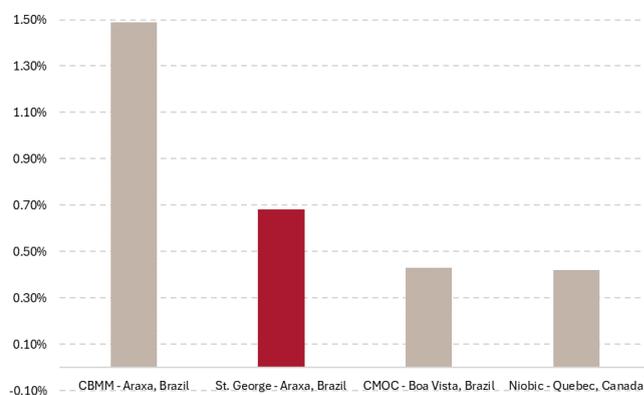
Source: MSTe, company data.

Figure 18: Araxá's Nb₂O₅ stacks up well against other Nb development projects (grade %)



Source: Company data.

Figure 19: Araxá's Nb₂O₅ also stacks up well against major operating projects (CBMM a standout) (grade %)



Source: Company data.

REE comparables

The two major producing rare earths mines outside of China are carbonatite-hosted deposits – the Mountain Pass mine in California and Mt Weld in Western Australia. They are the same style of deposit as SGQ's Araxá Project. Mountain Pass is the only producing REE mine in the USA and, until recently, relied on China to process most of its product. Mt Weld is Australia's premier REE producer. Both of these are producing assets and give a glimpse at the potential of SGQ to be significantly re-rated.

We also compare Araxá to the Nolans Project, a large undeveloped resource in the Northern Territory. Araxá's metrics are similar or better than those of Nolans, yet SGQ has a significantly smaller market capitalisation than that of Nolans' owner, Arafura Rare Earths.

Figure 20: Araxá compared with other REE projects – metrics point to undervaluation of SGQ

	St George	Lynas	MP	Arafura
Mkt Cap and Exchange	A\$477m ASX	A\$17.8b ASX	US\$10.7b NYSE	A\$1.16b ASX
Project	Araxá, Brazil	Mt Weld, Aust.	Mountain Pass, USA	Nolans, Australia
Deposit Style	Hard-rock	Hard-rock	Hard-rock	Hard-rock
Stage	Development studies	Producing	Producing	Development studies; funding
REE Product	Oxide	Oxide	Oxide	Oxide
MRE for TREO (Mt)	Measured: 8.02 Indicated: 21.46 Inferred: 41.42 Total: 70.91	Measured: 20 Indicated: 15.5 Inferred: 71.1 Total: 106.6	Reserve: 28.96 Indicated: 5.29 Inferred: 14.16 Total: 48.41	Measured: 4.9 Indicated: 30 Inferred: 21 Total: 56
TREO Grade (%)	Measured: 5.23% Indicated: 4.31% Inferred: 3.71% Total: 4.06%	Measured: 7.2% Indicated: 4.3% Inferred: 3.2% Total: 4.1%	Reserve: 5.89% Indicated: 3.5% Inferred: 4.65% Total: 5.9%	Measured: 3.2% Indicated: 2.7% Inferred: 2.3% Total: 2.6%
NdPr (%)	Total 0.78%	Total 0.61%	Total 0.93%	Total 0.69%
NdPr:TREO ratio (%)	18.0%	14.8%	15.7%	26.5%

Source: Company data.

Appendix 2: Niobium 101 – The Key to Araxá's Early Success

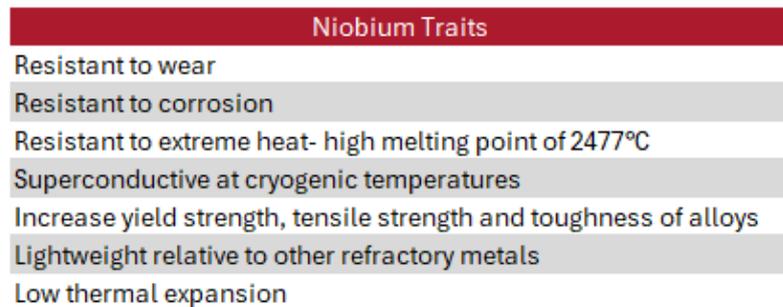
What is niobium?

