

17 February 2023

ST GEORGE ENTERS AREA OF INFLUENCE AGREEMENT IN MT HOLLAND LITHIUM AND NICKEL PROVINCE

HIGHLIGHTS

- St George has entered into a binding agreement pursuant to which it has rights to potentially acquire an interest in lithium and nickel rights of certain tenements within an area – “Area of Influence” – covering part of the Mt Holland lithium and nickel province
- The Area of Influence agreement is with Cacique Resource Pty Ltd, a private company which has a long history of being involved in the Mt Holland region
- Significant lithium occurrences and deposits are located within the Area of Influence including the Earl Grey lithium project owned by Covalent Lithium, a joint venture between Wesfarmers Limited and Sociedad Química y Minera de Chile S.A. (SQM)
- An interpreted 40km strike of the Forrestania nickel belt is interpreted to occur within the Area of Influence, supporting the potential for nickel sulphide mineralisation
- The agreement complements St George’s focus on building a portfolio of highly prospective lithium and nickel projects and interests within Western Australia

St George Mining Limited (ASX: **SGQ**) (**St George** or **Company**) is pleased to announce that it has entered into the Mt Holland Area of Influence Agreement, a binding agreement whereby it has the right to potentially acquire an interest in the lithium and nickel rights of certain tenements covering parts of the Mt Holland region of Western Australia.

The Area of Influence is shown in Figure 1.

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

“We are very pleased to have concluded the binding agreement for this opportunity which relates to part of the world class Mt Holland-Forrestania lithium and nickel province.

“The agreement provides St George with an option to potentially acquire a foothold in this highly prospective region and to further build upon St George’s high-quality portfolio of lithium and nickel projects in Western Australia.

“As we prepare to resume drilling at our Mt Alexander lithium project in a matter of days, we are also excited to have expanded our project pipeline into one of the most significant addresses in WA for hard-rock lithium and nickel sulphide mineralisation.”

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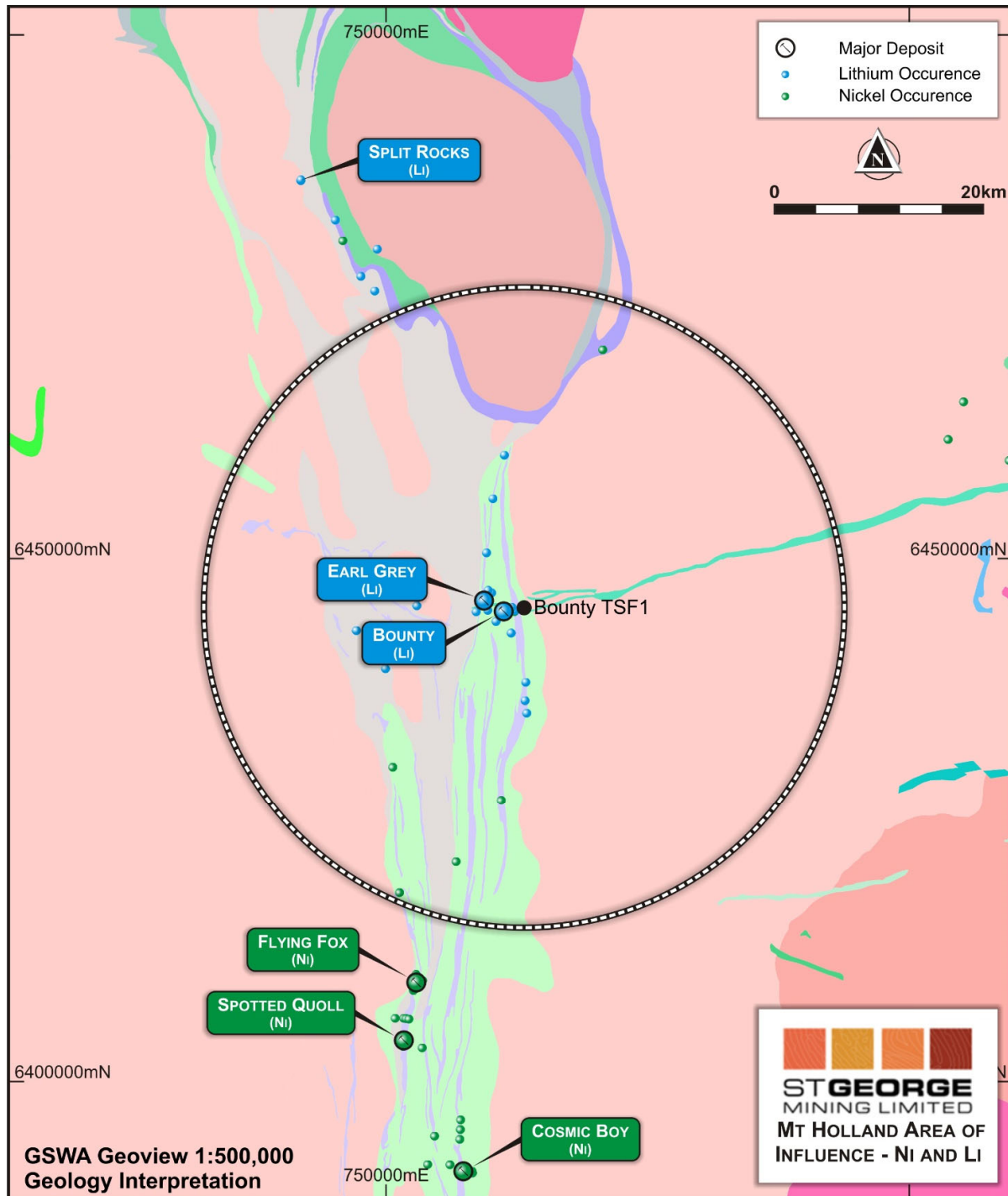


