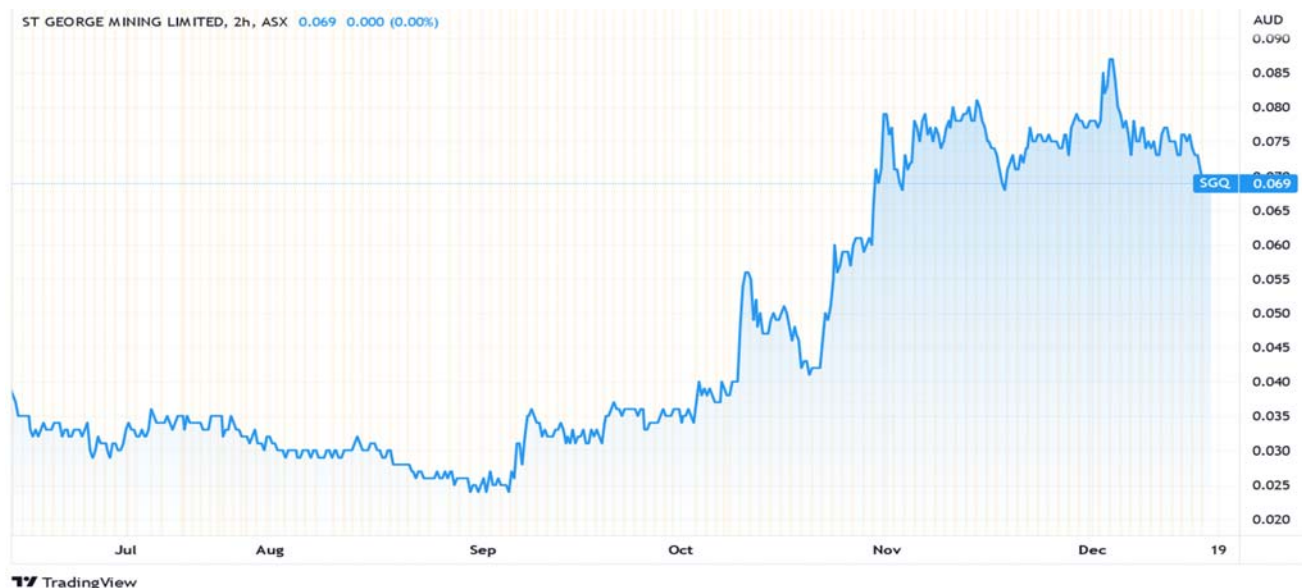


Friday 16th December, 2022

Portfolio Stock Developments

St George Mining - (ASX: SGQ, Share Price: \$0.069, Market Cap: \$56m, coverage initiated @ \$0.175 in May 2016)



Key Catalyst

A series of positive lithium developments over the past six weeks have provided a second interesting avenue of exploration interest for investors, complementing existing nickel exposure.

SGQ has figured prominently in our coverage universe since initiation in May 2016, based on the company's strong commitment to evaluating the exploration big picture with respect to its Mt Alexander project in Western Australia's goldfields region. SGQ set the market alight during late 2017 on the back of exciting high-grade drilling results that intersected nickel-copper-cobalt-PGE sulphides, with mineralisation akin to an intrusive mineral system – like Raglan, Voiseys Bay and Norilsk - rather than typical Kambalda-style extrusive deposits. SGQ is striving to recapture some of the sharemarket momentum that it has lost over recent years, with the latest developments with respect to its burgeoning lithium portfolio providing an added level of speculative interest for investors. Importantly, SGQ has also negotiated Memorandums of Understanding (MOUs) with several groups that will involve investigation of lithium opportunities.

Latest Activity

Mt Alexander Exploration Update

SGQ has provided an update with respect to emerging lithium exploration activity at its flagship Mt Alexander Project in Western Australia's north-eastern goldfields.

Encouraging Maiden Lithium Results

SGQ has recently announced encouraging results from lithium exploration at its Mt Alexander Project, including early indications that its maiden drill program has intersected lithium-bearing pegmatites below surface.

