St George Mining Ltd

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The March of St George

Equity Research Australia
Materials

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NEED TO KNOW

- Flagship Araxá project in Brazil – a world-class niobium deposit
- Associated high-grade rare earths add further potential
- Niobium: a critical mineral that needs new supply – increases steel strength, reduces carbon; further growth from batteries

Araxá – St George Mining's (SGQ) world-class niobium project: Araxá is located in mining-friendly Brazil, with a JORC resource of 280kt of niobium (Nb) and significant exploration potential. Located next to the world's largest Nb mine, Araxá has access to existing infrastructure and enjoys significant government support at all levels.

High-grade rare earths: A globally significant total rare earth oxide (TREO) resource of 40.6Mt at 4.13% TREO (1.7Mt of TREO) adds further potential.

Niobium – critical metal, crucial to steel, growth in batteries: Nb increases strength and reduces weight of steel required in products, creating cost efficiencies, lower steel usage and reduced CO_2 emissions. Increasing use in batteries and high-tech applications adds growth in demand.

Investment Thesis

Araxá Project set up perfectly to become new Nb producer CY27: 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 by CY27. Araxá compares very favourably against its global Nb pre-production peers on all measures and we estimate a relatively low capex. At full Nb production we estimate Araxá could generate EBITDA of ~US$130m pa at margins of >60%.

Niobium is a valuable metal; customers keen for additional suppliers: Nb's usefulness in steelmaking makes it a high-demand metal with a strong growth profile. Further potential demand lies within the battery market. CBMM's market dominance has seen customers (large steel mills) looking for alternative suppliers to reduce supply risk. MoUs are in place with leading global players (SKI, Fangda, Xinhai) covering offtake, marketing and potential financing. These partnerships provide early commercial validation and position SGQ to accelerate development with potential to minimise dilution.

Rare earths provide potential significant additional value: Araxá's high-grade rare earth mineralisation has potential to add significant value to the project. Brazil is a significant rare earth province and is looking to expand both its rare earth mining and refining industry substantially, with the potential for Araxá to participate in the growth of the industry.

Valuation (A$0.120) and Risks

We value SGQ via a sum-of-the-parts methodology, adding the NPV of the Araxá Nb project to an EV/Resource valuation for the undeveloped rare earth minerals. Our blended valuation is A$0.120. We consider SGQ shares to be substantially undervalued and also see significant potential upside to our current valuation. Key risks in the short term include disappointing upcoming drilling results, unsatisfactory rare earth metallurgical results, disappointing Scoping Study outcomes, delays to approvals and Nb market disruptions.

ST GEORGE MINING LIMITED

St George has become a global player in niobium and rare earths with the 100% acquisition 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 open pit, free-digging operation.

Valuation	**A$0.120**
Current price	**A$0.022**
Market cap	**A$59m**
Cash on hand	**A$5.3m** *(31 Mar 25)*

Additional Resources

Upcoming Catalysts / Next News

Period	
2QCY25	Rare earths metallurgical testing
3QCY25	Results of drilling campaign
CY25	Scoping Study, niobium project
CY25	Conversion of various MoUs

Share Price (A$)

Source: FactSet, MST Access.

Figure 1: Financial summary

ST GEORGE MINING LIMITED						SGQ-AU
Year end 30 June						
MARKET DATA						
Share Price	A$/sh					**0.0220**
52 week high/low	A$/sh					0.045-0.015
Valuation	**A$/sh**					**0.12**
Market Cap (A$m)	A$m					59
Net Cash / (Debt) (A$m)	A$m					5
Enterprise Value (A$m)	A$m					54
Shares on Issue	m					2,668
Options/Performance shares	m					962
Other Equity	m					2,291
Potential Diluted Shares on Issue	m					5,921

INVESTMENT FUNDAMENTALS		FY23A	FY24A	FY25E	FY26E	FY27E
Reported NPAT	A$m	(11)	(8)	(9)	(9)	(9)
Underlying NPAT	A$m	(11)	(8)	(9)	(9)	(9)
EPS Reported (undiluted)	¢ps	(1.4)	(0.9)	(0.9)	(0.7)	(0.4)
EPS Underlying (undiluted)	¢ps	(1.4)	(0.9)	(0.9)	(0.7)	(0.4)
Underlying EPS Growth	%	n/m	n/m	n/m	n/m	n/m
P/E Reported (undiluted)	x	n/m	n/m	n/m	n/m	n/m
P/E Underlying (undiluted)	x	n/m	n/m	n/m	n/m	n/m
Operating Cash Flow / Share	A$	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Price / Operating Cash Flow	x	n/m	n/m	n/m	n/m	n/m
Free Cash Flow / Share	A$	(0.01)	(0.01)	(0.02)	(0.01)	(0.06)
Price / Free Cash Flow	x	n/m	n/m	n/m	n/m	n/m
Free Cash Flow Yield	%	n/m	n/m	n/m	n/m	n/m
Book Value / Share	A$	0.00	0.00	0.01	0.01	0.01
Price / Book	x	10.16	10.56	2.68	2.96	2.42
NTA / Share	A$	0.00	0.00	0.01	0.01	0.01
Price / NTA	x	10.16	10.56	2.68	2.96	2.42
Year End Shares	m	841	989	989	1,629	2,669
Market Cap (spot)	A$m	18	22	22	36	59
Net Cash / (Debt)	A$m	3	3	3	2	(121)
Enterprise Value	A$m	15	19	19	34	180
EV / EBITDA	x	n/m	n/m	n/m	n/m	n/m
Net Debt / Enterprise Value		(0.1)	(0.0)	(0.1)	(0.0)	2.2
Dividend Per Share	A¢ps	0.0	0.0	0.0	0.0	0.0

12-Month Relative Performance vs S&P/ASX Metals & Mining

Profit & Loss (A$m)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue	0	0	0	0	0
Expenses	(11)	(8)	(9)	(9)	(9)
EBITDA	**(11)**	**(8)**	**(9)**	**(9)**	**(9)**
D&A	(0)	(0)	(0)	(0)	(0)
EBIT	**(11)**	**(8)**	**(9)**	**(9)**	**(9)**
Interest	0	0	0	0	0
Tax	0	0	0	0	0
NPAT	**(11)**	**(8)**	**(9)**	**(9)**	**(9)**
Exceptionals	-	-	-	-	-
Reported Profit	**(11)**	**(8)**	**(9)**	**(9)**	**(9)**
Profit before tax	(11)	(8)	(9)	(9)	(9)

Balance Sheet (A$m)	FY23A	FY24A	FY25E	FY26E	FY27E
Cash	3	3	3	2	8
Receivables	0	0	0	0	0
Inventory	0	0	0	0	0
PP&E	0	0	5	10	145
Exploration	-	-	-	-	-
Other	1	1	1	1	1
Assets	**4**	**3**	**9**	**13**	**154**
Creditors	1	0	0	0	0
Debt	0	0	-	-	129
Leases	0	0	0	0	0
Provisions	0	0	0	0	0
Other	0	0	0	0	0
Liabilities	**2**	**1**	**1**	**1**	**130**
Net Assets	**2**	**2**	**8**	**12**	**24**

Cashflow (A$m)	FY23A	FY24A	FY25E	FY26E	FY27E
Cash From Operations	(3)	(3)	(2)	(3)	(6)
Interest	0	0	0	0	0
Tax	-	-	0	-	-
Net Cash From Operations	**(3)**	**(3)**	**(2)**	**(3)**	**(6)**
Capex	(0)	(0)	(0)	(0)	(130)
Exploration	(6)	(5)	(5)	(5)	(5)
Investments	(1)	3	-16	-9	-8
Free Cash Flow	**(9)**	**(6)**	**(23)**	**(17)**	**(149)**
Equity	9	5	23	16	26
Borrowings	0	0	-	-	129
Dividend	0	0	0	0	0
Net Increase / (Decrease) in Cash	**(1)**	**(1)**	**1**	**(1)**	**6**

Source: Company data, MST Access.

Investment Thesis: High-Grade Niobium and Rare Earths; Araxá Project Set Up to be a New Nb Producer

St George Mining (SGQ) is on a path to emerge as a major producer of niobium (Nb), supplying into the global steel market. The company holds 100% ownership of the Araxá Nb and rare earths (REE) project, a pre-production asset. Araxá has the potential to become a significant near-term producer of Nb, supplying into the global steel market, and in the medium term a supplier of REEs into the global market and particularly a growing Brazilian market.

Araxá is strategically located in the world's leading district for Nb production (Minas Gerais), adjacent to the flagship operations of Companhia Brasileira de Metalurgia e Mineracao (CBMM), the world's largest Nb producer (~80% of global supply). The second-largest Nb producer, China Molybdenum Company (CMOC) (11% of global supply) is also located in Brazil, reinforcing its status as the epicentre of global Nb production. The deposit has easy accessibility – it is a large, shallow, flat-lying deposit, beginning at surface, and a free dig mining operation.

Project overview

A fast track to production – targeting CY27 commencement; estimated EBITDA of US$130m pa.; Relatively low capex.

The Araxá Project's prime location, existing infrastructure, government support and strong customer interest have SGQ set up for a strong path to Nb production and significant cash flow potential. The project has the potential to be producing Nb by CY27, and we estimate it will generate EBITDA of ~US$130m pa at margins of >60%. We also consider the project will be relatively low in capex.

Scoping study to show value of the project

With an upcoming scoping study (expected CY25) to identify key project inputs and outcomes, we view the project as being relatively straightforward, outlining our expectations of moderate capex, relatively low opex and a rapid construction timetable. The company expects the scoping study will lead straight into a bankable feasibility study (BFS).

Key products – a critical metal with potential for rare earths

Niobium is a critical and valuable metal with a large market

Nb increases the strength of steel and reduces the weight of the total steel required in products, leading to cost efficiencies, lower steel usage and reduced CO_2 emissions. Use in batteries adds further growth in demand.

The Nb market is estimated at ~117kt in 2025 and market analyst expectations are for it to reach 188kt by 2030 at a CAGR of 9.92%.

Rare earths add value - quality resource with huge potential

Araxá is a high-grade rare earths resource, containing 41.2Mt at 0.68% Nb_2O_5 giving 280kt niobium oxide and 40.6Mt at 4.13% TREO (1.7Mt of TREO). The deposit is rich in valuable neodymium-praseodymium (NdPr) and comparable to the Mountain Pass project in the US and Mt Weld in Australia. The current MRE was defined predominantly from shallow historical drilling, with ~80% of holes to depths of 60m or less, and only 10% of the project area has been close space drilled.

Brazil is a significant rare earth province and is looking to expand both its rare earth mining and refining industry substantially. We see the potential for Araxá to participate meaningfully in the growth of the industry.

Market and competitive dynamics

A dominant supplier, but customers are looking for alternatives

CBMM's dominance in the market has seen customers looking for alternative suppliers to reduce supply risk. MoUs are in place with leading global players (SKI, Fangda, Xinhai) covering offtake, marketing, and potential financing. These partnerships provide early commercial validation and position SGQ to accelerate funding and development of the project.

Araxá stacks up against its peers

SGQ's Araxá Project stacks up very favourably to its peers in terms of grade, infrastructure, jurisdiction, timeline, and first to market.

Other key aspiring Nb producers include WA1's West Arunta Project (ASX: WA1), NioCorp's Elk Creek Critical Minerals Project (NASDAQ: NB) and Globe Metals and Mining's Kanyika Nobium Project (ASX: GBE).

Recent milestones

- January 2025: Offtake signed with Liaoning Fangda Group
- January 2025: A$20m raised for Araxá acquisition
- February 2025: Acquisition of Araxá complete
- February 2025: Shandong invests A$8m into SGQ
- March 2025: Scoping study announced
- April 2025: JORC MRE announced

Valuation

We value SGQ via a sum-of-the-parts methodology by adding the NPV of the Araxá Nb to the EV/Resource valuation of the undeveloped REEs. Our valuation is A$0.12 per share. We consider SGQ to be substantially undervalued in the market and also believe that there is significant potential upside to our current valuation through higher Nb production rates, increased Nb mine life and the addition of rare earths production.

Upcoming catalysts

- 2QCY25: Rare earths metallurgical testing results
- 3QCY25: Results of drilling campaign, update of MRE
- CY25: Scoping Study, Nb project
- CY25: Conversion of various MoUs for offtake, construction and approvals to be converted to binding agreements

Key risks

Key risks in the short term include disappointing upcoming drilling results, unsatisfactory rare earth metallurgical results, disappointing outcomes from Scoping Study, delays to approvals and Nb market disruptions.

Flagship Project Overview: Araxá Niobium/Rare Earths – Well Positioned to Be the First to Market Among Peers

Since announcing the acquisition of 100% of the Araxá Project in August 2024, SGQ has rapidly transformed a dormant phosphate asset into a high-potential niobium–rare earths (Nb–REE) project. The milestones and support accumulated in the short period of announcing the acquisition is a testament to the capabilities of the management team and also validates the project's significance.

SGQ has secured top-tier talent from CBMM as well as the services of Brazil's former Mines Minister as an adviser to the Board and aligned with state and federal authorities to fast-track approvals. SGQ has also locked in partnerships with SENAI[1] and EMBRAPII[2], gaining access to public funding and exclusive IP rights, while attracting strategic offtake and funding interest from major industry players SKI and Fangda. With a maiden JORC resource now defined, SGQ has de-risked Araxá on multiple fronts, signalling strong execution and strategic clarity.

Features of the project

Location: is there a better place to build a mine in the world?

The asset is strategically located within the Barreiro Carbonatite Complex, home to CBMM, the world's largest Nb producer supplying ~80% of global demand. SGQ's project shares the same geology, offering compelling geological, metallurgical and logistical advantages.

