

22 March 2023

ST GEORGE ACQUIRES STRATEGIC LITHIUM PROJECTS

Acquisition of large, lithium-prospective land package further consolidates St George's portfolio of prospective hard-rock lithium projects in Western Australia

HIGHLIGHTS

- St George has entered into a binding agreement to acquire seven hard-rock lithium projects in Western Australia
- The new projects comprise 14 exploration licences – 13 granted and 1 in application – covering a total of 653km²
- Several of the projects are located along strike from high-grade lithium deposits and established spodumene producing lithium mines and include:
 - ◆ the Split Rock Project, located ~25km north-west of the Earl Grey lithium deposit, which has a resource of 189Mt @ 1.50% Li₂O¹, owned by Covalent Lithium – a joint venture between Wesfarmers (ASX: WES) and SQM (NYSE:SQM)
 - ◆ the Buningonia and Buningonia North Projects, located in the same lithium province as Global Lithium's (ASX: GL1) Manna Project and the Bald Hill Mine
 - ◆ the Ten Mile West Project, located east of Liontown Resources' (ASX: LTR) Buldania Deposit
 - ◆ the Myuna Rocks Project, located near Allkem's (ASX: AKE) operating Mt Cattlin Mine
- These acquisitions follow on from St George's acquisition of the Woolgangie Project² and the signing of the Mt Holland Area of Influence Agreement³ as the Company establishes a high-quality portfolio of hard-rock lithium assets in Western Australia

St George Mining Limited (ASX: **SGQ**) (**St George** or **Company**) is pleased to announce that it has entered into an agreement to acquire 100% ownership of seven lithium prospective projects located in Western Australia.

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

"This is a strategic move by St George to deliver a step-change in exploration opportunities in the world's premier hard-rock lithium address of Western Australia.

"Several of the projects being acquired are located in regions that have delivered very significant results for other explorers and led to the confirmation of high-grade deposits being developed or already underpinning mining operations. Exploration ground in these regions is highly sought after.

¹ Wesfarmers Proposal to acquire Kidman Resources - Briefing presentation 02 May 2019

² St George Mining ASX Release dated 2 February 2023 *Acquisition of Critical Metals Project*

³ St George Mining ASX Release dated 17 February 2023 *St George Expands into Mt Holland Lithium Province*

“The projects being acquired by St George are underexplored for lithium. Our focus will be on unlocking any resource potential through systematic exploration.

“The acquisitions are in line with our strategy to build and explore a high-quality portfolio of lithium assets in Tier 1 jurisdictions like Western Australia.”

THE ACQUISITION:

St George’s wholly owned subsidiary, Lithium Star Pty Ltd (**Lithium Star**), entered into an acquisition agreement with Chariot Corporation Limited and Stallion Lithium Pty Ltd (together, the **Seller**) on 21 March 2023 to acquire a package of tenements in Western Australia (**Acquisition Agreement**).

The tenements comprise 14 exploration licences – 13 have been granted and 1 is in application – covering a total area of approximately 653km². The tenements comprise seven distinct projects.

