

12 January 2025

Global Mining Engineering Firm backs Araxá Niobium-REE Project with A\$8 million equity investment and EPC deal

Groundbreaking engineering and construction services deal underpins pathway for Araxá Project development plans

- **Development MoU:** St George and Shandong Xinhai Mining Technology & Equipment Inc (“Xinhai”) – a global service provider to the mining sector with work performed at more than 2,000 mines in more than 100 countries – have entered into a binding Memorandum of Understanding (“MoU”) to work together on the development of the high-grade Araxá niobium-REE Project in Brazil.
- **EPC Contract:** St George 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 options, plant design and project construction
 - provide a proposal for a fixed-price EPC (engineering, procurement and construction) contract for the development of the Araxá Project
 - assist St George to arrange optimal, non-dilutive funding for the EPC contract
- **A\$8 million strategic investment:** Xinhai (and its nominees) has committed to invest a total of A\$8 million in the A\$20 million equity fund raising being completed by St George in support of the Project acquisition.
- **Xinhai – industry leading EPC credentials:** Xinhai is a leading global process engineering and contracting company that specialises in providing engineering design, procurement and construction services to the mining industry. It has completed more than 500 EPC contracts globally, many including mine construction and mine operation management services.
- **Top-tier project delivery team:** The engagement of Xinhai further boosts St George’s in-country project delivery team dedicated to the fast-tracked development of the advanced Araxá Project and further de-risks this world-class project.

John Prineas, St George Mining’s Executive Chairman, commented:

“We are delighted to be partnering with Xinhai, a truly global mining services provider focused on providing clients with integrated construction and operation solutions for modern, efficient and energy-saving mines.

“Xinhai has an impressive track record of delivering high-quality processing plants in expedited timeframes and with competitive pricing.

“Xinhai’s global depth of expertise across the entire spectrum of mine development disciplines – metallurgy, mineral processing, plant engineering, equipment manufacture, plant construction and mine operation management – ensures that it can design and deliver optimal project solutions.

“We also welcome Xinhai as a new shareholder in St George, which will further align our respective interests in advancing the Araxá Project to a successful operating mine.

“St George’s ability to attract industry leading partners like Xinhai reflects the near-term development potential of the Araxá Project and the favourable mining jurisdiction of Minas Gerais which offers potential for expedited permitting approvals. Led by our experienced in-country management, St George is establishing a highly credentialled team to drive project delivery.”

St George Mining Limited (**ASX: SGQ**) (“**St George**” or “**the Company**”) is pleased to announce that it has signed a binding Memorandum of Understanding (“MoU”) that provides a framework for collaboration between St George and Xinhai on the development of the advanced, high-grade Araxá niobium-REE Project in Minas Gerais, Brazil (“Araxá” or “Project”).

Strategic partnership for EPC:

Under the terms of the binding MoU, St George and Xinhai will use their best efforts to negotiate and enter into a definitive Strategic Partnership Agreement within nine months of the date of execution of this MoU (signed on 11 February 2025) that will have the following key terms:

1. Xinhai will have a first and last right of refusal for an EPCM+O contract for the Araxá Project;
2. The EPCM+O contract will be based on the project development strategy agreed by St George and Xinhai; and
3. St George and Xinhai will form a project committee to supervise and advise on metallurgical testing, mineral processing options, plant design and project assessment leading up to the issue of an EPC contract.

Under the proposed Strategic Partnership Agreement, Xinhai will work with St George to establish a mutually acceptable funding solution for the EPC contract including exclusive distribution and marketing rights for 80% of niobium offtake sold by St George into the Chinese market.

Investment in St George:

Xinhai (and its nominees) has committed to invest A\$8 million in the A\$20 million equity fund raising being completed by St George in support of the Araxá acquisition, which is being voted on by St George shareholders at a General Meeting scheduled for 18 February 2025.

The MoU is legally binding and creates a framework for the parties to work together on the matters outlined above. There is no financial obligation on St George under the MoU and there are no other material terms under the MoU beyond those disclosed in this announcement.

The MoU has been signed by HongKong Xinhai Mining Services Limited, wholly owned by Shandong Xinhai Mining Technology & Equipment Inc, on behalf of the Xinhai Group.

About Xinhai:

Shandong Xinhai Mining Technology & Equipment Inc. is a leading international mine EPC and contracting service provider, including mine engineering, complete line of equipment manufacturing and procurement, mine construction and commissioning, mine construction management and contracting operation.

Mr. Zhang Yunlong, the founder and Chairman of Xinhai Group, is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM), an international mining consultant, a senior mineral processing engineer, and a board director of China Northeastern University.

Xinhai is one of the few mine service enterprises with full qualifications and certifications in China, including the First-Class Qualification for General Contracting of Mine Engineering Construction, the Qualification for Overseas Contracting Projects, the Laboratory Accreditation Certificate of the China National Accreditation Service for Conformity Assessment (CNAS), and the Class B Qualification for Engineering Design.

Xinhai has provided service to more than 2,000 mines and constructed more than 500 EPCM+O projects in 100 countries and regions worldwide. Typical cases include Zimbabwe 2 Million TPA Lithium Processing Plant, Guinea 15,000 TPD Gold Processing Plant, Mongolia 3 Million TPA Gold Heap Leaching Plant, Mexico 1,500 TPD Polymetallic Ore Processing Plant, Uganda 720 TPD Rare Earth Polymetallic Ore Processing Plant, Chile 700 TPD Copper Processing Plant, Russia 500 TPD Gold Gravity Separation Plant, Morocco 500 TPD Silver Processing Plant, Armenia 1,500 TPD Copper-Lead-Zinc Processing Plant, Fiji 2,000 TPD Gold Flotation Plant, Indonesia 20,000 TPM Gold Processing Plant, Mongolia 150 TPD Tungsten Gravity Separation Plant, Vietnam 800 TPD Graphite Processing Plant, Tanzania 1200 TPD Gold Processing Plant, Cambodia 1000 TPD Gold Processing Plant.

About the Araxá Project:

St George has entered into a conditional binding agreement for the 100% acquisition of the Araxá Project and expects to complete the acquisition in Q1 2025. In anticipation, St George has assembled a highly experienced in-country team and established relationships with key parties in Brazil to drive the Project through exploration work and development studies.

Araxá is a de-risked, potentially world-class project in Minas Gerais, Brazil, located adjacent to CBMM's world-leading niobium mining operations. Extensive high-grade niobium and REE mineralisation at the Araxá Project were confirmed by past drilling. High-grade mineralisation commences from surface, with more than 500 intercepts of high-grade niobium ($>1\%$ Nb₂O₅) with grades up to 8% Nb₂O₅ plus rare earths with grades up to 33% TREO. The region around the Araxá Project has a long history of commercial niobium production and provides access to infrastructure and a skilled workforce. St George has negotiated government support for expedited project approvals.

For further details of the Araxá Project and the arrangements for St George to acquire 100% of the Project, see our ASX Release dated 7 January 2025 '*Araxá Niobium-REE Project – Acquisition Locked In*', 6 August 2024 '*Acquisition of High-Grade Araxá Niobium Project*', ASX Release dated 27 August 2024 '*St George Appoints Ex-Mines Minister as Advisor*' and ASX Release dated 31 October 2024 '*MoU to Fast-track Approvals for Araxá Project*'.

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:

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.

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.

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