

8 December 2022

## ST GEORGE SIGNS MOU WITH GLOBAL BATTERY GIANT – SVOLT

### HIGHLIGHTS

- St George and SVOLT Energy Technology Co., Ltd (“SVOLT”) enter into a Memorandum of Understanding (“MoU”) to establish 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 automobile makers and other customers
- SVOLT has industry leading credentials in battery innovation, and pioneered the first mass produced cobalt-free battery
- MoU establishes a framework for St George 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 St George by way of a placement of shares of St George to SVOLT, 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 St George for the development of lithium projects
  - ◆ a potential joint venture by St George and SVOLT to acquire and develop new lithium projects

St George Mining Limited (ASX: **SGQ**) (“St George” or “the Company”) is pleased to announce that it has signed a non-binding Memorandum of Understanding (“MoU”) with SVOLT Energy Technology Co., Ltd (“SVOLT”) to consider collaboration on the development of the Mt Alexander Lithium Project as well as the acquisition of other lithium projects and lithium business opportunities.

**John Prineas, St George Mining’s Executive Chairman,** said:

“We are excited to announce a strategic relationship with SVOLT, one of the giants in the global EV battery market.

“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. With drill programmes 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 St George.

“We are delighted that SVOLT has recognised this tremendous growth opportunity at Mt Alexander – located in the heart of Western Australia’s newest hard rock lithium province. Our strategic relationship with SVOLT will strengthen our capacity to accelerate exploration and development at the Project – particularly through the provision by SVOLT of technical advice for the marketing of lithium products as well as the potential provision of development funding.

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“Under the strategic relationship, we will also consider new project generation in Western Australia creating another potential growth engine for our respective companies.

“The signing of the non-binding MoU complements a similar strategic relationship we have established with Shanghai Jayson New Energy Materials Co., Ltd, the world’s leading producer of cathode precursor materials for lithium-ion batteries – see our ASX announcement dated 30 November 2022 *St George Signs MoU with Global Battery Investor*”.

“St George’s ability to attract blue-chip partners like SVOLT and Jayson speaks volumes to the potential of Mt Alexander.”

### **SVOLT – a global leader in energy interconnection**

SVOLT has engaged in battery R&D for more than 10 years and was established as an independent battery manufacturer in 2018 following a spin-off from Great Wall Motor Company, one of the world’s largest vehicle manufacturers.

Today, SVOLT is a fast-growing global company with more than 10 manufacturing bases including plants established or under construction in China and Germany.

In addition to being one of the world’s largest battery manufacturers, SVOLT is recognised in the industry as a leading technology innovator. SVOLT pioneered the cobalt-free battery, which has high-safety and low-cost attributes, and is now the global leader for mass-produced cobalt-free batteries. SVOLT has extensive R&D centres located in China, Germany, Korea and India.

SVOLT has a pro-active strategy to secure supply chains in the lithium battery sector with investments in a number of lithium value chain projects world-wide.

### **SVOLT MoU – framework for strategic investment**

The MOU signed by St George and SVOLT establishes a collaborative working relationship for the parties to consider and negotiate partnering on lithium-business opportunities, including at St George’s flagship Mt Alexander Lithium Project.

The MoU applies only to project tenements owned 100% by St George.

The range of commercial transactions that may be considered by the parties includes:

- 1) SVOLT to invest up to \$5 million in St George by way of a placement of shares from St George to SVOLT, subject to agreement on pricing and completion of due diligence by SVOLT.
- 2) Offtake arrangements whereby SVOLT may secure up to 25% of potential spodumene concentrate from the Mt Alexander Lithium Project.
- 3) The provision of funding support to St George for the development of lithium projects.
- 4) Potential formation of a joint venture by St George and SVOLT to acquire and develop new lithium projects.

St George and SVOLT will form a strategic management committee to consider potential investment opportunities. SVOLT will also have the right to appoint one director to the Board of St George so long as SVOLT holds more than 5% of the fully paid ordinary shares of St George (and subject to any regulatory approvals).

The relationship has potential to significantly support the growth of St George's business, particularly through:

- SVOLT's industry leading technical expertise in the processing of lithium and other battery metals for use in battery manufacture
- SVOLT's extensive knowledge and experience in the marketing of lithium and other battery metals
- SVOLT's substantial financial capacity via its cash reserves and relationship banks

The MoU has an initial term of two years. Any specific arrangement or transaction agreed by the parties will be subject to further documentation and execution of definitive formal agreements.

The MoU is non-exclusive and each party may pursue business opportunities with any other third party.



Figure 1 – Representatives of St George and SVOLT met in Perth during November 2022.

## New lithium province:

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 at its Mt Ida Project in September 2021 – see ASX Release by Red Dirt dated 28 September 2021 "*Mt Ida – A New Lithium Province*". St George's landholding in the province encompasses more than 15km of the pegmatite corridor adjacent to the Copperfield Granite – the interpreted source of the mineralised pegmatites at Mt Ida.

St George has confirmed high-grade lithium in pegmatite outcrop over a widespread area of its Project tenure with drilling underway to scope the full extent of lithium mineralisation.