Surface mapping and rock-chip sampling have identified numerous lithium-bearing pegmatite outcrops at the Jailbreak Prospect. The drill program that is now underway will test several models to provide an understanding of the continuity of the pegmatites below surface, including their geometry and grade. Initial drill-holes have been successful in intersecting pegmatites at depth within Jailbreak.

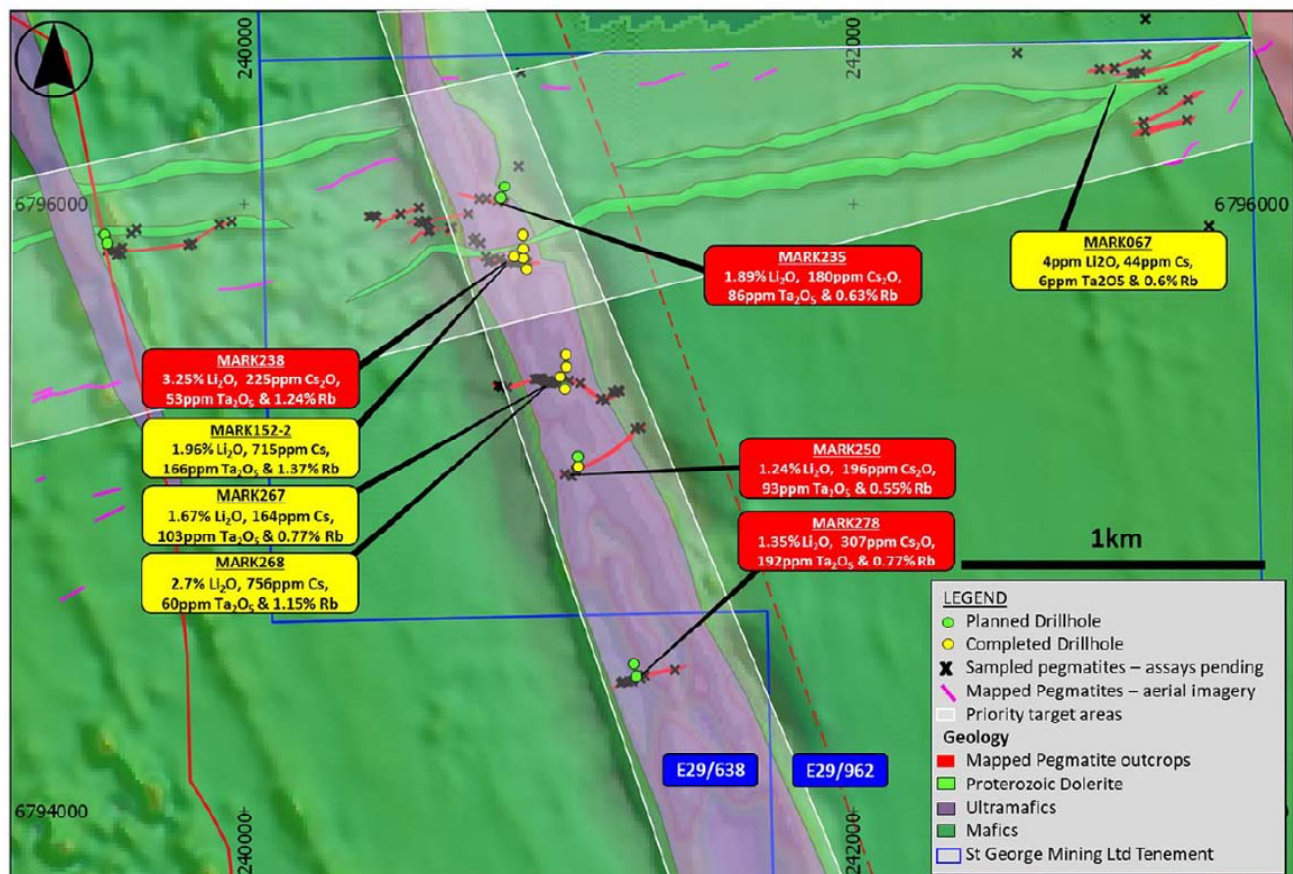


Figure 1: The Jailbreak Prospect showing pegmatites with high-grade lithium, caesium, tantalum and rubidium assays (against SGQ's geology and magnetic data). Note: Red text boxes show latest significant rock-chip assays.

