

12 August 2024

## High-grade Araxa Niobium Project – Update

### *St George is building a globally significant niobium company*

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St George Mining Limited (**ASX: SGQ**) (“St George” or “the Company”) wishes to provide an update on its proposed acquisition of the advanced, high-grade niobium-REE Araxá Project in Minas Gerais, Brazil (“Araxá” or “the Project”).

The Company is aware of misinformation circulating in online chat rooms and social media regarding Araxá – particularly claims that an active tailings dam is located within the Project area and that significant high-grade mineralisation discovered at the Project is beneath the tailings dam.

This information is **false and not correct**.

CBMM (Companhia Brasileira de Metalurgia e Mineração), which supplies more than 80% of the world’s niobium from mining operations near the Project, operated – until 1985 – a tailings dam (“Dam B4”, and sometimes referred to as Dam 4 in CBMM’s English language publications) on tenement 832.150/1989 that forms part of the Project.

CBMM, which is responsible for managing Dam B4, has progressively rehabilitated and integrated Dam B4 into the environment. A photo of the current status of Dam B4, sourced from CBMM’s website <https://cbmm.com/en/our-company/our-dams> is shown below.

Importantly, the significant niobium intersections at the Project – being more than 500 intercepts of greater than 1% Nb<sub>2</sub>O<sub>5</sub> – that St George will use to underpin a potential maiden JORC compliant mineral resource are located on tenement 831.972/1985. Any JORC compliant mineral resource will not extend into the tenement that hosts historical Dam B4, located on tenement 832.150/1989.

No other tailings dams – neither historical nor presently active – are within the Project area or proximal to the Project.

Advice from highly credentialed, independent technical consultants indicates that an open-pit mining operation could be established on tenement 831.972/1985 with no impediments posed by the rehabilitated Dam B4.

These positive findings are preliminary in nature and subject to final geotechnical studies, which are currently underway. Walm Engenharia, a well-known engineering firm that has advised several mining companies in the State of Minas Gerais, including CBMM, is preparing this study on behalf of Itafos Inc (and for St George, post completion of our acquisition of the Project from Itafos Inc).

In order to further nullify some of the misinformation around the Araxá Project, the Company has compiled a FAQ on the following pages to assist shareholders.

St George looks forward to updating shareholders on progress with the Araxá acquisition in line with the schedule laid out in our ASX Release of 6 August 2024 'St George to acquire advanced high-grade niobium Araxa Project' ("Acquisition Announcement").



Figure 1 – a photo of the rehabilitated Dam B4 (looking east from St George's ground).  
Source: <https://cbmm.com/en/our-company/our-dams>

**Proposed acquisition of the Araxá Project – FAQ:**

Q. *Is there a tailings dam in current use at the Araxá Project?*

A. No. Historically, a tailings dam was operated by CBMM on one of the tenements that make up the Project area. That dam, known as Dam B4, ceased to be used for disposal of tailings in 1985.

Q. *Who is responsible for management of Dam B4?*

A. CBMM is responsible. As one of the leading mining companies in Brazil and the world, we believe that CBMM has industry leading best practices to manage the tailings facility.

Q. *Has the tailings dam been rehabilitated?*

A. Yes. CBMM has progressively worked to rehabilitate Dam B4 and integrate it into the natural environment.

Based on CBMM disclosures, including in its 2021, 2022 and 2023 Sustainability Reports, rehabilitation of Dam B4 is progressing well and complete or close to completion. The Sustainability Reports, can be accessed at <https://cbmm.com/en/our-company/sustainability>.

Rehabilitation measures taken by CBMM are outlined in reports available on the CBMM website. The closure process for Dam B4 involved the old reservoir being decharacterised with the insertion of compacted mine clay and lined with a layer of HDPE (Heavy Density Polyethylene, a heavy-duty liner and geomembrane) that make the tailings impervious to water. The water table is reduced to the natural underground level to eliminate any instability risk. Drainage channels and sedimentation basins were built to control the rainwater. Dam B4 no longer has a reservoir.

Q. *In what part of the Project area will St George aim to define a mineral resource?*

A. Tenement 831.972/1985 hosts the area we will use to define a maiden JORC resource. The area is to the west of Dam B4 and where closed-spaced drilling by previous owners of the Project has delineated a high-grade mineralised footprint. The location of the drilling was assessed in our due diligence on the Project and confirmed by our independent technical consultants, GE21 Consultoria Mineral.