Grade: world-class Nb and REEs

Araxá is a high-grade Nb–REE deposit with over 500 intercepts above 1% niobium oxide (Nb_2O_5) and strong REE content. Grades compare favourably with global peers.

Exploration upside: only 10% of the tenement drilled

The maiden MRE is based on historical drilling where 85% of holes reached depths of only 65m or less, leaving deeper and lateral mineralisation largely untested. Further, only 10% of the project area is drilled-out with close-spaced drilling. The project holds significant upside potential for scale.

Government support at all levels

The project is located in the mining-friendly state of Minas Gerais, known for its skilled labour, infrastructure and technical expertise. SGQ has secured MoUs with state and federal bodies to fast-track permitting and collaborate on strategic studies, underscoring institutional backing for the project.

Strategic offtake and funding interest: many interested parties

MoUs are in place with leading global players (SKI, Fangda, Xinhai) covering offtake, marketing, construction and potential financing. These partnerships provide early commercial validation and position SGQ to accelerate development with potential to minimise shareholder dilution.

Notes: (1) SENAI (National Service for Industrial Training), is a network of secondary level professional schools established and maintained by the Brazil Confederation of Industry. SENAI is one of the most important institutions in the country providing formal training for specialised workers for Industry in the areas of chemistry, mechanics, construction and mining.

(2) EMBRAPII is a Social Organisation connected to the Ministry of Science, Technology, Innovations and Communications (MCTIC) and to the Ministry of Education (MEC) who share responsibility for its funding. EMBRAPII's operating model enables quickness, flexibility and reduced risk in supporting companies' RD&I projects. Grants are invested in projects carried out by companies and research institutions, acknowledged for their excellence, technological focus and the ability to meet companies´ RD&I demands. EMBRAPII Units have funds that are available exclusively for innovation projects. EMBRAPII operates through cooperation with public or private technological and scientific research institutions, that are accredited as EMBRAPII Research Units. These Units focus on entrepreneurial demands and innovation projects that are in the pre-competitive stage.

Project history – how SGQ acquired Araxá

Consideration

On 6 August 2024, SGQ announced that it had entered into a binding conditional agreement to acquire all the issued capital of Itafos Araxá Mineracao E Feritlizantes S.A (Itafos Araxá) which owned 100% of the Araxá Project for US$21m, paid in tranches.

On 27 February 2025, SGQ announced that it had completed its acquisition of the Araxá Project with overwhelming shareholder support.

SGQ made the following payments to Itafos on completion:

- **Cash:** US$10m equivalent to Itafos
- **Shares:** 270m shares representing 10% of SGQ's outstanding share capital
- **Options:** 86m options to acquire SGQ shares at an exercise price of $0.04 expiring 2 years from the date of issue
- **Performance rights:** ~11.1m performance rights, convertible into SGQ shares contingent on exploration results, Mineral Resources and Ore Reserves (JORC) compliant Inferred Resource of no less than 25Mt @ 3.5% TREO at a cut-off of 2% TREO within 5 years of the date of issue.
- **Additional cash payments to be made:** US$6m 9 months after completion; US$5m 18 months after completion

Funding

On 7 January 2025, SGQ confirmed A$20mm of funding for acquisition of the Araxá Project, a key condition for deal completion.

SGQ placed shares to raise A$20m to institutional and sophisticated investors at an issue price of A$0.02 per share. Subscribers to the Placement also received one free attaching option for every two shares subscribed for and issued, with each option having an exercise price of A$0.04 and an expiry date of 2 years after the date of issue.

If this project is so good, why did Itafos sell?

Itafos is a US-based fertilizer company and its key focus is phosphate. The Araxa asset did not "stack up" as a phosphate project. Niobium and REE had been detected in the resource but not progressed in any substantial manner. Itafos completed a NI43-101 PEA on Araxa in 2013 which showed positive results for the development of a niobium-REE project.

As a fertilizer company, Itafos did not have a mandate from shareholders to progress the niobium-REE potential and the asset sat dormant in the Itafos portfolio for some time until a corporate advisor seeking to look at niobium projects acted as a catalyst for the sale of the project as a niobium-REE asset.

SQG assessed the project and saw a significant niobium and REE resource with substantial upside potential.

Key to the sale is that Itafos's has maintained a substantial interest in the project via its shareholding and options in SQG.

SQG considers the price paid for the advanced project to be fair and are confident the project will make a very significant return on investment over a long period of time, bearing in mind the valuation of comparable niobium and REE projects on the ASX.

Key next steps – progressing and enhancing project

Conduct 5,000m drilling campaign: improve quality and grow MRE

The imminent drilling campaign is designed to convert a significant amount of Inferred Resources to Measured and Indicated, and to expand the MRE. The campaign will include infill drilling to upgrade the resource, drilling along strike to test extensions and deeper drilling to test the depth of the mineralisation. The maiden drill campaign is planned for 5,000m but we see potential for this to be increased given the large area that remains untested by drilling. The company expects a revised MRE in 3QCY25.

Interpret metallurgical results for REEs

Metallurgical testing is being conducted on the niobium and REEs. Metallurgical testing is key to determine what sort of processing will be required to extract the valuable REE's from the deposit. It is key to note that the REE's will be simple to separate from the Nb, however St. George need to determine the most efficient method to then extract the REEs and at first turn into a RE concentrate. The 2013 PEA included testwork in a pilot plant that did produce an REO product. Although these historical results are encouraging, we would like to see new testwork using the latest modern processing methods. St George expect the results in June 2025.

Scoping study: update project economics

The most recent economic analysis of the project was conducted in 2013 when the then-owners conducted a Preliminary Economic Assessment (PEA), predominantly looking at the project as a REE deposit. The scoping study will revise the preliminary project economics, based on an expanded MRE and a focus on Nb. SGQ expects this to be complete in CY25 and that this will lead straight into a bankable feasibility study (BFS).

Continue to engage with government and regulatory authorities

Obtaining permits and approvals is an integral part of developing a project, and this is often a primary reason for delays in project commencement. The local and federal governments in Brazil have proven to be supportive of new mining projects, as evidenced by St George's MoU's with a range of agencies. It is important for SGQ to continue to engage with the regulatory authorities in order to ensure a smooth and fast approvals process.

Convert MoUs to binding contracts

SGQ has signed several MoUs including offtake, construction and financing. Key to progressing the project will be converting these MoUs to binding contracts. SGQ expects these to be progressively converted over the next 12 months.

A Detailed Look at the Araxá Project

Location, location, location – a great place for a mine

A world-leading district

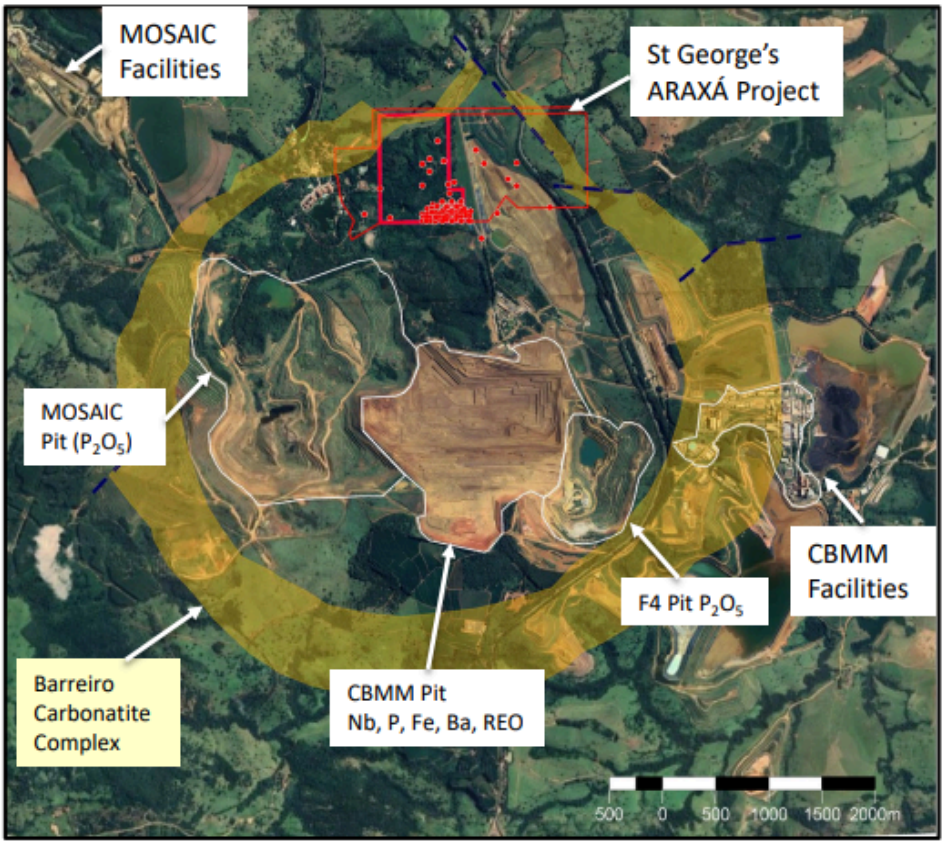
The Araxá Project is located in Minas Gerais, Brazil – the world's leading district for Nb production. The project is adjacent to the flagship operations of Companhia Brasileira de Metalurgia e Mineracao (CBMM), the world's largest Nb producer (~80% of global supply). The second largest Nb producer (11% of global supply), China Molybdenum Company (CMOC), is also located in Brazil (about 300km from Araxa in Goias State), reinforcing Brazil's status as the epicentre of global Nb production.

SGQ's Araxá Project sits within the Barreiro Carbonatite complex (a 5km wide carbonatite hosting hard-rock Nb, REE and phosphate mineralisation). This complex also hosts CBMM's world-class Nb mine (896 Mt @ 1.49% Nb_2O_5) and Mosaic's Araxá phosphate mine (519Mt @ 13.4% P_2O_5), highlighting the geological advantage of the area. SGQ will be mining the virtually the same geology as CBMM, meaning near-identical metallurgy and processing flowsheet, and has former CBMM senior team members on board. This drastically reduces the execution risk and gives SGQ a substantial advantage at being the first to production among the peer group, in our view.

Synergies and existing infrastructure

Further, this proximity brings more than just geological similarity – it places SGQ within reach of existing processing infrastructure, a highly skilled local labour force, and a regulatory environment already set up and in place for mining and exporting strategic minerals. The region benefits from proven metallurgical know-how, logistical infrastructure tailored to bulk exports, and a mining friendly environmental and regulatory support system developed over decades by CBMM and Mosaic. SGQ's ability to recruit senior talent directly from CBMM underscores the unique operating advantage of being in this established mining cluster. There are significant synergies to be unlocked in this region.

Figure 2: SGQ's Araxá Project is adjacent to CBMM's mine and infrastructure



Aerial Earth image of the Barreiro carbonatite complex showing the Araxa Project (red outline) as well as the adjacent CBMM niobium mine and the Mosaic phosphate mine.

Source: Company data.

Product profile – niobium and rare earths

Mineral Resources: globally significant Nb and REE deposits

Mineral Resource Estimate methodology

A Mineral Resource Estimate (MRE) is an assessment of the quantity and quality of mineral deposits within a specified area. These estimates provide an in-depth understanding of the potential economic viability of extracting minerals from a particular area.

An MRE is classified based on data quality, spacing, geological and grade continuity. Measured and Indicated Mineral Resources are more certain and confined to closer-spaced drilling areas, while Inferred Mineral Resources are less certain and are restricted to blocks within a certain distance of drill holes.

Maiden MRE released

In April 2025, SGQ released its maiden MRE for the Araxá Project.

The MRE contains 41.2Mt at 0.68% Nb_2O_5 at a cut-off grade of 0.2% Nb_2O_5, giving 280kt niobium oxide and 40.6Mt at 4.13% TREO at a cut-off grade of 2% TREO, giving 1.7Mt of TREO.

100% of the resource is constrained within the weathered profile at Araxá and 95.8% is within 100m of the surface. The mineralisation is free-digging, supporting potential for low-cost open-pit mining.

Figure 3: JORC Mineral Resources Estimate Nb

Classification	Mt	Nb2O5 (%)	Contained Nb2O5 (kt)
Measured	1.9	1.19	23
Indicated	7.37	0.93	69
Inferred	31.93	0.59	188
Total	41.2	0.68	280

Source: Company data.

Figure 4: JORC Mineral Resources Estimate REE

Classification	Mt	TREO (%)	MREO (%)	Contained TREO (Mt)	Contained NdPr (kt)
Measured	1.9	5.44	1.04	0.10	1.07
Indicated	7.37	4.76	0.9	0.35	3.16
Inferred	31.37	3.9	0.74	1.22	9.05
Total	40.64	4.13	0.78	1.68	13.09

Source: Company data.

The MRE is based on historical exploration work carried out by Itafos between 2011 and 2012, which included 67 diamond drill holes totalling 3,764m. Drilling was primarily focused within the weathered domain, with a maximum depth of 200m and an average depth of 60m.

Notably, more than 80% of the drill holes were drilled to depths of 60m or less, leaving deeper mineralisation largely underexplored, indicating substantial exploration upside for SGQ.