SGQ's interpretation is that the pegmatites dip to the north – and drilling of the first pegmatite outcrop, which is 20m thick at surface, has confirmed the orientation. So far, ten RC holes have been completed

for a total of 945m. Two pegmatites have been intersected below surface with a maximum intercept of 13m in hole MARC153, which is interpreted to have drilled orthogonal into the pegmatite. All pegmatites intersected to date have confirmed visual lithium-bearing minerals, with assay results pending.

Meanwhile, rock chip assays have significantly expanded the area with pegmatite outcrop that has been confirmed as lithium-bearing. The significant width and extent of the area of outcropping pegmatites suggests the potential for a large lithium mineral system with multiple deposits.

Based on the rapidly evolving interpretation of the geology of Jailbreak, two target areas have been identified as the focus for ongoing drilling:

- A 1.7km section of a north-south trending ultramafic sequence hosting stacked pegmatite dykes
- More than 3km of an east-west structural corridor extending eastwards to the Copperfield Granite source rocks.

Expanded Lithium Acreage Position

SGQ has consolidated its initial lithium exploration success by expanding its landholding across the prospective pegmatite corridor parallel to the Copperfield Granite, with 100% acquisition of Exploration Licence E29/1143 and application for Prospecting Licence P29/2680. The new ground is contiguous with existing Mt Alexander tenure, thus providing SGQ with near-continuous coverage over 15km of the pegmatite corridor, including the critical contact with the Copperfield Granite – the interpreted source of the mineralised pegmatites. Extensive pegmatite outcrops have been observed on the newly-acquired ground, with field mapping and sampling to commence within weeks.

MOU with Global Battery Materials Investor, Shanghai Jayson New Energy Materials

SGQ has signed a non-binding Memorandum of Understanding (MOU) with Shanghai Jayson New Energy Materials Co, which establishes a strategic relationship to consider a range of lithium-related business opportunities. Jayson is a globally significant supplier to the clean energy sector and is the world's leading producer of cathode precursor materials for lithium-ion batteries.

Under the strategic relationship, SGQ and Jayson will consider partnering on lithium-related business opportunities in Western Australia, including:

- investment and offtake opportunities at SGQ's Mt Alexander Lithium Project
- funding support for SGQ to enable business expansion and development
- the acquisition and development of new lithium exploration projects
- the development of downstream lithium assets in Western Australia

MOU with Global Battery Giant, SVOLT

SGH has entered into a Memorandum of Understanding (MOU) with SVOLT Energy Technology Co, which establishes a strategic relationship for collaboration on the development and acquisition of lithium projects. SVOLT is one of the world's largest manufacturers of batteries for electric vehicles and energy storage, with operations in domestic China and abroad that supply batteries to more than 30 motor manufacturers and other customers. SVOLT has industry-leading credentials in battery innovation and pioneered the first mass-produced cobalt-free battery.

The MOU establishes a framework for SGQ and SVOLT to negotiate and consider potentially entering into a range of commercial transactions for investment and offtake opportunities relating to lithium projects in Australia, including:

- SVOLT to invest up to \$5 million in SGQ by way of a placement of shares, subject to agreement on pricing and completion of due diligence by SVOLT
- offtake arrangements whereby SVOLT may secure up to 25% of potential spodumene concentrate from the Mt Alexander Lithium Project
- the provision of funding support to SGQ for the development of lithium projects
- a potential joint venture by SGQ and SVOLT to acquire and develop new lithium projects

Technical Significance

SGQ is developing significant momentum with respect to its lithium exploration activities, although they are still very much early-stage. This is reflected in the company's positive recent share price performance, which has seen a rise from a low of \$0.024 during September to a recent high of \$0.087.