Niobium (Nb) is a ductile, refractory metal known for its resistance to heat, wear and corrosion (see Figure 21). Nb is useful in producing high-strength, low-alloy steel as well as in next-gen battery applications.

Nb is widely distributed in the Earth's crust, but rarely found in high concentrations. Over 90 different Nb-bearing minerals have been identified, but most occur in trace amounts or within complex mineral assemblages, making extraction uneconomical. The primary source of Nb globally is pyrochlore, a mineral typically hosted in carbonatites or pegmatites derived from alkaline rocks, often alongside zirconium, titanium, thorium, uranium and rare-earth minerals. Pyrochlore mineralisation is processed to produce a Nb concentrate grading 55–60% Nb₂O₅, which is then further refined into ferroniobium (FeNb) or other Nb-based products.

Nb can also be found in columbite, a mineral typically associated with intrusive pegmatites, biotite, and alkali granites. Historically, Nb and tantalum were commonly found together and difficult to distinguish. Thus, columbite is processed in the same way as tantalite, with Nb recovered alongside tantalum. Fittingly, Nb takes its name from Niobe, the daughter of Tantalus in Greek mythology – a nod to its natural association with tantalum.

Figure 21: Niobium's unique combination of traits drives demand



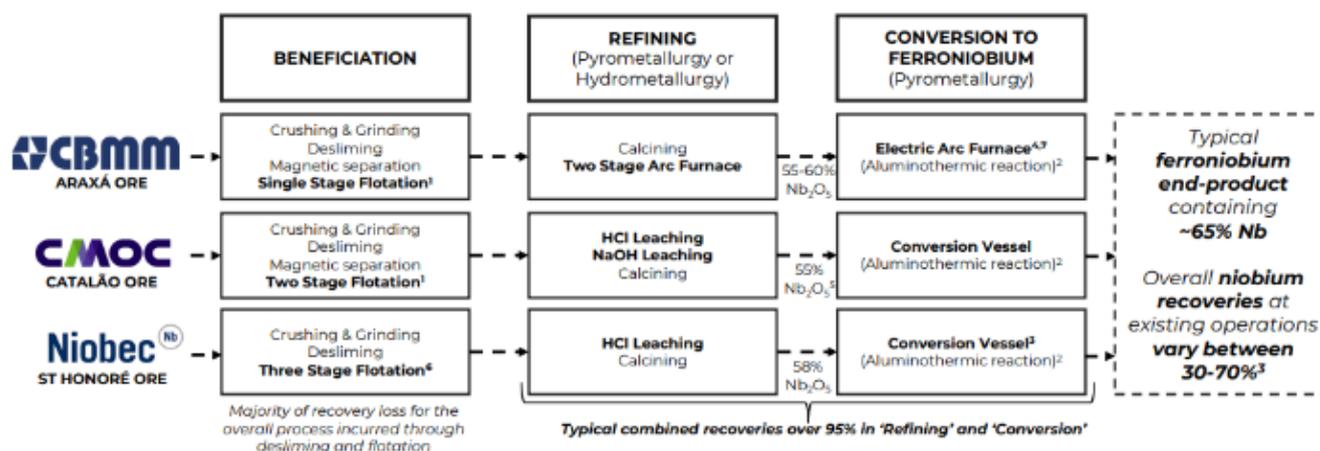
Source: MST.

