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7 January 2025

St George confirms funding for acquisition of advanced high-grade Araxá Niobium-REE Project in Brazil, world's leading niobium address

$20 million of funding secured, subject to approval of St George shareholders

- **New capital raising locked in:** St George has received firm commitments from investors to raise new funds of $20 million for application towards acquisition costs, exploration expenses and working capital for the Araxá niobium-REE Project in Minas Gerais, Brazil (the "Araxá Project") – **located adjacent to CBMM's industry leading niobium mine.** These new funds replace the proposed equity raising announced on 6 August 2024.

- **Binding agreement:** St George and the seller of the Araxá Project have entered into a variation of the binding conditional agreement initially signed on 3 August 2024 to allow additional time up to 15 March 2025 to complete the acquisition.

- **Shareholder meeting:** St George will convene a general meeting of St George shareholders in early to mid-February 2025 at which approval for the capital raising and other payments to complete the acquisition of the Araxá Project will be sought.

- **De-risked project**: The Araxá Project is a de-risked, world-class project with extensive high-grade niobium and REE mineralisation confirmed by drilling, a long history of commercial niobium production in the region, access to infrastructure and workforce, first-rate in-country management and government support for expedited project approvals.

- **World-class potential**: High-grade mineralisation commences from surface with more than 500 intercepts of high-grade niobium (>1% Nb_2O_5) and rare earths with grades up to **8% Nb_2O_5** and **33% TREO**[1] including:

  - **43m @ 1.5% Nb_2O_5 from surface**
  - **20m @ 2.4% Nb_2O_5 from surface**
    ***incl.* 10m @ 3.2% Nb_2O_5 from 2m**
  - **33m @ 2.1% Nb_2O_5 from 4m**
  - **14m @ 2.9% Nb_2O_5 from surface**
  - **13m @ 2.8% Nb_2O_5 from 20m**
    ***incl.* 1.2m @ 8.3% Nb_2O_5 from 26m**
  - **11m @ 3% from Nb_2O_5 from 5m**
  - **60m @ 11.1% TREO from surface**
    ***incl.* 30m @ 16.9% TREO from 27.5m**
  - **45m @ 14.4% TREO from 15m**
    ***incl.* 7.5m @ 31.5% TREO from 40m**
  - **29m @ 10.3% TREO from surface**
  - **43m @ 6.8% TREO from surface**
  - **17m @ 14.6% TREO from surface**
  - **10m @ 14.7% TREO from surface**

- **Fast-tracking for project approvals:** St George has signed a cooperation agreement[2] with the State of Minas Gerais for acceleration of regulatory approvals for the Project.

1. For all drill intercepts, see our ASX Release dated 6 August 2024 'Acquisition of High-Grade Araxá Niobium Project'
2. For details, see our ASX Release dated 31 October 2024 'MoU to Fast-track Approvals for Araxá Project'

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St George Mining Limited (ASX: SGQ) ("St George" or "the Company") is pleased to announce that firm commitments have been received for a placement of shares to raise A$20,000,000 via the issue of 1,000,000,000 ordinary shares of the Company to institutional and sophisticated investors at an issue price of A$0.02 per share (the "Placement").

Subscribers to the Placement will also receive 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 two years after the date of issue ("Options").

The Placement replaces an earlier equity raising proposal announced at the time of the Araxá Project acquisition agreement (refer our ASX release dated 6 August 2024 '*St George to Acquire Advanced, High-grade Araxá Niobium Project in World's Leading Niobium Producing Address'*).

John Prineas, St George Mining's Executive Chairman, said:

"We are delighted to be able to announce that funding for the acquisition of the Araxá Project has been arranged, with very strong investor interest for our $20 million raise. We thank our shareholders for their patience as we work towards concluding this transformative acquisition for our Company.

"St George has been very active in laying the platform to leverage the advanced status of the Project – including the signing of a cooperation agreement with the State of Minas Gerais to expedite project approvals, the signing of partnership agreements for potential downstream processing of the Araxá mineralisation, the appointment of industry leading environmental consultants and, of course, establishing our own high-quality, in-country team with more than 40 years' combined experience in the niobium business.

"The successful capital raise recognises the de-risked nature of the Araxá Project – with extensive high-grade niobium and rare earths mineralisation already confirmed by drilling – at a time when these critical metals are highly sought after globally by industry and governments alike.

"Work programs have already been planned for 2025 including drilling at Araxá that will start once we take ownership of the Project.

"We look forward to finalising the acquisition of the Project in Q1 2025 and advancing initiatives at Araxá to unlock the full potential value of this world-class asset."

The Acquisition of the Araxá Project

The Araxá Project comprises three permits held by Itafos Araxá Mineracao E Fertilizantes S.A ("Itafos Araxá"), a subsidiary of Itafos Inc ("Itafos").