Corporately, SGQ is developing two important strategic relationships with Jayson, a global leader in the new energy sector, and SVOLT, one of the giants in the global EV battery market. These relationships could see the injection of project funding and expertise for SGQ's Mt Alexander project, and/or investments and partnerships in other Western Australian lithium project opportunities.

Simultaneously, SGQ has achieved strong maiden lithium exploration results at its Mt Alexander Project, with two lithium-bearing pegmatites so far identified at the Jailbreak prospect. High-grade lithium commences from surface at Mt Alexander as confirmed by assays of the pegmatite outcrop, so far sampled across a broad area that spans 1.7km north-south and more than 3km east-west. The significant width and extent of the area of outcropping pegmatites suggests the potential for a large lithium mineral system with multiple deposits.

With drill programs in progress and further field sampling underway, there is excellent potential for the footprint of high-grade lithium mineralisation to significantly increase across the more than 15km long pegmatite corridor controlled by SGQ.

SGQ has sought to capitalise on its initial exploration success by consolidating its acreage position within the new Mt Ida Lithium Province in Western Australia. The province around Mt Ida, in Western Australia's northern Goldfields, has emerged as a new hard rock lithium province following the significant high-grade lithium discovery by Red Dirt Metals (ASX: RDT) at its Mt Ida Project during September 2021.

SGQ's landholding encompasses more than 15km of the pegmatite corridor adjacent to the Copperfield Granite – the interpreted source of the mineralised pegmatites at Mt Ida.