Processing method

Pyrochlore ore is mined and initially crushed and ground to liberate the mineral. The ore undergoes froth flotation with multiple cleaning stages to refine the concentrate to ~60% Nb₂O₅. The resulting concentrates are calcined to reduce impurities such as phosphorus, sulphur and lead. The purified concentrates then undergo an aluminothermic process to arrive at FeNb. In this process, the concentrate is mixed with hematite powder, aluminum powder, and small quantities of fluorspar and lime fluxes. The reaction is initiated by igniting a fuse, triggering an exothermic reaction that generates temperatures of approximately 2,400°C. During this process, niobium pentoxide (Nb₂O₅) is reduced by aluminum producing a ferro-niobium alloy with iron from hematite and aluminum oxide slag (Al₂O₃). The molten iron and niobium metal combine to form FeNb alloy, typically grading 60–66% Nb. The lighter slag layer floats on top and is tapped off. Once cooled, the solidified FeNb ingot is cleaned, crushed, screened, and sized according to customer specifications. In some cases, further refining via electron-beam melting is undertaken to produce high-purity niobium metal for specialised applications.

Columbite concentrates and tin slags with high tantalum content are typically processed using wet chemical methods. Lower-grade material is first melted in a furnace to separate the tantalum-niobium into a ferroalloy. The resulting material is then broken down using hydrofluoric acid, followed by a solvent extraction process to separate tantalum and niobium. Tantalum goes into the organic phase, while niobium stays in the aqueous solution. Niobium is then precipitated, dried, and roasted to form Nb₂O₅. From here, it can be converted into FeNb through an aluminothermic reaction similar to pyrochlore.

Figure 22: Summarised flowsheets of the top 3 producers of Nb

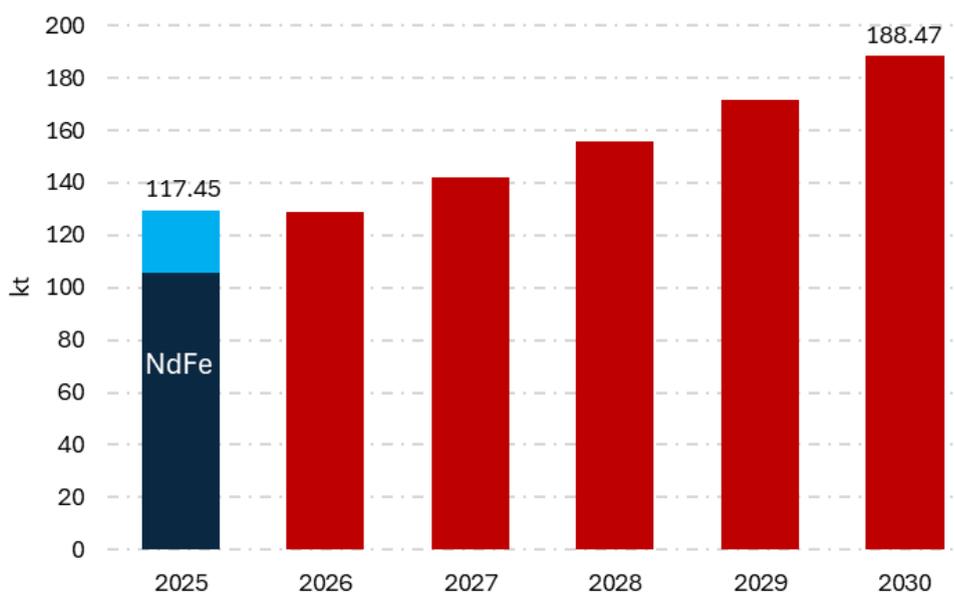


Source: Company data.

Uses and applications

The Nb market is estimated at ~117kt in 2025 and market estimates are for it to reach 188kt by 2030, a CAGR of 9.92% (see Figure 23). There are 4 end products from Nb production: FeNb, Nb oxide (Nb_2O_5), vacuum-grade alloys and metallic Nb. FeNb undoubtedly dominates global demand at ~90%, followed by ~9% in niobium oxide and the remainder split between the rest.

Figure 23: The Nb market is set to grow to 188kt by 2030



Source: Mordor Intelligence.