In addition to St George and Red Dirt, significant exploration is underway in this region by:

- **Zenith Minerals (ASX: ZNC)** in joint venture with EV Metals plc – see ASX Releases by Zenith dated 23 May 2022 – "*New Lithium Exploration Project Secured*" and dated 11 October 2022 – "*Zenith Commences Lithium Drilling*"
- **Hawthorn Resources (ASX: HAW)** in joint venture with Legacy Iron Ore Limited and Hancock Prospecting – see ASX Release by Hawthorn dated 29 August 2022 – "*Hancock executes agreement for nickel, lithium and copper at Mt Bevan Project*"

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.



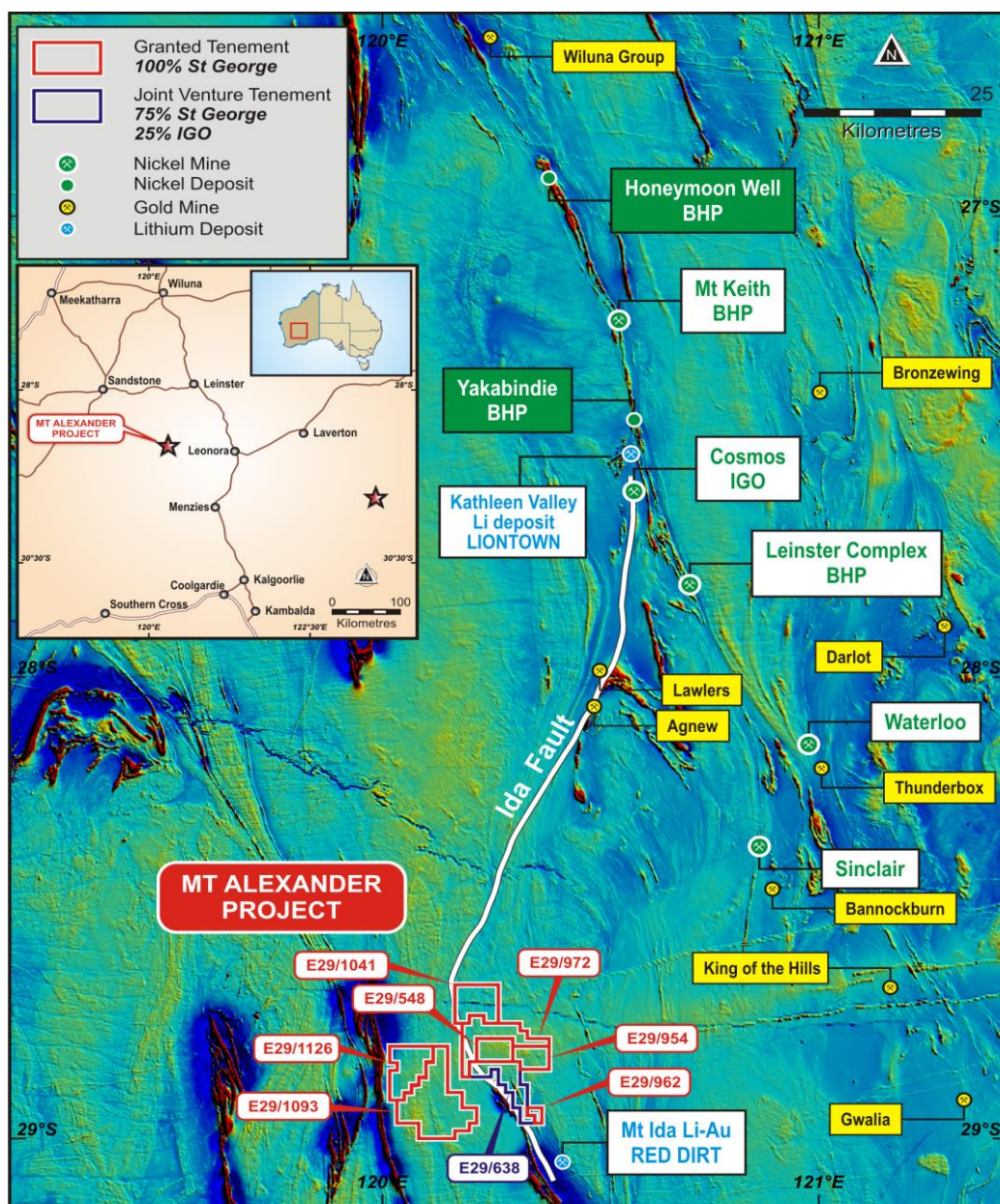


Figure 2 – map showing the regional location of the Mt Alexander Project with major lithium and nickel projects highlighted (against magnetic RTP 1VD).

#### About the Mt Alexander Project:

The Mt Alexander Project is located 120km south south-west 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 St George with more than 15km coverage of a highly prospective pegmatite corridor in the newly recognised Mt Ida Lithium Province. An additional two exploration licences – E29/1093 and E29/1126 – are located to the south-west 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 St George (75%) and IGO Limited (25%) (ASX: IGO). St George 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 St George.

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

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