Figure 1: Interpreted geological map showing the 30km radius Area of Influence and significant known lithium and nickel occurrences and deposits along the greenstone belt

Summary of Key Terms:

The key terms and conditions of the Mt Holland Area of Influence Agreement are as follows:

Counterparties: The vendor is an unrelated private proprietary limited company, Cacique Resources Pty Ltd (**Cacique or Vendor**).

Area Of Influence: The Area of Influence extends out to a radius of 30km from the centre of the Bounty Gold Mine TSF1. It excludes lithium and nickel rights to E77/2784. (Note: Bounty TSF1 is plotted on DMIRS GeoVIEW.WA)

Consideration: Consideration payable to the Vendor under the Agreement is as follows:

1. St George will pay Cacique \$150,000 cash and, subject to shareholder approval, issue Cacique 3,125,000 fully paid ordinary St George shares. St George intends to seek shareholder approval at its general meeting on 16 March 2023. If that shareholder approval is not obtained, St George is required (rather than issue the shares) to pay in cash the higher of \$250,000 and 3,125,000 multiplied by the VWAP for St George shares for the five trading days immediately prior to 16 March 2023.
2. St George will have the exclusive right to enter into an option to acquire 80% of the lithium and nickel rights of any tenement that Cacique applies for or acquires in the Area of Influence (**Option**). This right lasts for 80 years.
3. If St George selects a tenement for Option, it will pay Cacique an additional fee of \$100,000 cash and, subject to shareholder approval, issue Cacique \$200,000 worth of fully paid St George shares calculated using the five trading day VWAP of St George shares prior to the grant of that tenement. If shareholder approval is not obtained, St George is required (rather than issue the shares) to pay in cash the higher of \$200,000 and the value of those shares based on a VWAP of five trading days before the grant of that tenement. An Option expires after 5 years.
4. If St George wishes to exercise an Option, it will pay \$300,000 cash per tenement with a maximum of \$1.5 million collectively but will have to pay out the full \$1.5 million if at least one Option is exercised within 5 years from the date of the exercise of the first Option. For example, if over 5 years from the exercise of the first Option St George only acquires two tenements, St George would have paid \$600,000 and need to top up with another \$900,000. If St George acquires 10 tenements, the maximum payable is \$1.5 million.
5. Where St George exercises an Option to acquire 80% of the lithium and nickel rights, St George and Cacique will form a joint venture pursuant to which Cacique is free carried to a decision to mine. Cacique will retain 100% of other mineral rights including gold.

Any cash payments to be made to Cacique will be sourced from St George's current cash reserves.

The Vendor is not a related party of the Company for the purposes of Listing Rule 10.11.

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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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