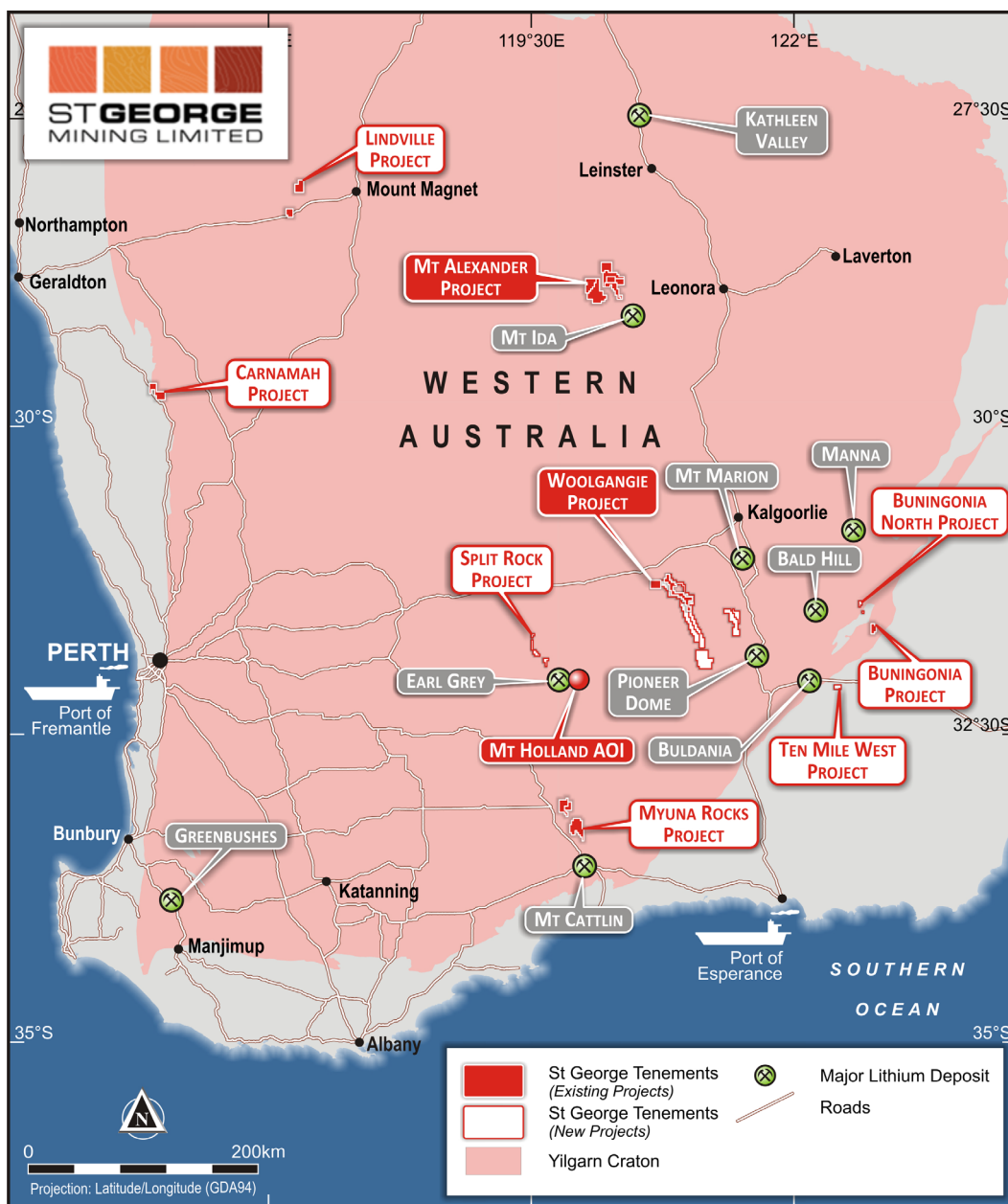


Figure 1 – map showing the location of the new projects acquired by St George as well as the existing Mt Alexander and Woolgangie Projects.

Split Rock Project:

The Split Rock Project comprises four granted exploration licences covering an area of 73km².

The Project is located within the Mt Holland pegmatite field and approximately 25km north-west of the Earl Grey Deposit, which has a resource of 189Mt @ 1.5% Li₂O⁴ – one of the largest and highest-grade lithium deposits in Australia.

The Rio Prospect, which is part of the Split Rock Lithium Project of Zenith Minerals (ASX: ZNC), is located approximately 3.5km east of St George’s new ground.

The Project area is interpreted from magnetic data to host greenstone rocks under cover. These rocks may be prospective for pegmatite-hosted lithium mineralisation similar to that discovered elsewhere in the Mt Holland region.