Q. *Will it be possible to mine that proposed resource given the location of Dam B4?*

A. Yes, subject to completion of final geological studies, we believe an open-pit mining operation will be possible. The potential for establishing an open-pit mine was considered by independent engineering firm and dam specialists, *Terracota Consultoria e Projetos* in a report prepared for Itafos in 2021. The conclusion was that the implementation of open-pit mining would not change significantly any of the dam safety factors. A further detailed geotechnical study will be required to progress to a mining operation. This study is underway and is being conducted by Walm Engenharia.

Following definition of a JORC compliant mineral resource and consideration of any likely pit shell, we can fully assess this matter and ensure any mining operation will be positioned so as to not create any issues regarding the historical dam.

Q. *Will St George need to relocate Dam B4 in order to establish a mining operation?*

A. No. The dam is dry, has been sealed, is stable and has now been integrated into the environment. St George will not inherit any environmental liabilities as a result of Dam B4 being on a tenement that makes up the Project.

Q. *Was Figure 1 in the Acquisition Announcement accurate?*

A. Yes, the outline of our tenement area is accurate and the location of the operations of CBMM and The Mosaic Company is broadly accurate. The background photo is one of the few available satellite photos of the carbonatite complex in which we are all located. The appearance of Dam B4 has changed over the years – at times it is bare of vegetation as the sealing and remediation process is being completed, and more recently it appears integrated into the environment as in Figure 1.

Also, a small catchment dam is shown in the southern margin of our Project area. This is not a tailings facility but a small rainwater catchment dam known as Dam D that was designed to divert rainwater from Dam B4.

With the rehabilitation of Dam B4, Dam D is also being decommissioned. There are no significant intercepts of high-grade mineralisation coincident with Dam D. It is considered to pose no environmental risks.

A photo of the current status of Dam D is shown below, sourced from CBMM's website <https://cbmm.com/en/our-company/our-dams>.



Figure 2 – photo of Dam D. Source: <https://cbmm.com/en/our-company/our-dams>

Q. *The Project is within the same carbonatite complex as CBMM's world-class niobium mine. Does CBMM have any other tailings dams in the vicinity to the Project that are of concern to St George?*

A. CBMM has a number of tailings dams. None are they are a concern to St George and any potential mining operation at the Project. CBMM's industry leading best practices to manage tailings dams can be found at <https://cbmm.com/en/our-company/our-dams>

No other tailings dams – neither historical nor presently active – are within the Project area or proximal to the Project. Figure 3 shows an aerial view of the Project tenements. Historical Dam B4 and Dam D are marked on the map. Also marked on the map are areas that have been mistaken as tailings dams. These are rainwater and remediation ponds used by CBMM and do not present environmental issues.

Q. *Is there a privately owned hotel within the Project area? Will the location of that hotel prevent St George from establishing a mining operation at its Project?*

- A. A small private hotel is located in the western part of the Araxá Project area, within tenement 831.436/1988. This tenement does not host the mineralisation that has been discovered at the Project to date and which we will use to underpin a potential maiden JORC compliant resource.

The environmental impact of any potential mining operation at the Project (which would be located on tenement 831.972/1985) is being considered by environmental studies currently underway. St George is committed to conducting its operations in accordance with best practice ESG standards and making a meaningful contribution to the community near where our Project is located. Any potential mining operation will be designed to address all relevant environmental, social and permitting issues.



Figure 3 – photo of the Project area (Google Earth image from 26 April 2024 looking north) showing the Project tenements and the location of Dam B4, Dam D as well as features mistaken for dams.

Authorised for release by the Board of St George Mining Limited.

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**Competent Person Statement:**

The information in this ASX Release that relates to historical and foreign results is based upon, and fairly represents, information and supporting documentation reviewed by Mr. Carlos Silva, Senior Geologist employed by GE21 Consultoria Mineral and a Competent Person who is a Member of The Australian Institute of Geoscientists.

GE21 an independent consultancy engaged by St George Mining Limited for the review of historical exploration data. Mr Silva has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

This ASX Release contains information extracted from the following reports which are available on the Company's website at [www.stgm.com.au](http://www.stgm.com.au):

6 August 2024 Acquisition of High-Grade Araxa Niobium Project

The Company confirms that it is not aware of any new information or data that materially affects the exploration results included in any original market announcements referred to in this report and that no material change in the results has occurred. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

**Forward Looking Statements:**

This announcement includes forward-looking statements that are only predictions and are subject to known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of St George, the directors and the Company's management. Such forward-looking statements are not guarantees of future performance.

Examples of forward-looking statements used in this announcement include use of the words 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of announcement, are expected to take place.

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This announcement has been prepared by St George Mining Limited. The document contains background Information about St George Mining Limited current at the date of this announcement.

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– Ends –

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