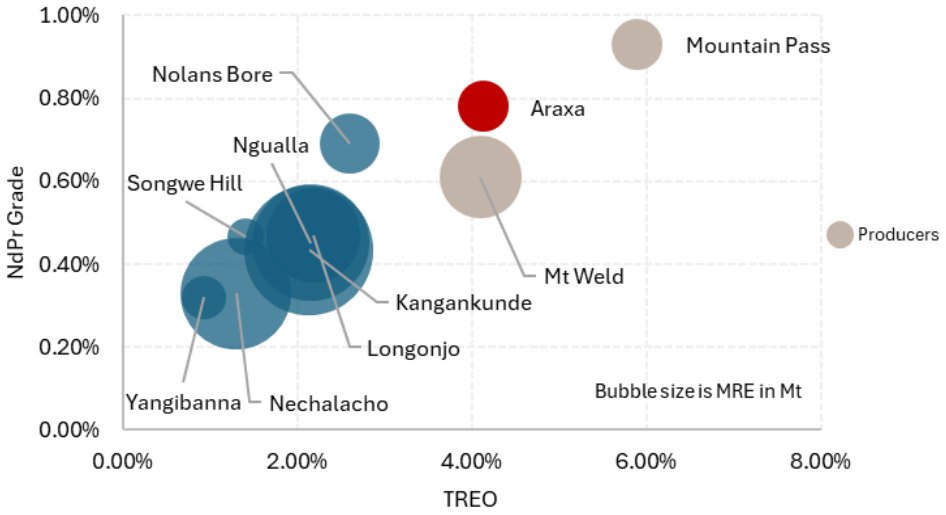
Bonus: this niobium project has world-class rare earths

The Araxá project is a high-grade rare earths deposit, both in terms of TREO and neodymium–praseodymium (NdPr)[1], and compares strongly against other hard rock peers (see 5). It is second to only Mountain Pass, which is the premium hard-rock REE deposit in the world. While the current MRE is relatively smaller in scale, it's critical to note that it was defined predominantly from shallow historical drilling, with ~80% of holes to depths of 60m or less, and only 10% of the project area has been close space drilled.

There is significant scope for expansion at depth and along strike. With grades that already place Araxá among the highest in its peer group, resource growth from the company's upcoming drilling campaign could be a major re-rating catalyst.

(1): NdPr is a blend of two REEs (of 17 REEs) which are crucial for manufacturing strong permanent magnets, which are used in applications like electric vehicle motors, wind turbine generators, and various other high-performance applications. NdPr are higher value components of REEs.

Figure 5: Araxá compares well in TREO and NdPr grades

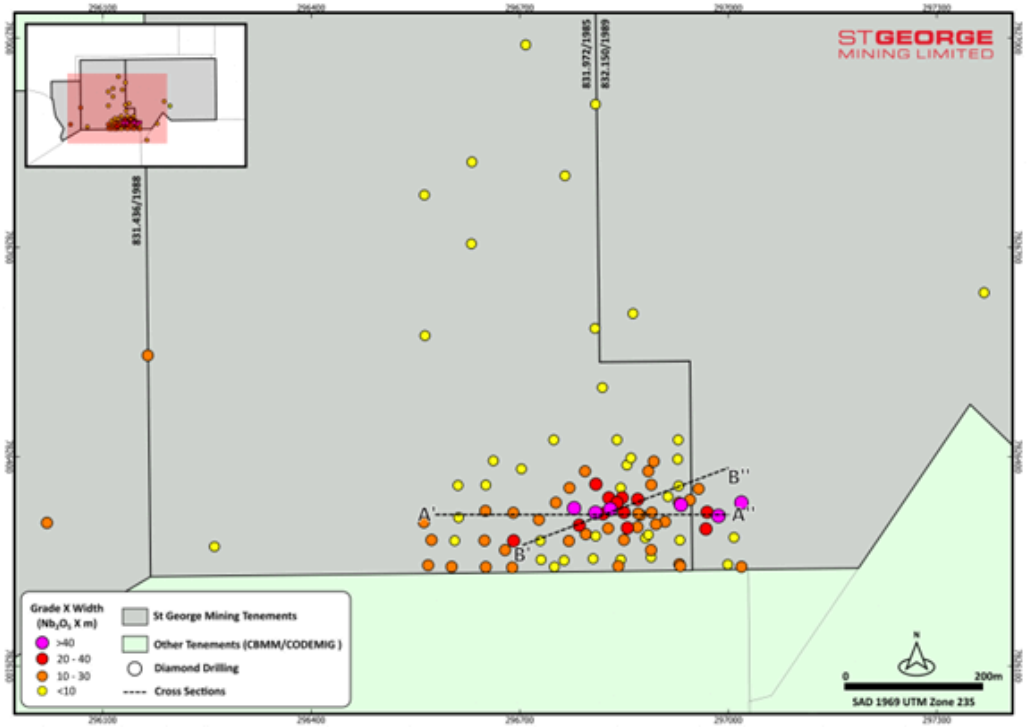


Source: Company reports.

Significant exploration potential

Araxá's exploration potential is significant. Only ~10% of the tenement area has tightly spaced drilling to date (see 6) and 80% of those holes reaching depths of just 60m or less. Significant high-grade mineralisation has been intersected below 100m from surface and in deeper fresh rock and has not yet been included in the MRE. Mineralisation is high-grade, widespread, and open in all directions, pointing to a much larger system than currently defined. Historical drilling has returned standout grades of up to ~33% TREO and ~8.9% Nb_2O_5 – well above global peers. For context, benchmark REE projects like Mountain Pass and Mt Weld sit at 4.1% and 5.9% TREO, while leading Nb producers CBMM, CMOC and Niobec operate at 1.49%, 0.43%, and 0.32% Nb_2O_5, respectively. These early results position Araxá as a potential Tier-1 deposit with room to grow. The upcoming drilling program should further substantiate the value proposition at play at Araxá, with potential to increase the MRE significantly.

Figure 6: Only 10% of the Araxá Project area is effectively drilled



Source: Company data.

Key MoUs signed; interest from multiple parties

Since acquiring the Araxá Project in August 2024, SGQ has rapidly assembled the commercial and institutional firepower typical of a far more advanced operation. It has secured strategic offtake MoU arrangements from major industry players SKI and Fangda, each potentially targeting 20% of production and offering associated funding support – early validation of product-market fit.

On the development front, SGQ has signed a binding MoU with Xinhai, a global provider with work performed at more than 2,000 mines in more than 100 countries, backed by an A$8m investment commitment by Xinhai – a vote of confidence and alignment with SGQ shareholder interests

Public sector support has also come swiftly, with state and federal government backing for fast-tracked approvals, and R&D co-ventures with Brazil's leading scientific agencies SENAI and EMBRAPII, providing SGQ with exclusive IP for processing. The expedited approvals should not be understated. Latin Resources (ASX: LRS) signed a similar MoU with the Minas Gerais government, and subsequently their Preliminary License was issued in 9 months, compared to the typical 3–4 years.

SKI Hong Kong – marketing, offtake and finance (21 October 2024)

SGQ signed a strategic non-binding MoU and offtake agreement with SKI Hong Kong, a leading global trading house in steel materials including Nb. The MoU establishes a general framework for collaboration on marketing, offtake and financing aspects of the Araxá Project with the aim of progressing feasibility studies for a mine development.

In terms of offtake and project financing, SGQ and SKI are negotiating and considering entering into a range of commercial transactions and offtake opportunities including:

- **offtake arrangements**, whereby SKI may secure a minimum 20% of potential Nb products from the project
- the provision of **funding support** to SGQ for the development of the project including through an investment in SGQ and/or pre-payment for offtake
- **marketing rights** for Nb products including technical advice on product specification and product marketing to global clients.

State of Minas Gerais – fast-tracking of approvals (31 October 2024)

The key implications of this MoU are:

- **Expedited licensing:** The Minas Gerais State will assist SGQ with progressing regulatory approvals in an accelerated manner in recognition of the significance of this project.
- **Critical Metals Supply Chains:** Invest Minas and SGQ will collaborate wherever possible on the development of the Araxá Project and other investments in the State that will support domestic supply chains for Nb, REE and related downstream products (includes magnets) critical to the clean energy transition.
- **Strategic Importance of Araxá Project:** This MoU with Invest Minas and the State's expedited licensing agreement is an endorsement of the importance of this project at local, state and federal levels in Brazil.

SENAI – REE research and processing (12 December 2024)

SGQ and SENAI, (Brazil and Latin America's first REE permanent magnet maker) and Latin America's largest scientific and technological agency, signed a MoU to cooperate on research, development and production of rare earth magnets at the Lab Fab facility established by SENAI in Minas Gerais. The Lab Fab facility is nearing production with initial capacity of 100tpa of magnets, with plans to double that capacity within the first 3 years. SGQ is selected as a potential supplier of REE in Brazil, a country that is emerging as a global powerhouse in the rare earths sector.

SGQ and SENAI signed a second MoU to cooperate on the development of sustainable processing and manufacturing of Nb and REE products.

Xinhai – EPC contract and strategic investment (12 January 2025)

Xinhai is a leading global process engineering and contracting company that has completed more than 500 EPC contracts globally, many of which have included mine construction and mine operation management services. Key terms of the deal are:

- **A$8m strategic investment:** Xinhai has committed to invest a total of A$8m in the A$20m equity fund raising completed by SGQ in support of the project acquisition.
- **Development MoU:** SGQ and Xinhai entered into a binding MoU to work together on the development of the Araxá Project. SGQ and Xinhai have agreed to negotiate and enter into a strategic partnership agreement pursuant to which Xinhai will:
    - provide advice on metallurgical testing, mineral processing, plant design and project construction
    - provide a proposal for a fixed-price EPC contract for the development of the Araxá Project.

Liaoning Fangda Group – offtake and development (15 January 2025)

Chinese steelmaking giant, Liaoning Fangda Group, produces ~20Mtpa of steel products, ranking 16th among the world's top steel producers. The company is expanding capacity to 50Mtpa, which has the potential to make Fangda a top 5 global steel producer.

Under the terms of their agreement, SGQ and Fangda will consider commercial arrangements including:

- an offtake commitment whereby Fangda may secure a minimum 20% of potential Nb products from the project
- the provision by Fangda of funding support for the development of the project, including through an investment in SGQ and/or pre-payment for offtake
- technical advice and support for mine development and construction.

Project team – management with deep CBMM knowledge

SGQ has assembled a world-class team with 80+ years' combined experience at CBMM, the world's leading Nb producer, operating in the same Barreiro Carbonatite complex as SGQ. This is not generic mining experience, but a direct transfer of institutional knowledge from the most advanced Nb operation in the world to a near-identical geological system. Key signings are detailed below.

Thiago Amaral as Director, ESG and Technical Development. Mr. Amaral is an engineer with more than 17 years' experience with CBMM, including as Head of Sustainability (including licensing), Global Quality and Product Regulation, and business development in China. Mr. Amaral's familiarity with Brazilian regulatory systems significantly de-risks the project timeline. Mr. Amaral's experience in in China is also a huge added advantage given APAC accounts for ~50% of Nb demand.

Adriano Rios as Director, Mining Operations. Mr. Rios is an engineer with more than 23 years' experience at CBMM including as Production Manager, responsible for planning, managing and monitoring mineral processing and metallurgy units.

Carlos Alberto de Araujo as Consultant, Plant Engineer. Mr. Araujo is an industrial project engineer who managed the design, construction and commissioning of CBMM's technologically advanced Nb processing plant at Araxá.

Ricardo Maximo Nardi as Consultant, Mineral Processing. Mr. Nardi is the former Head of Mineral Production Process at CBMM with more than 30 years' experience in Nb mineral processing.

Adolfo Sachsida as Advisor to the Board. Mr. Sachsida is the former Minister of Mines and Energy; Chief Secretary of Economic Affairs, Ministry for the Economy; and Secretary of Economic Policy, Ministry for the Economy. Mr. Sachsida brings substantial insight into the national policy landscape, helping SGQ navigate an already pro-mining regulatory system. His experience at the highest levels of government gives SGQ a strategic edge in aligning Araxá with Brazil's ambitions to become a global leader in critical minerals, potentially aiding in access to government support and facilitating strategic engagement on policy and permitting.

The hires of Messrs Rios, Araujo and Nardi transform SGQ's technical capabilities, bringing rare, end-to-end operational expertise, from ore extraction to advanced metallurgy, within the exact mineralogy and processing regime SGQ will operate. This depth of knowledge offers a degree of operational foresight that few development-stage juniors can match and eliminates much of the technical guesswork that typically plagues new projects.

St George has also boosted its Perth-based Brazilian team with:

Caue (Paul) de Arajo, Director – Corporate Development:

A very experienced natural resources executive with qualifications as a geologist. Previous roles include Global General Manager (Mine Finance) at Palaris; Partner / Regional Director - Investment and Business Planning at Hatch in Perth (Advisory); and SRK Consulting - General Manager Brazil.

Wanderly Basso – Senior Exploration Geologist:

Brazilian trained geologist with technical qualifications in Brazil and Australia. Experience in managing a full suite of geological activities in Brazil including exploration, metallurgy, resource modelling and mining.

Peer Comparison: Araxá Will Be First to Market

We have compared the Araxa Project to other key pre-production Nb projetcs 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 7 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 7: Araxá compares favourably in terms of most desirable features

	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	✓	✓	✓	×

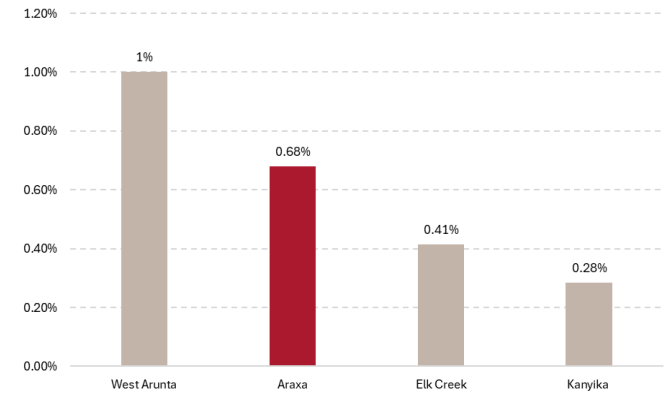
Source: MSTe, company data.