On 6 August 2024, St George announced that it had entered into a binding conditional agreement ("Agreement") with Itafos whereby Niobium Dragon Pty Limited ("Dragon"), a subsidiary of St George, would acquire all issued shares of Itafos Araxá ("Transaction").

St George and Itafos have negotiated certain amendments to the Agreement to allow additional time for completion of the Transaction. The key terms of the Agreement, including the cash purchase price, have not changed. A summary of the terms of the Agreement is set out below.

Under the Agreement, St George will make a cash payment to Itafos of USD$10,000,000 at closing of the Transaction and deferred cash payments of USD$6,000,000 nine months after closing and USD$5,000,000 18 months after closing (collectively, the "Deferred Payments").

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As a condition to closing of the Transaction, St George, its wholly owned subsidiaries and Itafos Araxá will also grant security over their assets to Itafos to secure the Deferred Payments. Additional equity raisings or debt financing will be arranged in the future to fund the Deferred Payments. The Board is assessing a number of options in respect of potential equity and debt financing arrangements.

Upon closing of the Transaction, St George will also issue to Itafos: (a) 266,782,003 ordinary shares of St George ("SGQ Shares") representing 10% of St George's outstanding share capital immediately following closing; (b) 86,111,025 options to acquire SGQ Shares at an exercise price of AUD$0.04, expiring two years from the date of issue; and (c) 11,111,100 performance rights, convertible into SGQ Shares for no additional consideration upon satisfaction of (i) the closing of the Transaction; and (ii) St George reporting an Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC") compliant inferred resource of no less than 25Mt @ 3.5% total rate earth oxide ("TREO") at a cut-off of 2% TREO within five years from the date of issue. The issue of the SGQ Shares, options and performance rights are subject to receipt of St George shareholder approval.

The closing of the Transaction is subject to the completion (or waiver) of certain conditions by 15 March 2025 including: St George undertaking a capital raise of at least AUD$20,000,000 as announced in this ASX release; St George receiving approval of its shareholders for the transactions contemplated by the Agreement; the parties executing and registering certain security documents to grant security to Itafos over the assets of St George and Itafos Araxá until such time as the Deferred Payments have been received by Itafos; and, if required, Itafos obtaining the approval of the TSX-V in accordance with TSX-V Policy 5.3 – *Acquisition and Disposition of Non-Cash Assets*.

In accordance with the terms of the Agreement, in the event that St George fails to make a Deferred Payment within five business days of its due date, Itafos will be granted a call option whereby it may acquire the shares of Itafos Araxá for consideration of USD$1.00 in lieu of having to enforce its security over the assets of St George and its wholly owned subsidiaries (including Itafos Araxá).

The Transaction is expected to close in late February 2025/early March 2025 following a general meeting of St George shareholders in early to mid-February 2025 at which approval for the matters contemplated by the Agreement will be sought (the "EGM").

The Agreement is otherwise on terms considered standard for an agreement of this nature, including representations and warranties, indemnities and confidentiality provisions.

Fund Raising

GBA Capital Pty Ltd ("GBA") acted as lead manager and bookrunner to the Placement and will receive a cash fee equal to 6% of the proceeds raised by GBA plus 20,000,000 options to acquire St George shares at an exercise price of AUD$0.04, expiring two years from the date of issue (the "Options"), subject to receipt of St George shareholder approval which will also be sought at the EGM.

Funds raised under the Placement will be used for: payment of USD$10,000,000 for the first instalment of the cash consideration due on closing of the Transaction; St George's inaugural drill program at Araxá; and working capital including costs relating to acquisition completion.

St George will also issue shares and options on closing of the Transaction as follows as payment for services in connection with the Transaction:

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- 112,500,000 ordinary shares as an introduction fee, payable to Orchid Capital Mining Pte Ltd ("Orchid");
- 50,000,000 ordinary shares and 50,000,000 options (on the same terms as the Options) as advisory fees payable to Cong Ming Limited ("CML");
- 40,000,000 options (on the same terms as the Options) as a placement marketing fee, payable equally to Shanghai Chang Mao International Trade Limited ("SCM International"); and
- 90,000,000 options (on the same terms as the Options) as a placement marketing fee, payable to Japan and China Holdings (Australia) Pty Ltd ("JCA").

The issue of the shares to Orchid, the shares and options to CML and the options to each of SCM International and JCA are subject to receipt of St George shareholder approval, which will also be sought at the EGM.

Further payments as introduction fees will be paid by St George to Orchid as follows:

- US$900,000 at the same time as the first Deferred Payment is paid to Itafos; and
- US$750,000 at the same time as the second Deferred Payment is paid to Itafos.

Performance rights up to 100,000,000 are also proposed to be issued to directors and employees of St George (subject to receipt of shareholder approval). The milestones for the Performance rights are: (i) the closing of the Transaction; and (ii) St George reporting an Australasian Code for Reporting of 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 five years from the date of issue.