NbFe: steroids for steel

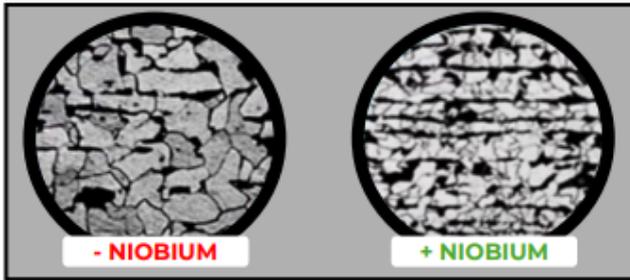
The substantial market presence of FeNb is driven by its crucial role in producing high-strength low-alloy steel (HSLA), in which it significantly enhances steel's strength and toughness while reducing its weight and improving weldability and stability at high temperatures. Its widespread adoption in infrastructure projects, oil and gas pipelines, automotive manufacturing, and construction sectors, where these enhancements are crucial, continues to drive demand. The use of HSLA has significant benefits for the user across various industries. These benefits include the following:

- Improved efficiency and cost savings:** Nb increases the strength of the steel, reducing the total amount of steel required, leading to substantial cost savings. For example, if 130kt of steel is used in construction, adding 0.02% of Nb to steel componentry will result in a total steel saving of 12kt. 12kt of steel costs ~US\$6m whilst 40t of FeNb costs ~US\$1.2m – reducing net costs by US\$4.8m, whilst also improving the quality of steel and reducing emissions.

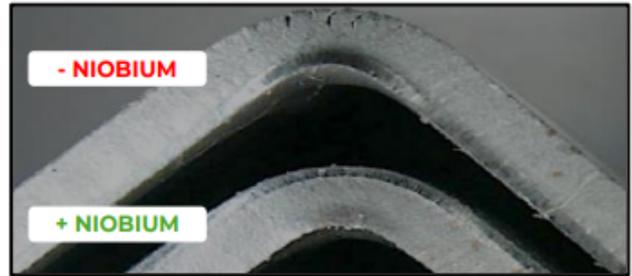
- **Enhanced fuel efficiency:** Nb reduces vehicle weight significantly, increasing fuel efficiency. For example, adding just 300g of Nb can reduce the weight of steel in a mid-size car by 200kg, improving fuel efficiency by 5% whilst reducing emissions.
- **Environmental benefits:** Lower steel usage results in reduced CO₂ emissions during production and operations.

Regulatory trends with respect to steel toughness are providing structural tailwinds. Increasingly stringent global standards for stronger, lighter, and more efficient steel – particularly in the automotive, construction, and infrastructure sectors – have steadily lifted baseline demand for Nb over time. The most recent amendments to Chinese steel strength standards occurred in June 2024; the new standards included stricter requirements for tolerance, smelting processes, mechanical properties, packaging, and rebar quality.

Figure 24: Improved microstructure of steel with Nb additions **Figure 25: Improved flat sheet formability with Nb**



Source: WA1.



Source: WA1.

Nb₂O₅: high-growth, next-gen materials story – use in batteries, electronics

The Nb₂O₅ market is experiencing significant growth and is projected to expand at ~26% during 2024-2029 (see Figure 26).

This growth is largely attributed to its increasing adoption in next-generation lithium-ion batteries and advanced electronics. Leading Nb producers, notably CBMM, are investing heavily to capitalise on this growth, with plans to lift Nb₂O₅ production capacity to 40ktpa by 2030. CBMM also projects that Nb for battery technologies will account for 25% of its total revenue by 2030.

Historically used in optical glass, camera lenses, and electronic components due to its high refractive index and superior electrical properties, Nb₂O₅ is now emerging as a key enabler of next-gen battery technologies. Recent research into the use of Nb in lithium-ion EV batteries has shown significant potential including 10x longer life than traditional batteries, reduced charge times down to less than 6 minutes and increased stability and performance. For example, Toshiba's Niobium Titanium Oxide anode allows for higher performance, longer-life, faster charging, and safer batteries.