SGQ's Nb_2O_5 grade stacks up well vs emerging niobium peers and existing producers

SGQ's maiden MRE applies a more conservative 0.2% cut-off grade, compared to Kanyika's 0.15%, highlighting the quality of the Araxá deposit. WA1's MRE is entirely in the Inferred category – implying higher geological risk and uncertainty around grade continuity – although WA1 is targeting an updated MRE in the June quarter and has hit encouraging drilling results. Meanwhile, NioCorp's estimate is based only on Indicated and Inferred Resources, lacking Measured classification.

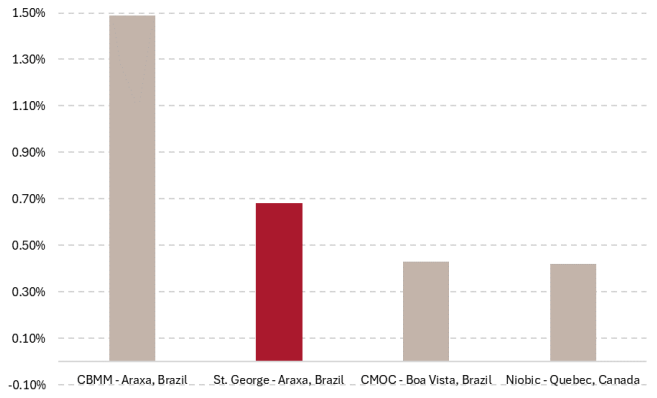
If we also look at SGQ's resource against existing producers, the resource compares favourably as well, with CBMM being the key global resource.

Figure 8: Araxá's Nb2O5 stacks up well against other Nb development projects



Source: Company data

Figure 9: Araxá's Nb2O5 also stacks up well against major operating projects (CBMM a standout)



Source: Company data

WA1 shows what's possible for niobium juniors but also highlights SGQ's undervaluation

WA1 is advancing the West Arunta project in Western Australia, anchored by its Luni discovery, the most significant Nb find in over 70 years. Drilling to date has been very encouraging with numerous high-grade hits. WA1 is trading at a significant market cap of ~$700m, highlighting the significance of Nb and the investor appetite for Nb projects. If brought online, this mine could rival the 3 largest producers currently, in terms of both size and grade.

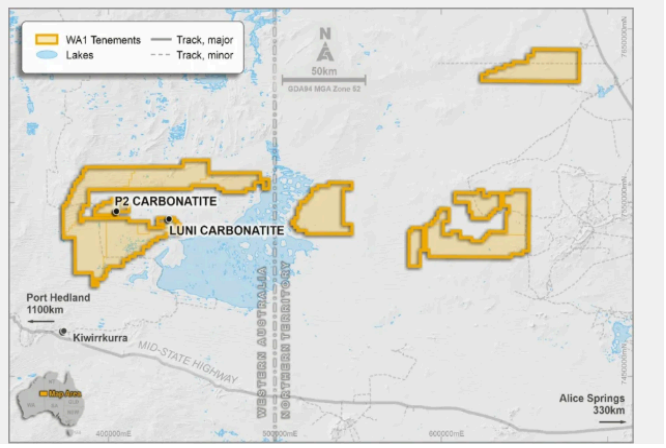
However, Luni is very remote (~490km from Halls Creek and >600km from the nearest mine at Telfer). If WA1 built a road just to Telfer, and exported through ports like Hedland, Karratha or Onslow, infrastructure spend would likely be in the hundreds of million and additional substantial capex for the project. By contrast, Araxá is in a well-established mining district with established roads, power, rail and processing infrastructure, developed over decades by CBMM. Araxá's logistics are proven; well-trodden export routes already service global Nb markets. Araxá is very likely to be in production before WA1, in our view. Further, WA1's resource estimates are compelling, ~5x the total of SGQ's Araxá MRE, but are entirely Inferred.

Even if disregard the geological risk, remoteness, likely billion-dollar capex requirements and assume just one-fifth of its current market cap, that still implies a valuation of ~A$140m for a comparable project such as SGQ's. That is nearly **double** SGQ's current market cap despite SGQ having a more de-risked MRE (with Measured and Indicated), superior location (next door to CBMM, the largest Nb producer in the world), and existing infrastructure.

Figure 10: WA1's location

Source: Google Maps.

Figure 11: WA1's project



Source: Company data.

SGQ's focused exposure vs NioCorp's multi-metal maze

NioCorp is advancing the Elk Creek Critical Minerals Project, 120km south of Omaha, Nebraska, USA. The project targets a suite of critical minerals – Nb, scandium, titanium, and rare earths – with a large Indicated and Inferred Resource of 260Mt at 0.41% Nb_2O_5 and 0.35% TREO. Its 2022 PFS outlined a 38-year mine life, after-tax NPV of US$2.35bn, IRR of ~28%, and capex of US$1.14bn.

While Elk Creek benefits from multi-metal exposure and strong alignment with US critical mineral policy, the broader scope of the project has added technical complexity and extended development timelines (~15+ years). Financing has been a persistent hurdle, reflecting project-specific challenges such as high upfront capital intensity and multi-product flow sheet complexity (NioCorp intends to produce FeNb, scandium oxide, titanium, NdPr oxide, dysprosium oxide, and terbium oxide).

In contrast, SGQ's Araxá Project offers a focused, higher-grade Nb and REE opportunity. With proximity to the world's leading producers, proven metallurgical paths and experts, and strong local infrastructure, SGQ presents a faster and simpler development case, in our view.

Regulatory & geological location sets Araxá apart from Kanyika

Globe Metals & Mining's Kanyika Project in Malawi is a longstanding Nb-tantalum project with a 2012 DFS (updated 2022) outlining a large but low-grade deposit (68Mt @ 0.29% Nb_2O_5). While the project includes tantalum credits, a defined process flow, PFS and imminent BFS, it has struggled to progress due to funding issues, jurisdictional risk, and limited infrastructure. Malawi's mining industry remains nascent, with little precedent for large-scale critical minerals production.

In our view, SGQ's combination of superior asset quality (higher grade with a portion already defined as Measured and Indicated; superior geology) and geographical strength (access to infrastructure and Tier-1 mining jurisdiction location) positions it as a more de-risked path to production and a more compelling opportunity for investors seeking exposure to the growing strategic demand for Nb and REEs.

Niobium 101 – The Key to Araxá's Success

What is niobium?

Niobium (Nb) is a ductile, refractory metal known for its resistance to heat, wear and corrosion (see Figure 12). 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% Nb_2O_5, 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 12: Niobium's unique combination of traits drives demand

Niobium Traits
Resistant to wear
Resistant to corrosion
Resistant to extreme heat- high melting point of 2477°C
Superconductive at cryogenic temperatures
Increase yield strength, tensile strength and toughness of alloys
Lightweight relative to other refractory metals
Low thermal expansion

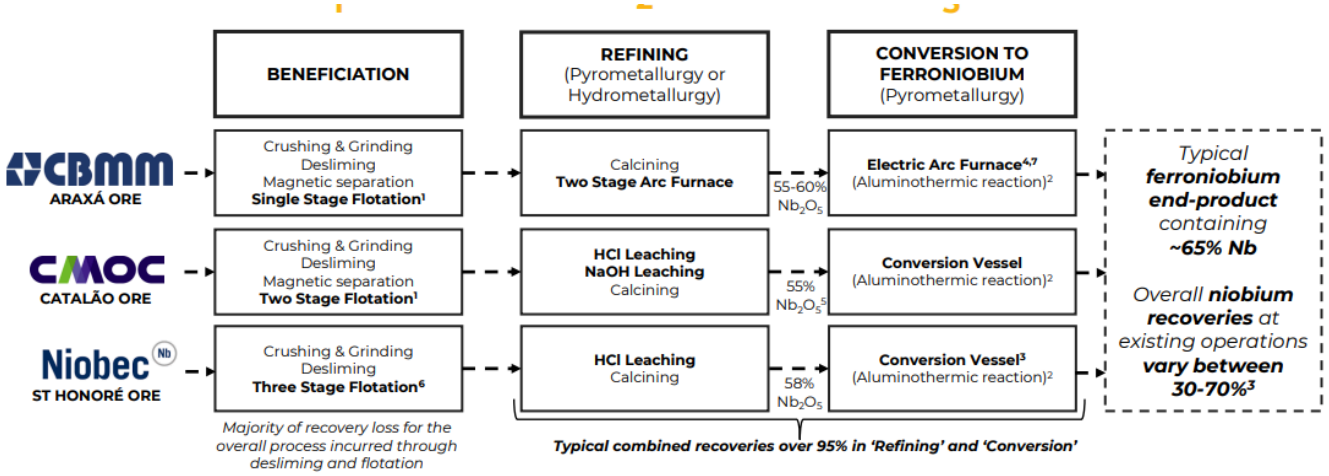
Source: MST

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% Nb_2O_5. 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 (Nb_2O_5) is reduced by aluminum producing a ferro-niobium alloy with iron from hematite and aluminum oxide slag (Al_2O_3). 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 Nb_2O_5. From here, it can be converted into FeNb through an aluminothermic reaction similar to pyrochlore.

Figure 13: Summarised flowsheets of the top 3 producers of Nb

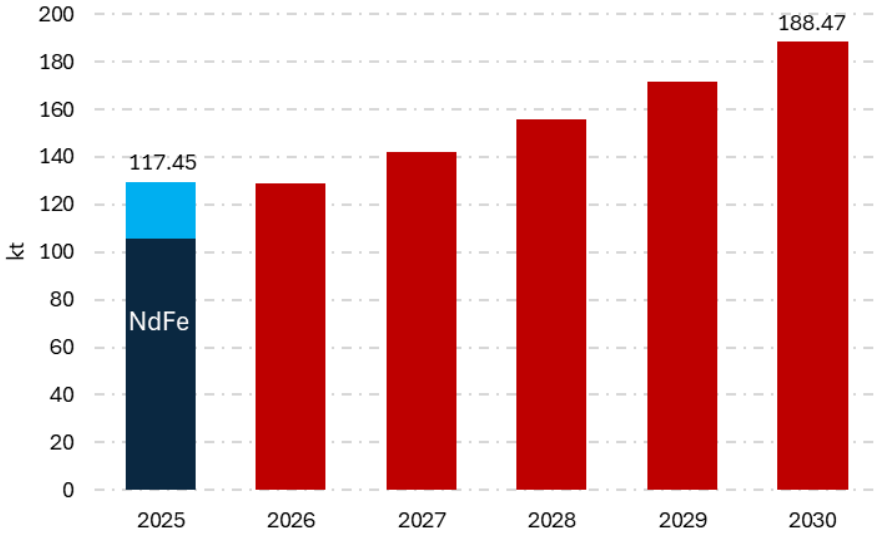


Source: Company data.

Uses and applications

The Nb market is estimated at ~117kt in 2025 and market estimates are for it to reach 188kt by 2030 at a CAGR of 9.92% (see Figure 14). There are 4 end products from Nb production: FeNb, Nb oxide (Nb_2O_5), vacuum-grade alloys and metallic Nb. FeNb undoubtably dominates global demand at ~90%, followed by ~9% in niobium oxide and the remaining split between the rest.

Figure 14: The Nb market is set to grow to 188kt by 2030



Source: Mordor Intelligence.

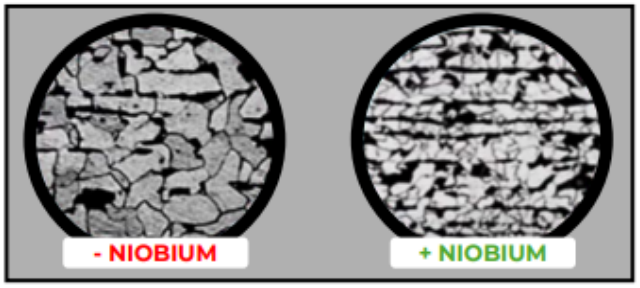
NbFe: steroids for steel

The substantial market presence of FeNb is driven by its crucial role in producing high-strength low-alloy steel (HSLA), significantly enhancing 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:

- **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 CO_2 emissions during production and operations.

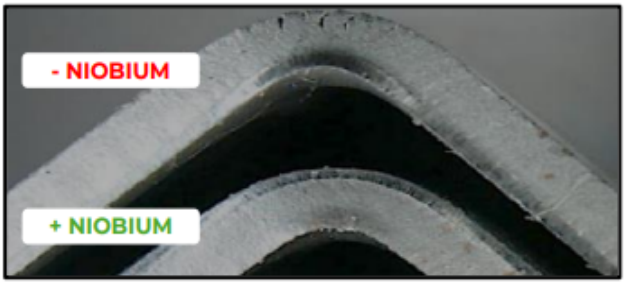
Regulatory trends with respect to steel toughness are providing structural tailwinds. Increasingly stringent global standards for stronger, lighter, and more efficient steel — particularly in the automotive, construction, and infrastructure sectors — have steadily lifted baseline demand for Nb over time. 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 15: Improved microstructure of steel with Nb additions



Source: WA

Figure 16: Improved flat sheet formability with Nb



Source:

Nb_2O_5: high-growth, next-gen materials story – use in batteries, electronics

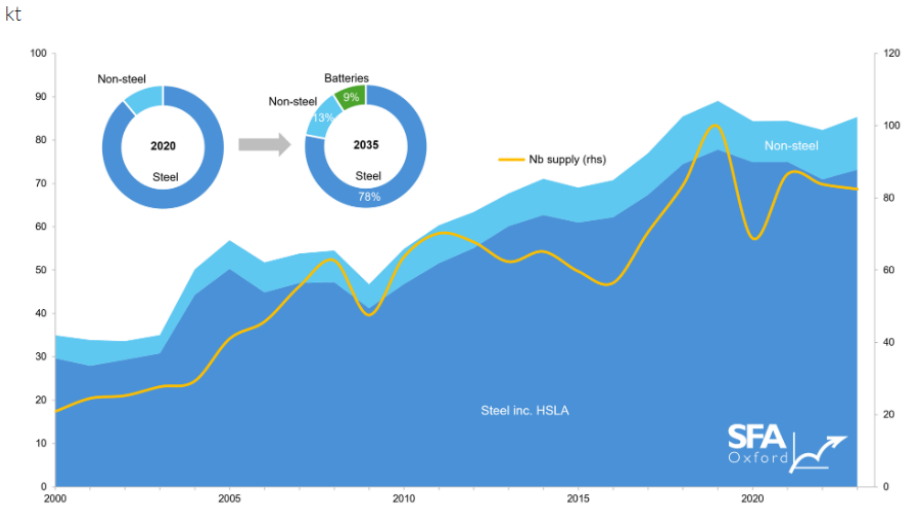
The Nb_2O_5 market is experiencing significant growth and is projected to expand at ~26% during 2024-2029 (see Figure 17)

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 Nb_2O_5 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 superiors electrical properties, Nb_2O_5 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, quicker charging, and safer batteries.