The effect of the Transaction on the capital structure of SGQ is set out in Appendix A.

St George is in compliance with the Listing Rules, in particular LR 3.1 and this announcement is intended to lift the voluntary suspension requested on 30 October 2024.

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

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Appendix A

	SGQ Shares	Listed SGQ Options	Unlisted SGQ Options	New Listed SGQ Options	SGQ Performance Rights	Totals
Current issued capital	1,238,540,432	39,188,238	49,224,209		16,500,000	**1,343,452,879**
Placement (subject to SGQ shareholder approval)	1,000,000,000 [1a]	-	-	500,000,000 [1b]	-	**1,500,000,000**
December Placement Options (subject to SGQ shareholder approval)		-	-	75,000,000 [1b]	-	**75,000,000**
Sales agent SGQ Shares[2(a)]	112,500,000	-	-		-	**112,500,000**
Adviser Options and SGQ Shares[2(b)]	50,000,000	-	-	50,000,000	-	**100,000,000**
Broker Options[2(c)]	-	-	-	150,000,000	-	**150,000,000**
Director/employee SGQ Performance Rights[2(d)]	-	-	-		100,000,000	**100,000,000**
Total Equity	**2,401,040,432**	**39,188,238**	**49,224,209**	**775,000,000**	**116,500,000**	**3,380,952,879**
Consideration Shares[3]	266,782,003	-	-		-	**266,782,003**
Consideration Options[3]	-	-	-	86,111,025	-	**86,111,025**
Consideration Performance Rights[3]	-	-	-		11,111,100	**11,111,100**
Total	**2,667,822,435**	**39,188,238**	**49,224,209**	**861,111,025**	**127,611,100**	**3,744,957,007**

Notes:

1. Subject to the approval of the shareholders of St George (**SGQ Shareholders**):

   a. SGQ Shares to be issued at an issue price of AUD$0.02 each (**Placement**), to raise AUD$20 million as part of the Capital Raising; and

b. SGQ Options to be issued free attaching under the Placement, and the placement undertaken on 3 December 2024 (**December Placement**), on the basis of one SGQ Option for every 2 Shares issued, exercisable at $0.04 each, on or before the date that is two years from the date of issue (**Capital Raising Options**)

2. Subject to the approval of SGQ Shareholders, St George will issue:

   a. 112,500,000 SGQ Shares to a sales agent, in consideration for facilitating the Acquisition;

   b. 50,000,000 SGQ Shares and 50,000,000 SGQ Options with an exercise price equal to AUD$0.04 and an expiry date of two (2) years from the date of issue, to its corporate adviser (**Adviser Options**);

   c. 150,000,000 SGQ Options with an exercise price equal to AUD$0.04 and an expiry date of two (2) years from the date of issue, to brokers and advisers who assist with the Capital Raising (**Broker Options**); and

   d. 100,000,000 SGQ Performance Rights to its directors and/or senior employees, convertible into SGQ Shares upon satisfaction of both:

      i. completion of the Acquisition; and

      ii. St George reporting a JORC compliant inferred resource of no less than 25Mt @ 3.5% TREO at a cut-off of 2% TREO within five years from the date of issue.

3. Consideration Securities to be issued to the Itafos Nominee.

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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:

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.

Actual values, results, interpretations or events may be materially different to those expressed or implied in this announcement. Given these uncertainties, recipients are cautioned not to place reliance on forward-looking statements in the announcement as they speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and the ASX Listing Rules, St George does not undertake any obligation to update or revise any information or any of the forward-looking statements in this announcement or any changes in events, conditions or circumstances on which any such forward-looking statement is based.

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.

The announcement is in summary form and does not purport to be all inclusive or complete. Recipients should not rely upon it as advice for investment purposes, as it does not take into account your investment objectives, financial position or needs. These factors should be considered, with or without professional advice, when deciding if an investment is appropriate.

The announcement is for information purposes only. Neither this announcement nor the information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sale of shares in any jurisdiction. The announcement may not be distributed in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. Recipients should inform themselves of the restrictions that apply to their own jurisdiction as a failure to do so may result in a violation of securities laws in such jurisdiction.

This announcement does not constitute investment advice and has been prepared without taking into account the recipient's investment objectives, financial circumstances or particular needs and the opinions and recommendations in this announcement are not intended to represent recommendations of particular investments to particular persons.

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Recipients should seek professional advice when deciding if an investment is appropriate. All securities transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments. To the extent permitted by law, no responsibility for any loss arising in any way (including by way of negligence) from anyone acting or refraining from acting as a result of this material is accepted by St George Mining Limited (including any of its related bodies corporate), its officers, employees, agents and advisers.

– Ends –