Given the dominance of steel application, naturally Nb demand will correlate significantly with steel demand and growth.

Figure 26: Nb demand in batteries is set to account for 9% of total demand in 2035



Source: SFA (Oxford).

Superalloys and metallic Nb – critical for high-performance applications

Nb is also being used in nickel, cobalt, and iron-based superalloys for applications in the aerospace and defence industries where strength and extreme heat resistance are critical, such as jet engine components, gas turbines, rocket subassemblies, turbo charger systems, heat resisting, and combustion equipment. Examples include the liquid rocket thruster nozzles of the Melin Vacuum engines developed by SpaceX for the upper stage of its Falcon 9 rocket. Metallic Nb is widely used in advanced medical equipment such as MRI machines, CT scanners, and particle accelerators. This is a key area of future growth as countries continue to increase defence and aerospace spending in a more volatile geopolitical backdrop.

Demand – APAC dominates, followed by Europe and America

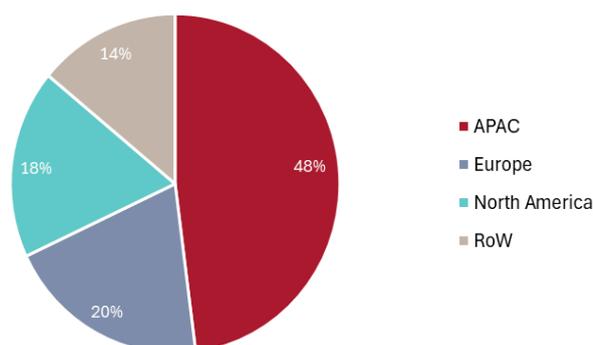
In 2023, China was the largest importer of Nb, accounting for ~30% of the US\$3.2bn global FeNb trade and 50% of the US\$0.6bn market in Nb, tantalum and vanadium ores and concentrate (source: WA1). This demand from China was underpinned by its massive steel industry, infrastructure and renewables buildout, and rising EV production. An imminent Chinese economic stimulus package is likely to spur on steel and HSLA demand after several years of sluggish growth resulting from its struggling housing market.

India represents the fastest-growing market in the APAC region, with market analysts projecting a growth rate of 6% pa in 2024–2029. Industrialisation, infrastructure expansion and automotive manufacturing are key drivers for India. Japan and South Korea maintain steady consumption in their advanced manufacturing and electronics industries.

In the West, the Netherlands and the US accounted for ~16% and ~8% of global FeNb trade, respectively (source: the Observatory of Economic Complexity). Nb is an in-demand commodity in the EU for its applications in energy transition infrastructures, such as wind turbines, solar panels and lithium-ion batteries. We expect this demand to accelerate given the Bloc's green energy transition strategy being a two-pronged desire of emission reduction and, more importantly, energy security. The Netherlands acts as a trading hub and distributes end product to high-demand countries such as Germany (automotive, renewables and aerospace – Airbus production is in Hamburg) and Italy (automotive, steel and renewables).

US demand is primarily driven by its advanced manufacturing sector, particularly in aerospace (Boeing) and defence applications, with the country having the world's largest defence budget. In addition, construction and infrastructure development in the US continues to support steady demand for FeNb.

Figure 27: APAC dominates niobium demand



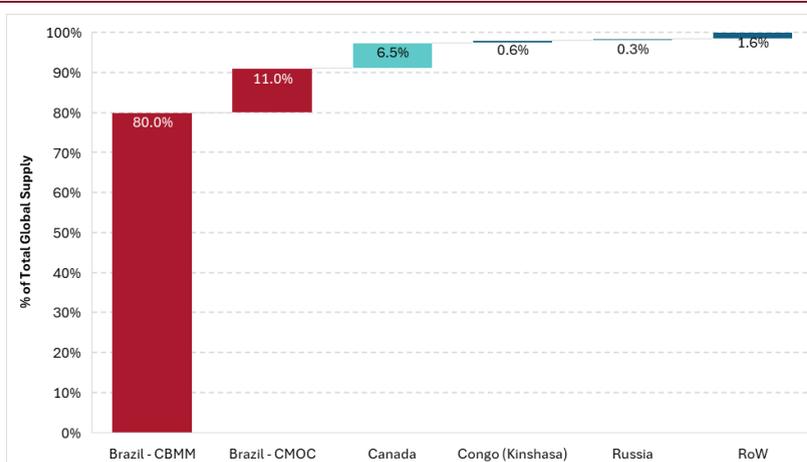
Source: WA1, The Observatory of Economic Complexity.