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

Figure 17: 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

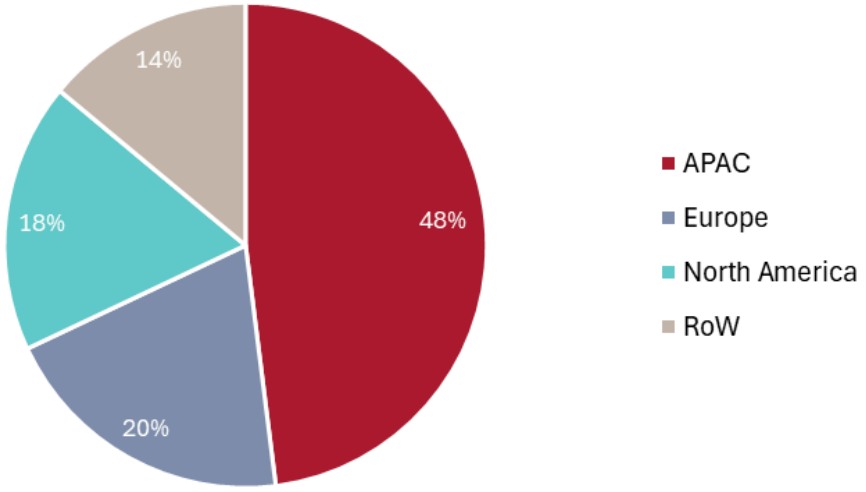
In 2023, China was the largest importer of Nb, accounting for ~30% of the US$3.2bn global FeNb trade and 50% of the US$0.6bn market in Nb, tantalum and vanadium ores and concentrate (source WA1). This demand from China was underpinned by its massive steel industry, infrastructure and renewables buildout, 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 a 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 18: APAC dominates niobium demand



Source: WA1, The Observatory of Economic Complexity.

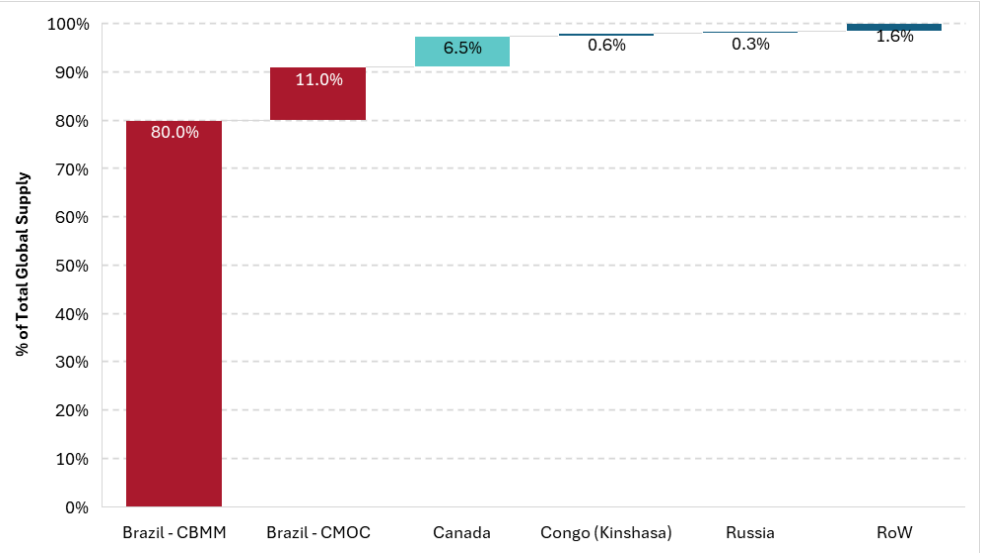
Supply – a highly concentrated, near-monopoly situation

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 Molybendum 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 and in the form of pyrochlore, highlights access to supply as a serious issue.

Figure 19: 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 (Nb_2O_5), offering useful signals for market sentiment and contract renegotiations.

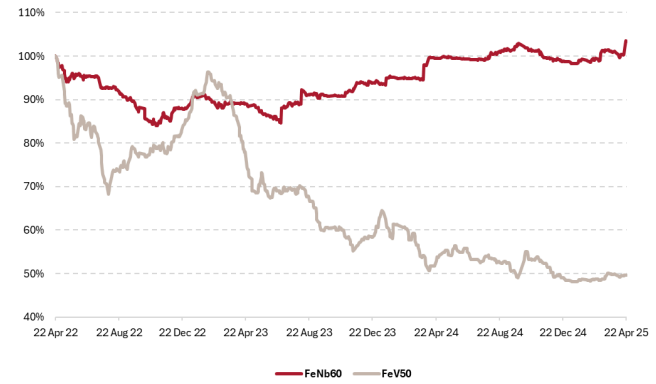
Given Nb's primary use as a microalloying agent in HSLA steel, its price is closely correlated to global steel production trends. Nb demand and pricing are thus inherently cyclical (vulnerable to broader macroeconomic downturns that typically weigh on steel production) yet still exhibit low volatility.

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 2005, 2008 and 2018, steelmakers increasingly shift from vanadium to Nb to maintain cost efficiency. This shift to 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 (see Figure 22). 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 (see Figure 20).

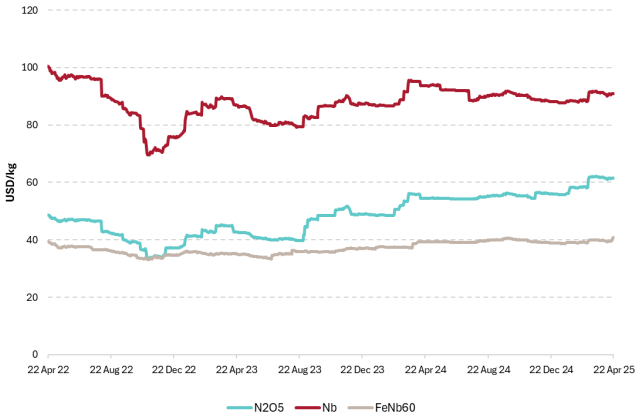
As Chinese steel production recovers, and demand increases with Europe's energy transition and higher global defence spending, we expect NbFe and Nb_2O_5 pricing to trend upwards at a steady rate with large increases not expected given CBMM's market dominance.

Figure 20: Rebased FeNb pricing highlights its relative stability vs FeV SMM.



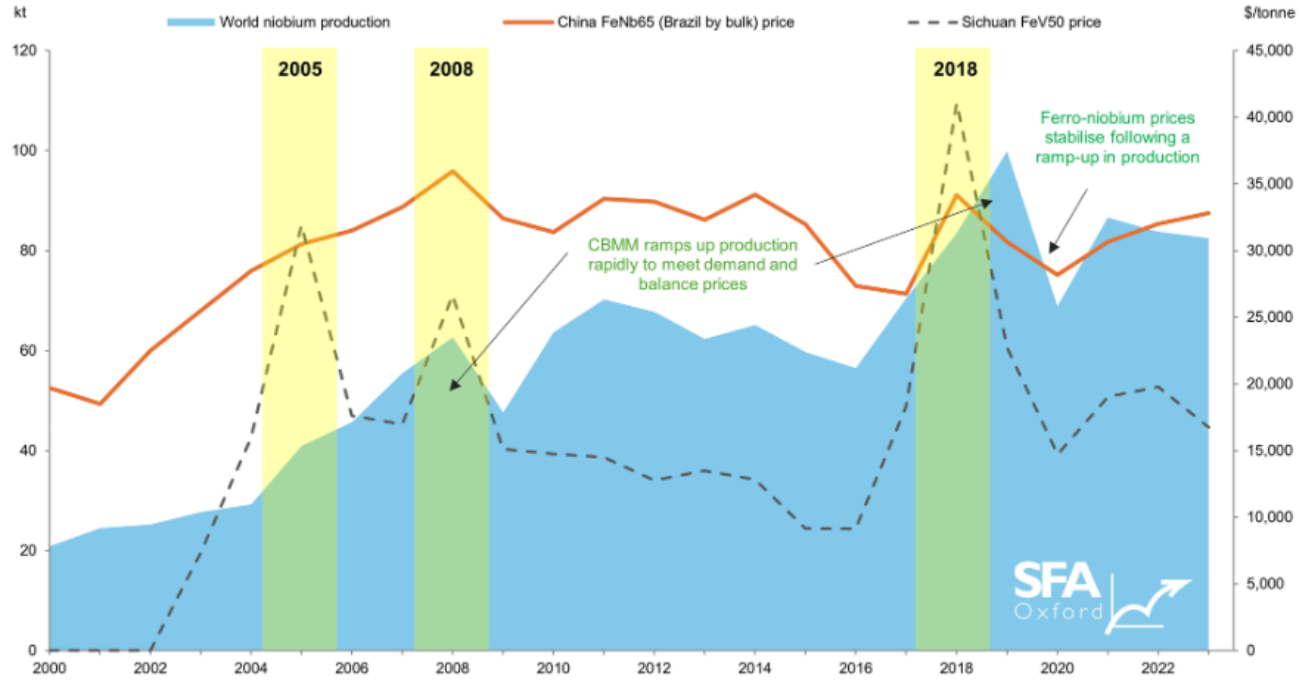
Source: SMM

Figure 21: Nb, FeNb and Nb2O5 prices in the last 3 years



Source: SMM

Figure 22: CBMM ramps up Nb production as vanadium prices rise



Source: SFA (Oxford).

ESG: Advancing its Commitment

SGQ intends to deliver the Araxá Project while advancing its commitment to long-term sustainability. The company's positive approach to environmental, social and governance (ESG) issues is evident in its planning and development, reflected in both its progress to date as well as its long-term objectives.

Environment

The project – risk and regulation

The Araxá Project is in its early stages of development, and long-term environmental plans will need to be put in place. We expect to see a detailed review of the environmental impact and management of the project in the DFS (post Scoping Study) when it is delivered. While the mining of Nb and REEs is a key drawback to the environmental argument for critical minerals, environmentally conscious miners can mitigate the environmental risk.

Araxá is located in Brazil's most established Nb-producing region, adjacent to CBMM's long-standing operations. This allows SGQ to leverage a history of environmental regulation and operational best practices that have shaped mining in the area over the past 50 years. SGQ is committed to adopting proven, low-impact beneficiation processes tailored to Araxá's geology and aims to minimise surface disturbance and water use wherever feasible. As part of early works, SGQ has appointed leading environmental consultancy, Alger Consultoria e Assessoria Juridica (Alger), to advise on socio-envionmental and cultural heritage matters in connection with the licensing of proposed mining operations at Araxá. SGQ has also entered a technical collaboration with leading Brazilian scientific agencies, EMBRAPII and SENAI, to develop a sustainable processing flowsheet for the commercialisation of ferroniobium and rare earth products. The goal is to maximise resource recovery while adhering to stringent ESG standards, minimising waste, and lowering costs through innovative technologies.

The products – niobium and REEs

Steel saving: Adding Nb to steel increases the strength of the steel, reducing the steel required for a project. Lower steel usage results in reduced CO_2 emissions during production and operations.

Improved energy efficiency: Nb used in superconducting materials (MRI machines, particle accelerators, power transmission) enables highly efficient energy applications. Lighter steel as a result of Nb improves fuel efficiency and reduces vehicle emissions.

Renewable energy: Nb is used in wind turbines and lithium-ion batteries, which are critical infrastructure that will drive the energy transition. REEs (NdPr) are critical for the high-performance magnets used in wind turbines and EV motors and are also used in solar panels and hydrogen fuel cells.

Social

SGQ is committed to contributing positively to the local community, including creating jobs and integrating its operations into Brazil's critical metals supply chain. The company's engagement with Alger also covers cultural heritage matters, ensuring respect for local and Indigenous cultural sites and traditions during project development.

Governance

ASX Corporate Governance Principles and Recommendations

SGQ has adopted the Corporate Governance Principles and Recommendations as issued by the ASX Corporate Governance Council, demonstrating its commitment to effective corporate governance.

Board of Directors

The Board is responsible for SGQ's corporate governance, and develops strategies for SGQ, reviews strategic objectives and monitors the company's performance against those objectives. The specific goals and responsibilities of the Board are outlined in SGQ's Corporate Governance Statement.

The 4 members of SGQ's Board have many years of experience in the minerals industry and a strong complementary range of technical, financial, managerial and directorship skills (see Figure 23).