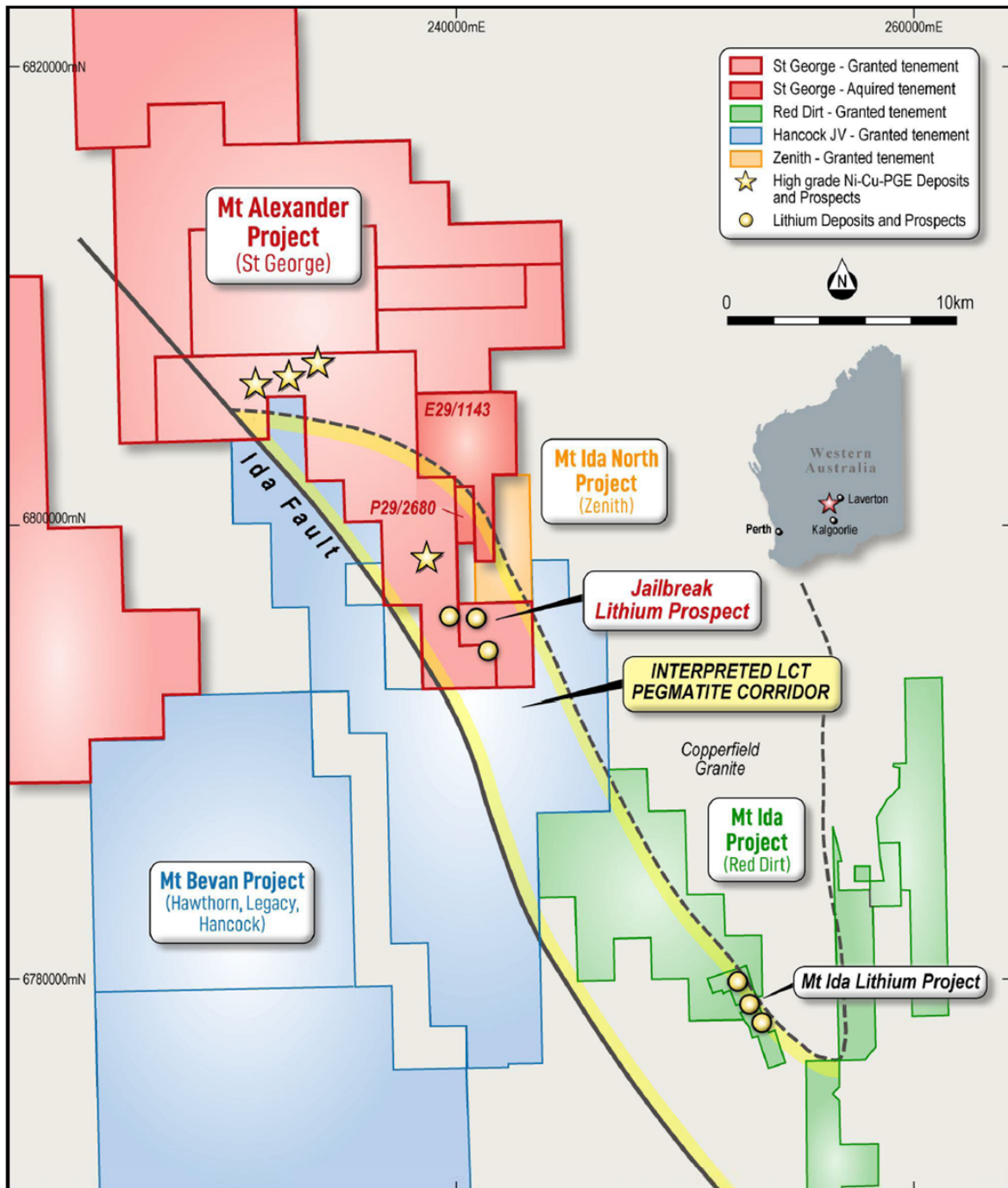


Figure 2: Map showing the interpreted prospective LCT pegmatite corridor, the new tenements acquired and applied for by SGQ and the location of lithium projects along strike to SGQ's Mt Alexander Project.

In addition to SGQ and Red Dirt, significant exploration is underway in this region by Zenith Minerals (ASX: ZNC) in joint venture with EV Metals plc; and Hawthorn Resources (ASX: HAW) in joint venture with Legacy Iron Ore (ASX: LCY) and Hancock Prospecting. Further north of Mt Alexander and situated adjacent to the Mt Ida fault, the large Kathleen Valley lithium deposit of Liontown Resources (ASX: LTR) is in development.