Supply – a highly concentrated, near-monopoly situation

The global Nb market is a highly concentrated oligopoly – arguably a near-monopoly – dominated by 3 players: Brazil's Companhia Brasileira de Metalurgia e Mineracao (CBMM), China's China Molybdenum Company (CMOC), and Canada's Magris Performance Metals. This concentration reflects the scarcity and unique geological distribution of commercial Nb deposits, which are overwhelmingly located in Brazil and Canada. CBMM's Araxá mine in Brazil is the industry giant, accounting for ~80% of global supply. CMOC's Boa Vista mine, also in Brazil, contributes ~11%, while Magris's Niobec mine in Canada provides ~7%. CBMM is majority owned by the Moreira Salles family with 15% owned by a group of Chinese steelmakers and an additional 15% by a Japanese–South Korean joint venture. The concentration of supply – essentially, the dependence on a single major supplier, as well as the fact that 90% of global Nb comes from Brazil – exposes strategic industries to heightened supply chain risks, especially given the backdrop of the tariff wars recently instigated by the US Government and the subsequent reshaping of global trade. The US has had no domestic production since 1959, and both the US and EU are wholly reliant on imports. This, in combination with Nb's difficult-to-substitute nature and demand in critical industries such as defence and aerospace, makes it a critical mineral to many nations. Indeed, Nb is listed as a critical mineral in many nations and jurisdictions including the EU, the US, Australia, Japan, South Korea, the UK and Canada.

Although world reserves of Nb are more than adequate to supply projected needs for more than 50+ years, the concentration of the world's identified reserves in Brazil, particularly CBMM, highlights access to supply as a serious issue.

Figure 28: Brazil and Canada control ~98% of global niobium supply



Source: USGS.

Pricing – historical stability

While Nb prices are largely governed by long-term contracts, typically benchmarked to CBMM's pricing, Shanghai Metals Exchange provides a useful proxy. Shanghai Metals Market (SMM) publishes indicative pricing for key forms including Nb, ferroniobium (FeNb60) and niobium pentoxide (Nb₂O₅), offering useful signals for market sentiment and contract renegotiations.

Given Nb's primary use as a microalloying agent in HSLA steel, its price is closely correlated to global steel production trends. Nb demand and pricing are thus inherently cyclical (vulnerable to broader macroeconomic downturns that typically weigh on steel production) yet still exhibit low volatility.

Nb pricing also has an interesting relationship with vanadium, another key steel-strengthening alloy. The steel sector responds rapidly to vanadium price swings by substituting with Nb. During price spikes, such as in 2005, 2008 and 2018, steelmakers increasingly shift from vanadium to Nb to maintain cost efficiency. This shift from vanadium is a key reason for vanadium's poor pricing performance in the past 3 years.

Because of the large amount of reserves held by CBMM, the company ramps up Nb supply to meet rising demand, and vice versa. CBMM's ability to flex production to stabilise the market results in less dramatic price swings, giving Nb its stable pricing trait. In the last 3 years, FeNb60 prices have been relatively stable and have seen low volatility, compared to vanadium alloyed steel (FeV50) which has been much more volatile.

As Chinese steel production recovers, and demand increases with Europe's energy transition and higher global defence spending, we expect NbFe and Nb pricing to strengthen.

Personal disclosures

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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Price and valuation as at 16 March 2026 (not covered)*

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