Figure 23: Board experience and skill matrix

Experience Skills and Attributes	Board Members			
	John Prineas	John Dawson	Sarah Shipway	Adolfo Sachsida*
Professional and Teritary Skills				
Commerce and Business	✓	✓	✓	✓
Law	✓			✓
Financial/Accounting and Governance	✓	✓	✓	✓
Members of professional body in field of expertise	✓		✓	
Industry Experience				
Resource industry (resources, mining, exploration)	✓	✓	✓	✓
Risk management and compliance	✓	✓	✓	✓
Corporate Governance	✓	✓	✓	
Capital raising	✓	✓		
Financial acumen	✓	✓	✓	✓
Safety, environment and community relations	✓		✓	✓
Strategy	✓	✓		✓
Politics/regulatory				✓
Leadership	✓	✓		✓

**Adviser to Board*

Source: MST Access SGQ

Sum of the Parts: Risked NPV (Niobium) + EV/Resource (Rare Earths) = $0.12/Share

SGQ significantly undervalued

We value SGQ using a sum of the parts valuation of risked NPV for Nb production and EV/Resource for the REEs. Our valuation is A$0.12 per share, fully diluted (see Figure 24).

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 and a Nb market that needs new suppliers.

We also believe that there is significant possible upside to our valuation given the strong potential for an increase in the resource, extension to our assumed mine life, potential production upside and the inclusion of REEs in the production profile. (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.)

Figure 24: Valuation – Sum of the parts

NPV OF PROJECTS	US$M	Ownership	Risk	A$M	A$/share
ARAXA - Niobium	441	100%	75%	525	0.09
ARAXA - REE EV / Resource Valuation	105	98%	60%	98	0.03
Corporate Costs				(25)	(0.01)
Net Cash (Debt)	3			5	0.01
Total				**602**	**0.12**
WACC					**10.0%**
AUDUSD					0.63
Shares on issue (Undiluted)					2,668
Options & Performance Rights					962
Additional Equity Required					2,291
Shares on issue (Fully Diluted)					**5,921**

Source: MST Access.

Niobium: risked NPV = A$0.09 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 utilising a 2013 PEA as a basis and making adjustments for what we see as a lower capital Nb mine and plant. We await the release of the **Scoping Study in CY25** to enhance our inputs and firm up our valuation and there may be some substantial adjustments to our valuation as a result of that. We have taken account of the preliminary nature of our valuation by assigning a risk / probability percentage. Our preliminary risked assessment of the Nb project at Araxá shows a valuation well in excess of the current share price.

2013 Preliminary Economic Analysis (PEA): a starting point

In 2013, Itafos conducted a Preliminary Economic Analysis (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 US$967m.

Assumptions utilised in calculating NPV for Araxá niobium valuation

The PEA set the groundwork for our valuation. However, given the age of the PEA and changes in costs and SGQ's focus on Nb, we have reviewed the inputs (see our full assumptions in Figure 25). We highlight the following:

- 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/t but we note that neighbouring project costs are around US$3/t
- Capex: Assumptions in the PEA assumed a multi product concentrator with a capex of US$400m. We have considered a much simpler Nb only float plant for US$130m.
- Our initial full rate of production is 5kt of Ferroniobium ramping up to 10ktpa from FY35 (we add US$60m of capex in year 6 to ramp up production to 10ktpa of production)
- We have not considered production of REEs at this stage.
- We risk our valuation and currently give it a 75% probability. The project is early stage but with a a high quality resource, established infrastructure, Government support and customer interest, the probability of the project coming into production is quite high and risk at the lower end. We do see the necessity to risk the project due to the preliminary nature of our estimates.
- We have assumed a $^{80}/_{20}$ debt to equity funding ratio. Our equity raise is priced at A$0.025 per share. We have assumed an equity raising of A$15m in FY26 (at A$0.025) to fund working capital and progress payments for the project purchase, but acknowledge it may be not be necessary if SGQ source alternative non dilutionary funding in the short term from offtake or strategic partners.

Figure 25: Araxá niobium NPV assumptions

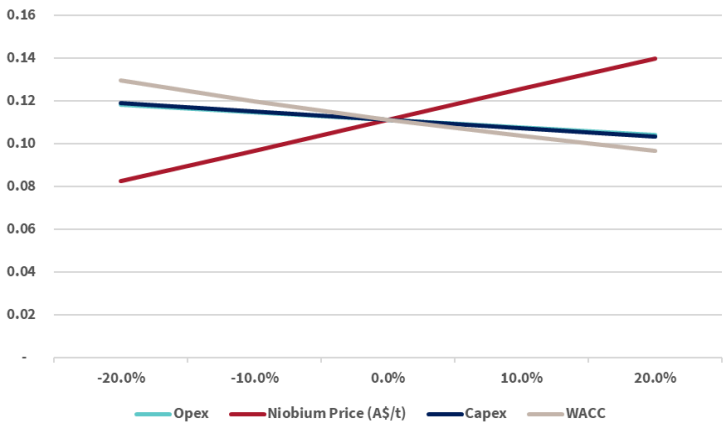
Assumptions	
PROJECT ASSUMPTIONS	
Project Ownership (%)	100%
First production	FY28
Processing Plant Throughput (mtpa)	1.5
Grade (% Nb2O5)	0.82%
Leach Efficiency (%)	41%
Annual Ferroniobium Production (kt)	5 ramping up to 10
Contained Annual Niobium (ktpa)	3.25
Mine Life (years)	15
Capex (US$m, real)	130
Operating Cash cost (US$/t , real)	5,000
FINANCIAL ASSUMPTIONS	
Discount Rate (%)	10.0%
Inflation Rate (%)	1.5%
Probability / Risk Assumption %	75.0%
Funding Debt / Equity %	80 / 20
Share price assumption cap raise (A$/s)	0.025
PRICING & TAX ASSUMPTIONS	
Niobium Basket Price (US$/t) -real	50,000
Royalty Rate (%)	10%
Corporate Tax Rate (%)	34%

Source: MST estimates.

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

The key sensitivities for our valuation is shown in Figure 26, with the Nb price being the key driver.

Figure 26: Sensitivity analysis



Source: MST estimates.

A comparative valuation of Nb project - EV/Resource

Low A$0.03per share to high A$0.075 per share

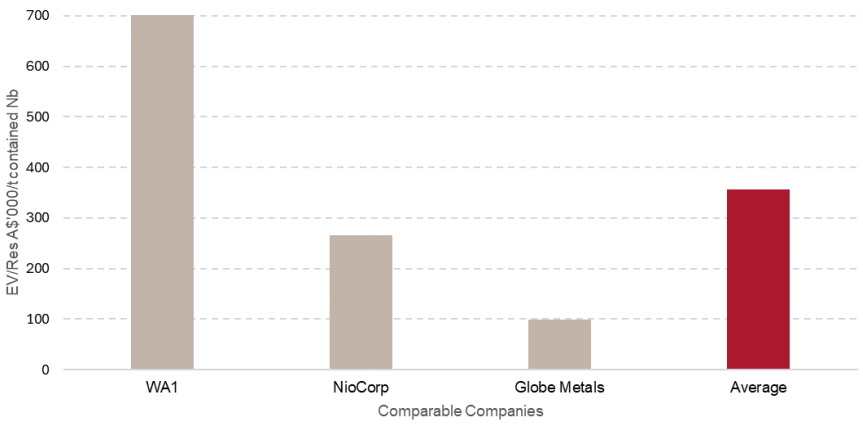
Given the early stage nature of our NPV calculation, we consider a comparative valuation metric is warranted. In this case we have looked at the EV/Resource A common tool used to assess the value of mining companies in their pre-production phase the enterprise value (EV) to the resource base to see what value the marketplaces on the company's resource and its potential.

We have compared the Araxa Project to other key pre-production Nb projects which we used in the comparison section earlier in the report (see page 14) 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).

In the calculation we consider only the Nb resource for each project and acknowledge the calculation is not perfect as some of the other projects contain other metals within their resources. We have applied the average EV/Resource calculated from the projects and applied that to come up with an estimated valuation for St George based on the current resource. It should be noted SGQ will be conducting a significant drilling campaign which has the potential to materially increase the resource.

If we look at the average EV/Resource multiple of A$356/t of contained Nb then an estimated EV for SGQ is A$99.6m or A$0.03 per share on a fully diluted basis (A$0.037 per share undiluted). If we were to apply the multiple paid for WA1 then we see SQG's EV/Resource value increase to A$ A$196.8m or A$0.054 on a fully diluted basis (A$0.075 undiluted)

Figure 27: EV/Resource comparable companies and average and median



Source: Company data; MST

REEs: EV/Resources = A$0.03 base-case contribution

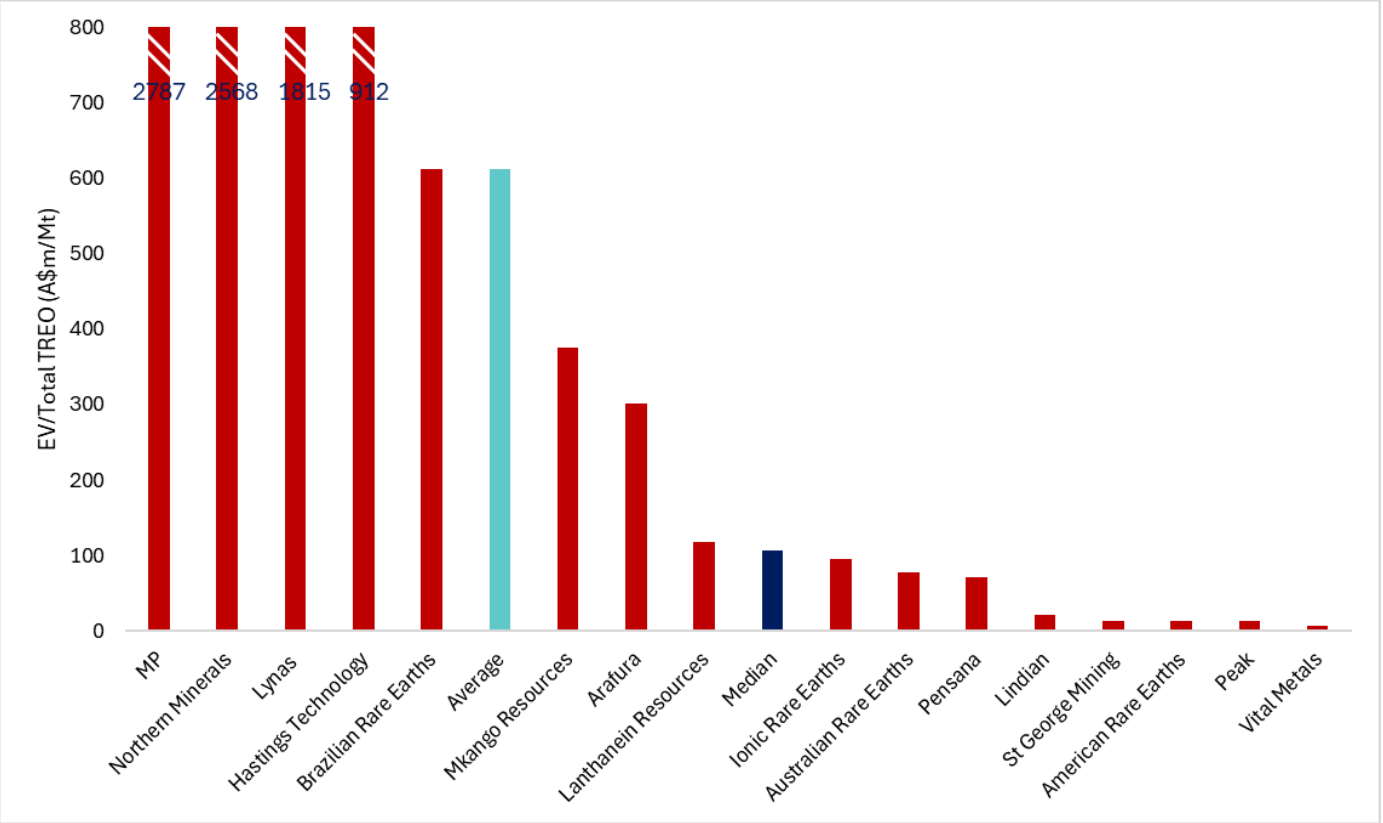
We consider the REE resource development to be at too early a stage to contemplate an NPV calculation. However, given the high grade and potential value of the REEs, it is appropriate to assign a value to them.

A common tool used to assess the value of mining companies in their pre-production phase is to compare the enterprise value (EV) to the resource base to see what value the marketplaces on the company's resource and its potential.

As an initial step, we selected a group of peers for comparison (see Figure 28). 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 median EV/Resource multiples paid by the market (see Figure 26). (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.)

If we were to apply the median value (A$106 per tonne of contained TREO) of the selected companies to the contained TREO of 1.67Mt (40.64Mt @4.13% TREO) at Araxá, this would equate to an EV of A$167m, or A$0.05 per share on a fully diluted basis. We have risked this valuation at 60% to take into account the variability of the projects and that Araxá is not a pure REE project.

Figure 28: EV/Resource comparables



Source: Company data, MST.

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. Above that, further development of the project and significant funding for it could potentially move the share price beyond 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.

Exploration and infill drilling – increase to quality and quantity of resource

With ~10% of the project having closely spaced drilling completed and contained in the MRE, the upcoming infill drilling aims to boost the quality of the resource (increased Measured and Indicated) as well as to increase the resource via drilling both along strike and below the current resource, which is open in all directions.

Scoping study

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 a positive catalyst 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 signing of an MoU with the regional government for fast tracking of approvals is a positive sign for the project. Confirmation of approvals will 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 projects 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 project-specific risks which we identify below.

Disappointing drilling results

The upcoming drilling program is crucial at improving both the size and quality of the resource. Any disappointing results would be detrimental to the share price.

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.

Short-term funding

The company had A$5.3m in the bank as at 31 March 2025. Timing of offtakes and any potential customer or strategic funding will determine SGQ's needs for alternative short term funding.