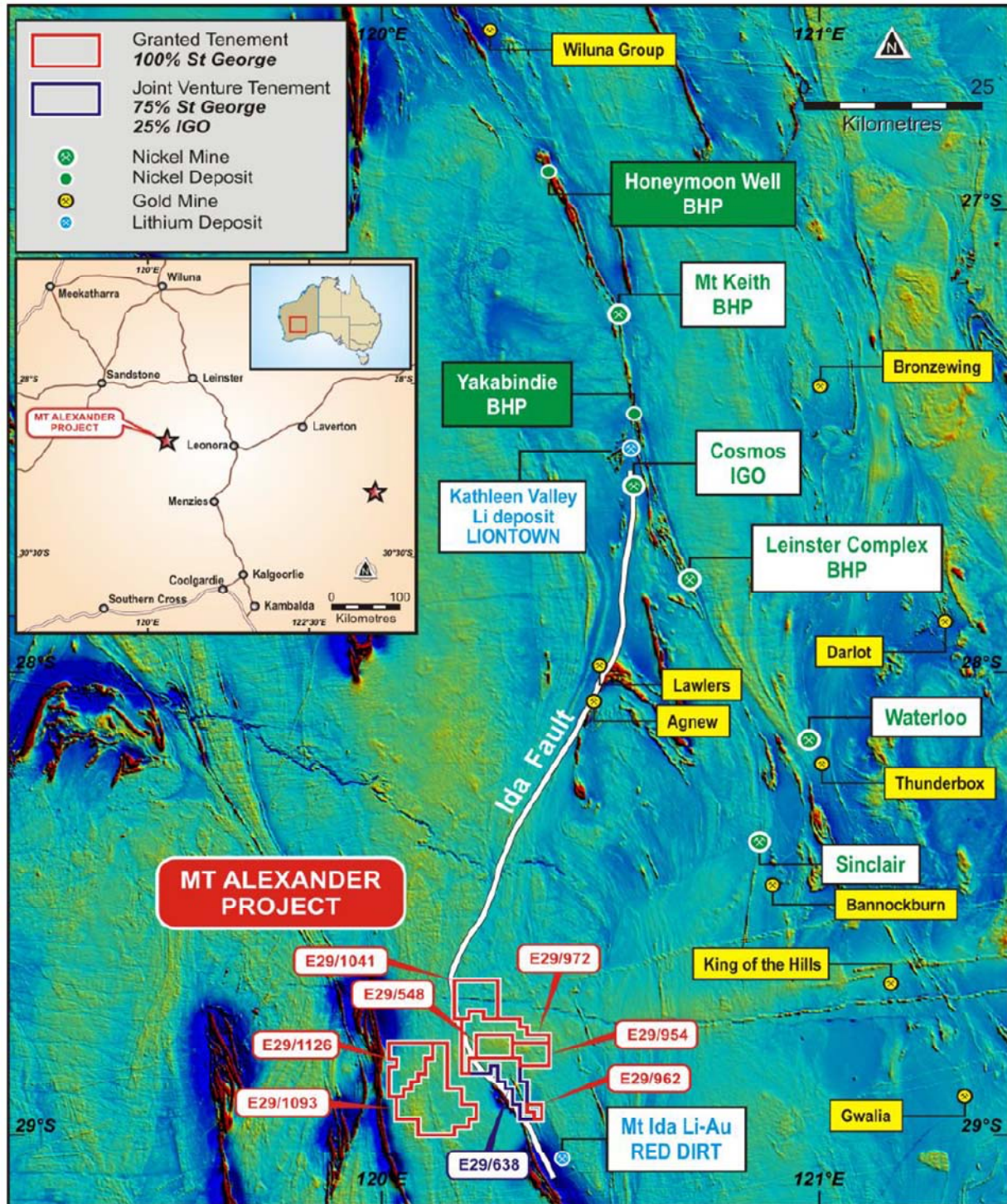


Figure 3: Map showing the regional location of the Mt Alexander Project with major lithium and nickel projects highlighted (against magnetic RTP 1VD).

Project Overview

The Mt Alexander Project is located 120km south-southwest of the Agnew-Wiluna Belt, which hosts numerous world-class nickel deposits and a fast-emerging hard-rock lithium province. The Project comprises eight licences – E29/638, E29/548, E29/962, E29/954, E29/972, E29/1041, P29/2680 (in application) and E29/1143 – which are a contiguous package.

This tenement package provides SGQ with more than 15km coverage of a highly prospective pegmatite corridor within the newly recognised Mt Ida Lithium Province. An additional two exploration licences – E29/1093 and E29/1126 – are located to the southwest of the core tenement package.

The Cathedrals, Stricklands, Investigators and Radar high-grade nickel-copper-cobalt-PGE discoveries are located on E29/638, which is held in joint venture by SGQ (75%) and IGO Limited (25%) (ASX: IGO). 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. With the exception of E29/638, all Project tenements are owned 100% by SGQ.

The Mt Alexander Project's location near the world-class nickel sulphide mines of the Agnew-Wiluna belt provides SGQ with access to existing roads and infrastructure, as well as opportunities to utilise existing processing plants. This is even more significant given BHP's recent enhanced focus on its Western Australian nickel division (NickelWest).

Summary

SGQ is developing significant momentum with respect to its lithium exploration activities, despite the fact that they are still very much early-stage. SGQ has achieved strong maiden lithium exploration results at its Mt Alexander Project, with two lithium-bearing pegmatites so far identified at the Jailbreak prospect. With drill programs in progress and further field sampling underway, there is excellent potential for the footprint of high-grade lithium mineralisation to significantly increase across the more than 15km long pegmatite corridor controlled by SGQ.

SGQ has sought to capitalise on its initial exploration success by consolidating its acreage position within the new Mt Ida Lithium Province in Western Australia. The province around Mt Ida, in Western Australia's northern Goldfields, has emerged as a new hard rock lithium province.

Corporately, SGQ is developing two important strategic relationships with Jayson, a global leader in the new energy sector, and SVOLT, one of the giants in the global EV battery market. These relationships could see the injection of project funding and expertise for SGQ's Mt Alexander project, and/or investments and partnerships in other Western Australian lithium project opportunities.

Accordingly, SGQ remains within our coverage Portfolio.

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