Capex funding

The potential size of the Araxá Project is reasonably large – we estimate capex of US$200m. 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 Brazilian Government support for such projects as Araxá 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 to provide project details, setting up the project for funding discussions. Any disappointing results from the scoping 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: Directors and Management – Strong Experience

John Prineas – Executive Chairman

Mr Prineas is a founding shareholder and director of the company. He has over 25 years' experience in the banking and legal sectors, including a period as the head of a financial institution in Australia. He commenced his career as a lawyer at Allen, Allen & Hemsley, gaining extensive experience in commercial transactions and corporate advice in both Australia and Asia-Pacific. In 1994, he joined Dresdner Bank AG in Sydney and over the next 10 years occupied the roles of General Counsel, Chief Operating Officer and Country Head with a focus on project and acquisition finance for resources and infrastructure projects as well as associated capital markets and treasury products, including commodities trading. Mr Prineas has a diverse range of high-level experience in finance, mining and corporate governance.

John Dawson – Non-Executive Director

Mr Dawson has over 30 years' experience in the finance and mining sectors, in which he occupied very senior roles with global investment banks including Goldman Sachs and Dresdner Kleinwort Wasserstein.

At Goldman Sachs, Mr Dawson was a Managing Director of Fixed Income, Currency and Commodities for Australia. At Dresdner Kleinwort Wasserstein, Mr Dawson was Global Head of Commodities as well as the Country Head for Australia.

Sarah Shipway – Non-Executive Director

Ms Shipway is a Chartered Accountant with extensive experience in advising on ASX company listings, financial reporting, corporate planning and equity and debt funding. She has a Bachelor of Commerce from Murdoch University and is a member of the Institute of Chartered Accountants. Ms Shipway was appointed Non-Executive Director in 2015 and has been SGQ's Company Secretary since 2012.

Adolfo Sachsida – Advisor to the Board

Mr Sachsida is an Advisor to SGQ's Board, providing insights, strategic advice and support as SGQ develops its Nb business in Brazil. Mr Sachsida has extensive high-level experience across government and business sectors in Brazil. He has occupied important Federal Government positions during his career, including Minister of Mines and Energy, Chief Secretary of Economic Affairs of the Ministry for the Economy, and Secretary of Economic Policy of the Ministry for the Economy. Mr Sachsida has also served as Professor of Economics at the University of Texas and the Universidade Catolica de Brasilia.

Thiago Amaral – Director, ESG and Technical Development

Mr Amaral was employed at the Araxá operations of CBMM from 2007 to 2024, occupying numerous roles culminating in senior leadership positions. Key positions included Global Quality and Product Regulation Coordinator, Head of Sustainability, and Business Development Manager in China. Across these roles, Mr Amaral had responsibilities including quality system controls in processing and production, ISO accreditation, managing customer product specifications, licensing, environmental management and ESG programs, liaising with environmental and heritage agencies, and marketing new applications of Nb in electronics, casting and other products in China. Mr Amaral also severed as a Professor of Engineering from 2008 to 2017 at the University of Araxá and the Santa Edwiges Escola Tecnica. He holds a Bachelor of Engineering – Electrical, Master of Science – Mechnical Engineering and a Master of Business Administration. He is completing his PhD in Materials Engineering.

Adriano Rios – Director, Mining Operations

Mr Rios was employed at the Araxá operations of CBMM from 1996 to 2020, working in several roles including senior leadership positions in mineral processing and mining operations culminating in the Mineral Production Senior Management position responsible for seven departments. Key functions at CBMM included management of mineral processing systems, metallurgy analysis, product innovation, offtake specification, utilities and mine operations. In this role, Mr Rios was part of the team in charge of establishing CBMM's first rare earth processing and production capacity. Mr Rios was appointed by CBMM to serve from 2018 to 2020 as Director of Operations at COMIPA (JV between CBMM and CODEMIG, a Minas Gerais–owned mining company) that handles most of the Nb and REE mining at the Barreiro Carbonatite. He holds a Bachelor of Mining Engineering, Masters in Materials Engineering and a Master in Business Management Administration.

Appendix 2: SGQ's Other Projects

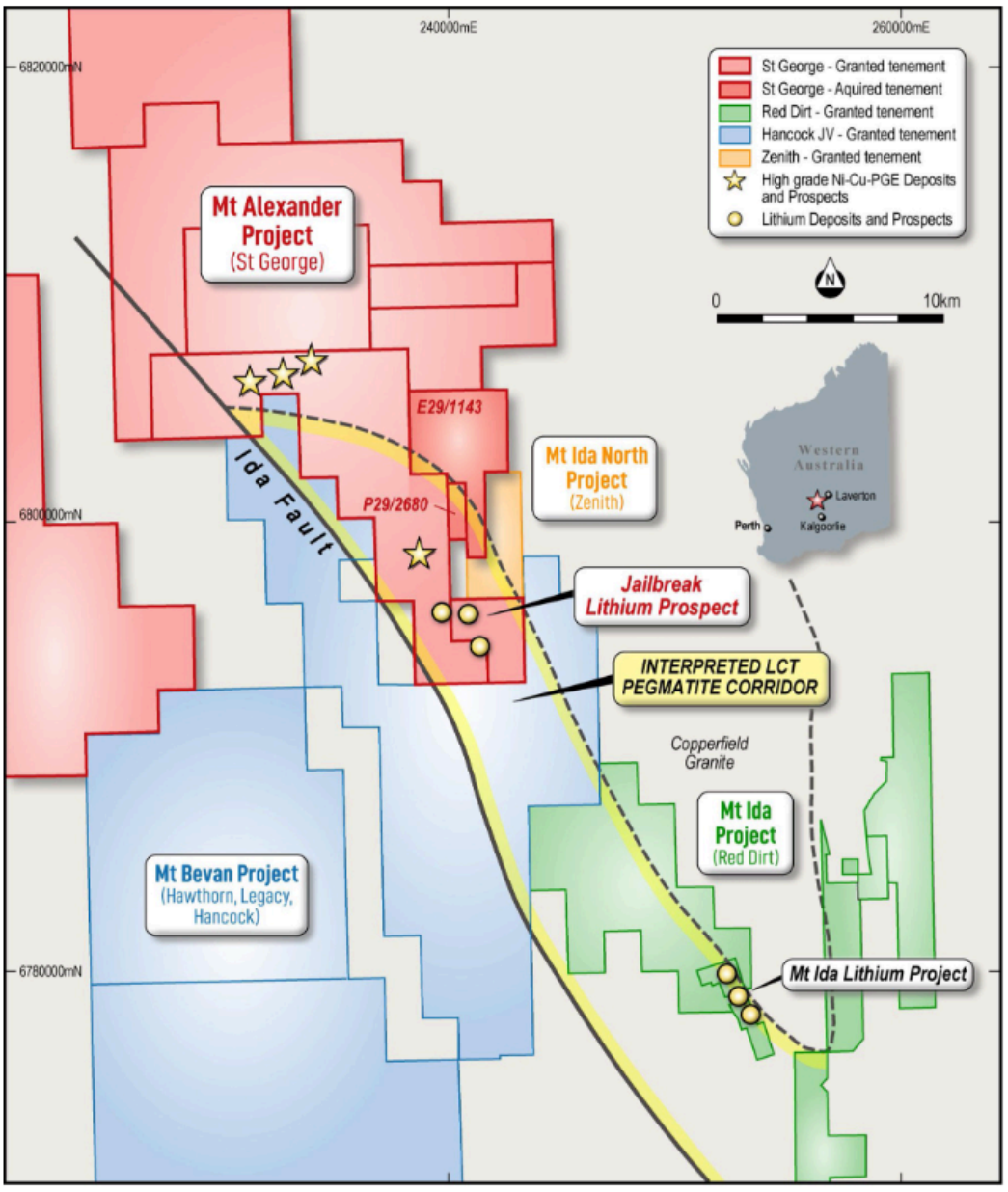
SGQ's other projects have taken a backseat to the flagship Araxá Project, but there is still potential value to be realised in these projects through exploration upside, future development, or sale.

Mt Alexander Project – lithium, gold, nickel

The Mt Alexander project is located near Kalgoorlie, Western Australia, 120km south-southwest of the Agnew-Wiluna belt which hosts numerous world-class nickel deposits. The project comprises 6 granted exploration licenses (E29/638, E29/548, E29/962, E29/954, E29/972 and E29/1041) which are a contiguous package. An additional 2 exploration licenses (E29/1093 and E29/1126) are located to the south-east of the core tenement package.

SGQ's neighbour, Delta Lithium, has announced its decision to demerge its Mt Ida gold project into a separate entity, Ballard Mining, in a bid to maintain focus on its lithium assets.

Figure 29: Mt Alexander Project map



Source: Company

The Cathedrals, Stricklands, Investigators and Radar nickel-copper-cobalt-PGE discoveries are located on E29/638, which is held in joint venture by SGQ (75%) and IGO (25%). SGQ is the manager of the project, with IGO retaining a 25% non-contributing interest (in E29/638 only) until there is a decision to mine. The Jailbreak Lithium Prospect is on E29/268 and E29/962.

SGQ acquired 100% of E29/954 and its 75% interest in E29/638 from BHP Billiton Nickel West in 2015 and 2016, respectively.

A Lag Sample Survey was undertaken in the second half of 2024 across tenements E29/0638 and E29/0962. The program's objectives were to test for a potential continuation of the Bottle Creek gold mineralised trend – Bottle Creek is an operating gold mine 20km south of the Mt Alexander Project in similar structural settings. Anomalism in gold was observed together with pathfinder elements, including arsenic, molybendum, palladium and silver. A second phase of exploration has been planned to build on the results of the lag sampling survey including high-resolution geochemical sampling and drilling along the interpreted structurally controlled zones of gold anomalism.

Nickel

BHP made the first discovery of high-grade nickel-copper sulphides at Mt Alexander which intersected 3.95m @ 5.05% Ni, 1.55% Cu, 0.11% Co and 4.44g/t total PGEs from 91.4m.

SGQ has continued this exploration success with further shallow high-grade discoveries at the Stricklands, Investigators and Radar prospects with the strike of mineralisation in the Cathderals belt now extended to more than 5.5km.

Preliminary metallurgical testwork confirmed that Mt Alexander will produce a high-value commercial concentrate that will be sought after by smelters. Grades achieved in this test were 18% nickel and 32% copper plus high values for cobalt and PGEs that will provide valuable smelter credits. The PGEs included 9g/t palladium and 1.2g/t rhodium.

The project's location near the world-class sulphide mines in the Agnew-Wiluna belt provides SGQ with access to existing roads and infrastructure, as well as opportunities to utilise existing processing plants.

Lithium

The lithium potential at Mt Alexander was recognised in 2022 following the significant discovery by Delta Lithium at its Mt Ida Project, located 15km south of Mt Alexander. Delta Lithium has since proclaimed this area as a "lithium corridor of power" including Kathleen Valley (156Mt @ 1.4% Li2O) and Mt Marion (71.3Mt @ 1.37% Li2O).

Adjacent to Mt Alexander, Hancock Prospecting is in joint venture with Hawthorn Resources and Legacy.

The lithium prospectivity at Mt Alexander and Mt Ida is interpreted to be associated with the large Copperfield Granite. SGQ's tenure covers a 15km long lithium-ceasium-tantalum pegmatite corridor adjacent to the Copperfield Granite.

Paterson Project

The Paterson Province is one of the most highly endowed mineral provinces in Australia, and hosts the giant Nifty (2Mt Cu) and Telfer (27M oz Au) deposits.

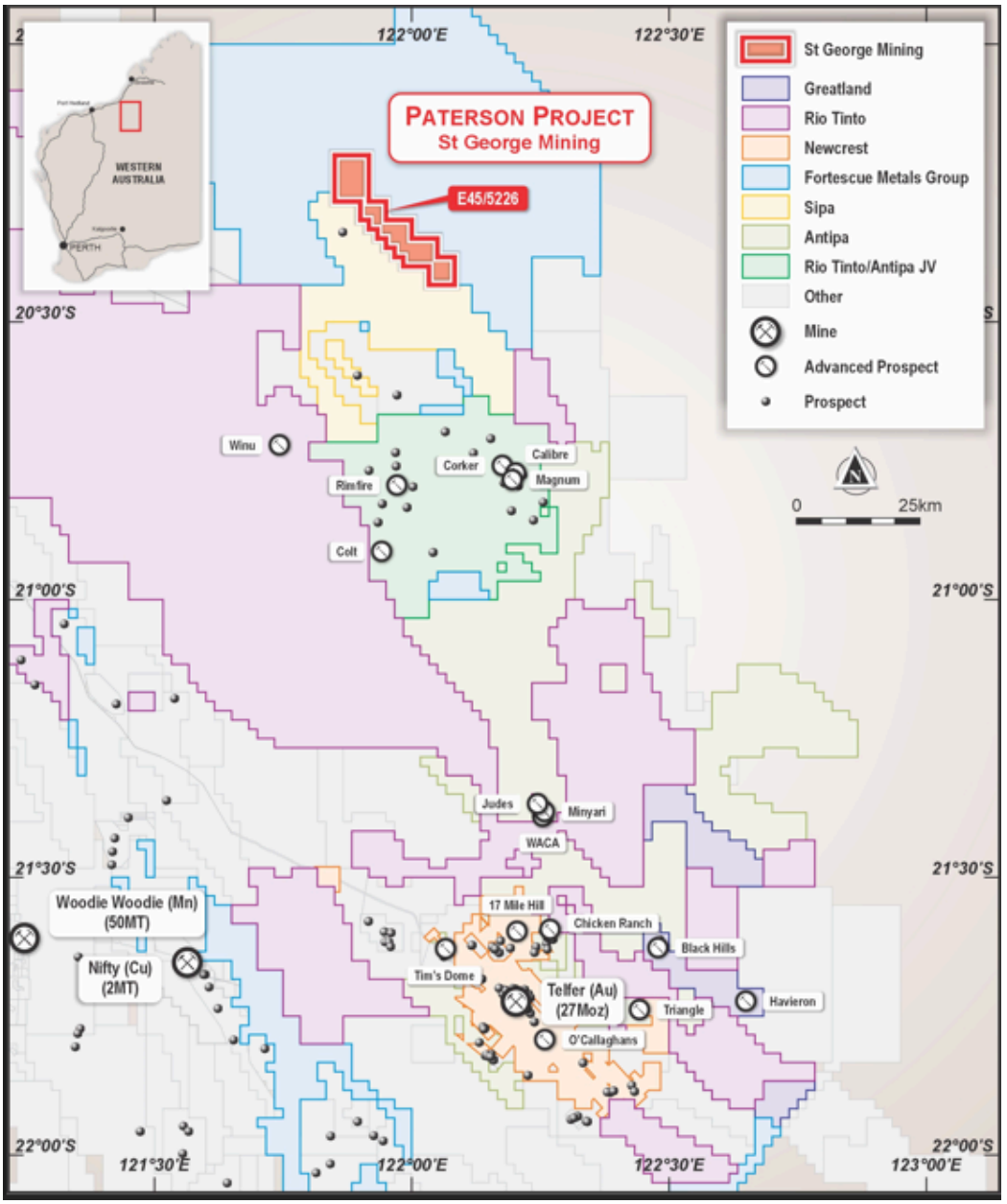
The region remains underexplored with a number of significant copper and gold discoveries recently announced including at Rio Tinto’s Winu Project and at the Havieron Project being explored in joint venture by Greatland Gold and Newcrest.

These latest discoveries have fueled strong interest in the Paterson Province from major mining companies such as Fortescue, Rio Tinto, IGO and Newcrest Mining – ensuring that the region is re-emerging as a highly sought after exploration address with potential for world-class discoveries.

SGQ's exploration licence E45/5226 covers more than 35km strike of prospective stratigraphy, with potential similarities to the stratigraphy that hosts the mineralisation at Winu, Nifty and Telfer.

Drilling by SGQ has confirmed the presence of chalcopyrite and metasediments, the lithology known to host base metal mineralisation in the Paterson region.

Figure 30: Paterson Project map

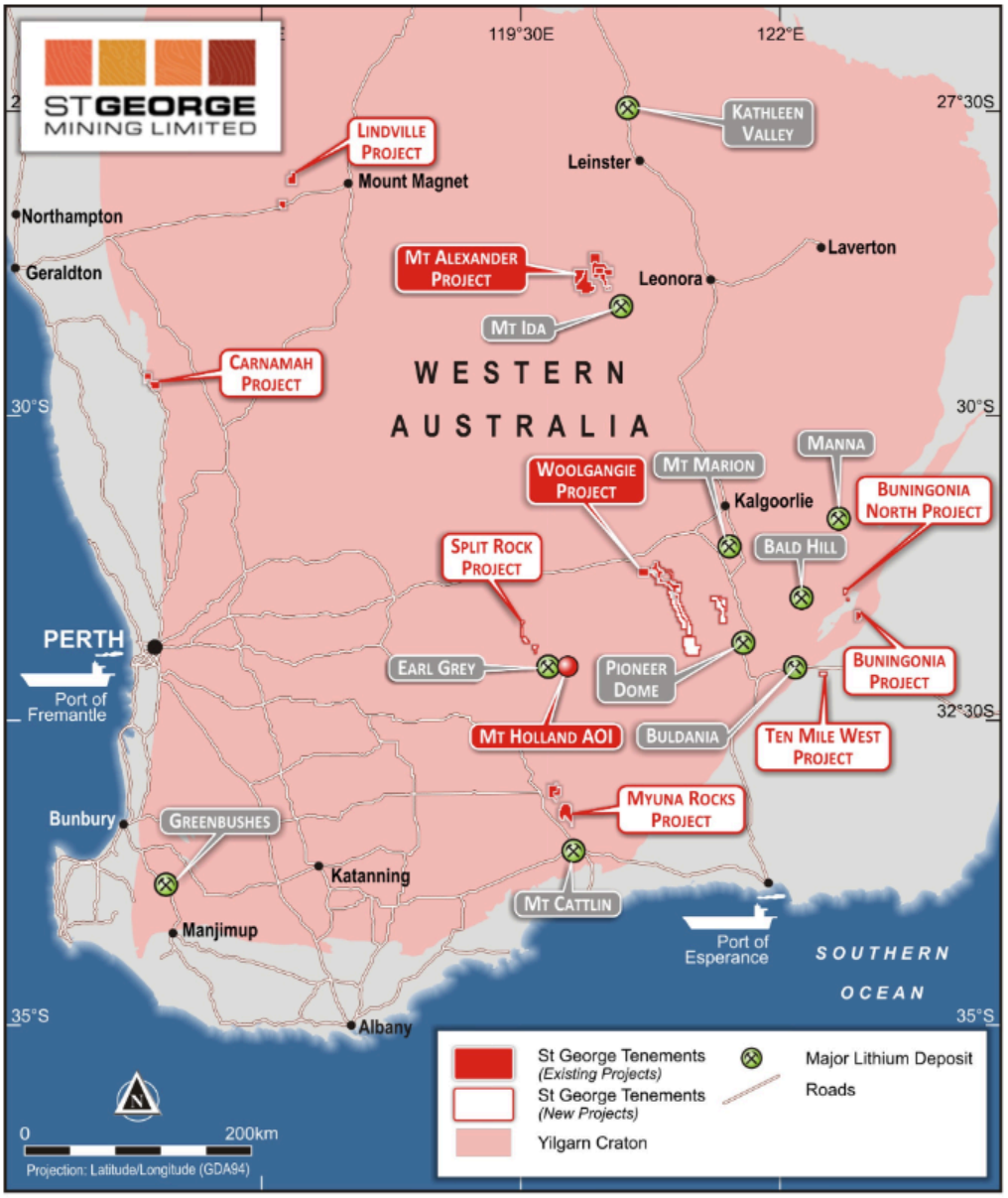


Source: Company data.

Lithium Star – WA Projects

Lithium Star is the joint venture between SGQ (90%) and Amperex Technology (10%) (owned by TDK Corp of Japan and is the world's leading manufacturer of lithium-ion batteries for smartphones, laptops and other portable electronic devices), which is exploring for lithium across a portfolio of projects in Western Australia. The projects encompass 14 exploration licenses covering 653km^2 in total.

Figure 31: Lithium Star Project map



Source: Company

Split Rock Project

The Split Rock Project comprises 4 granted exploration licenses covering an area of 73km^2. It is located within the Mt Holland pegmatite field and approximately 25km north-west of the Earl Grey Deposit, which has a resource of 189Mt @ 1.5% Li2O – one of the largest and highest-grade lithium deposits in Australia.

The Rio Prospect, which is part of the Split Rock Lithium Project of Zenith Minerals (ASX: ZNC), is located approximately 3.5km east of SGQ's new ground.

In the second half of 2024, an auger sampling programme was conducted for Ultrafine+ assay method analysis. Lithium suite elements were identified, and primarily overlap with granite outcrops - a favourable setting for pegmatite-related mineralisation. An aircore drill program is planned for 2025 to further test for mineralisation.

Buningonia Project

The project is located in an established lithium region that hosts the:

- Bald Hill Mine (26Mt @ 1% Li2O)
- Manna Deposit (32.7Mt @ 1.0% Li2O) of Global Lithium (ASX: GL1)
- Pioneer Dome (11.22Mt @ 1.16% Li2O) of Essential Metals (ASX: ESS).

The Buningonia Project comprises one granted exploration licence that covers 38km^2. The Buningonia North Project comprises two granted exploration licences that cover a total area of 19km^2.

The tenements host greenstone rocks with a large granite – the Yardilla monzogranite – immediately to the west of the tenements, a similar geological setting to Manna.

In the second half of 2024, an auger drill program was completed to collect samples for Ultrafine+ assay analysis. Results were highly encouraging for potential lithium mineralisation, confirming lithium anomalies as well as elevated levels of cesium and rubidium. A maiden air core drilling program is planned for 2025 to test for economic mineralisation.

Myuna Rocks

The project comprises three exploration licences that cover 273km^2.

It is located approximately 30km north of the high-grade spodumene producing Mt Cattlin mine (13.3Mt at 1.2% Li2O – Allkem) in the Ravensthorpe region.

The exploration target at the tenements is concealed pegmatites, which is supported by regional magnetics.

In the second half of 2024, a shallow aircore drilling program completed with assays confirming the presence of lithium suite elements, supporting the potential for pegmatite-related lithium mineralisation. Areas of interest have been defined for follow-up exploration.

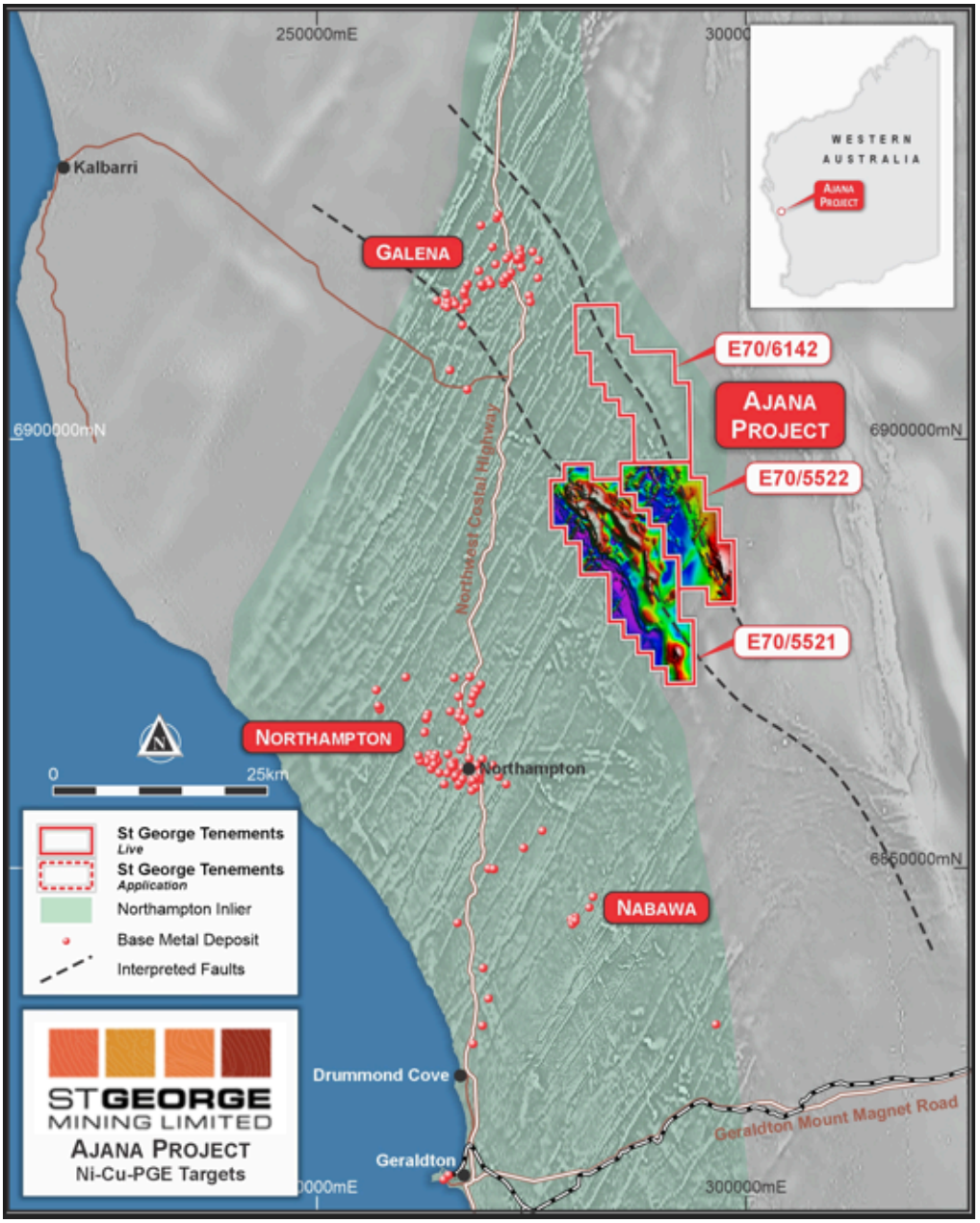
Ajana Project

The 100%-owned Ajana Project is located within the Meso-Proterozoic age Northampton mineral field, situated near the western margin of the Yilgarn Craton – an area of renewed exploration interest following the discovery of Chalice Mining's substantial Julimar deposit in the western Yilgarn.

SGQ completed a detailed airborne magnetic survey covering the Ajana Project in April 2022 which clearly defined a 20km-long north-northwest trending elliptical magnetically anomalous body. This large Ajana magnetic anomaly includes several concentric features and is cut by the same dykes that host the historic lead, zinc and copper sulphide deposits in the Northampton mineral field.

Inversion modelling of the magnetic data by Newexco suggests the magnetic anomaly is indicative of a late-stage, potentially layered mafic intrusion which may be prospective to host significant Ni-Cu-PGEs. There is no known outcrop and minimal historic exploration over the interpreted intrusion.

Figure 32: Ajana Project map



Source: Company data.

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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St George Mining Ltd (SGQ.AX) | Price A$0.022 | Valuation A$0.120;

Price and valuation as at 05 May 2025 (not covered)*

Additional disclosures

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