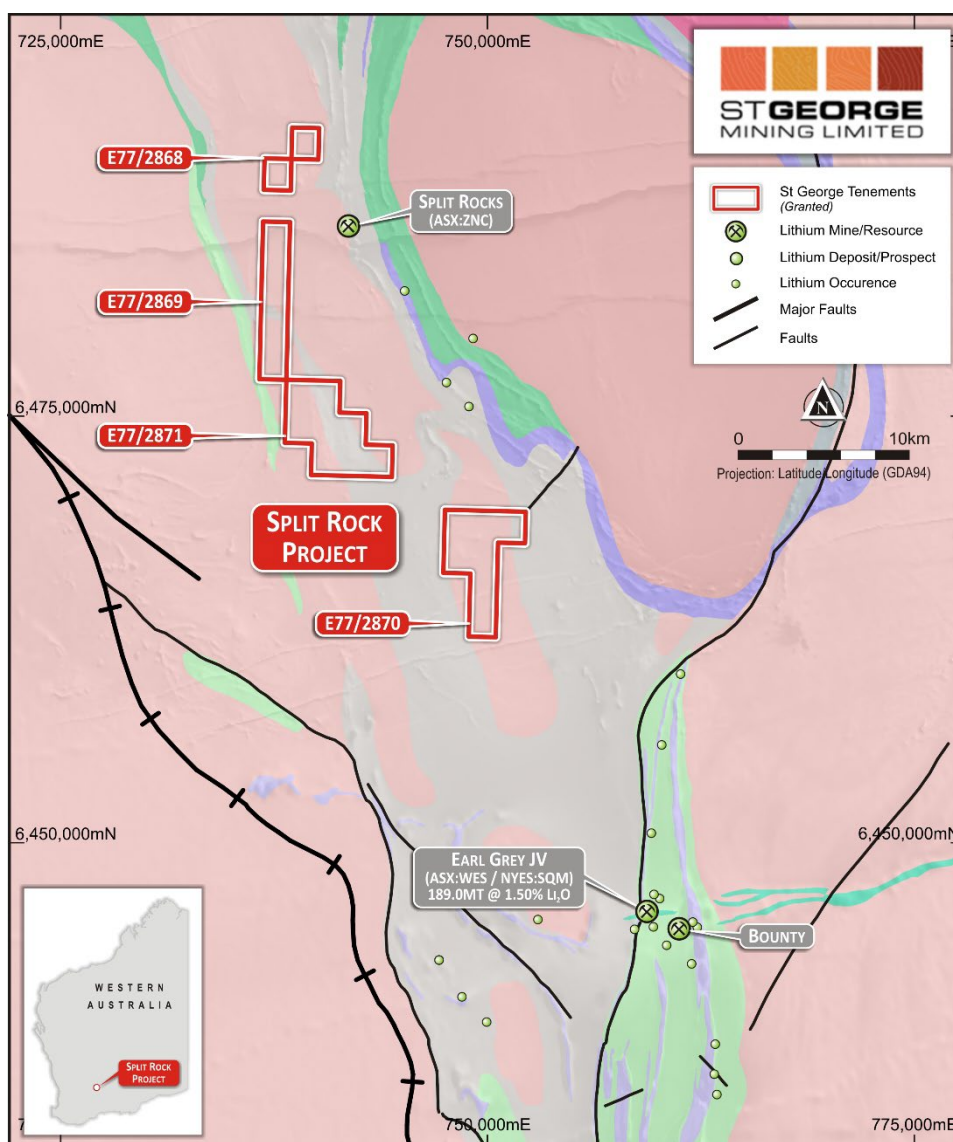


Figure 2 – map showing the regional location of the Split Rock Project.

⁴ Wesfarmers Proposal to acquire Kidman Resources - Briefing presentation 02 May 2019

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Buningonia Project and Buningonia North Project:

These projects are located in the Eastern Goldfields within an established lithium region that hosts the Bald Hill Mine (26Mt @ 1% Li₂O)⁵; the Manna Deposit (32.7Mt @ 1.0% Li₂O)⁶ of Global Lithium (ASX: GL1), the Dome North Project (11.22Mt @ 1.16% Li₂O)⁷ of Essential Metals (ASX: ESS), the Mt Marion Mine (71.3Mt @ 1.37% Li₂O)⁸ of Mineral Resources (ASX: MIN) and the Anna Deposit (15Mt @ 1.0% Li₂O)⁹ within the Buldania Project of Liontown Resources (ASX: LTR).

The Buningonia Project comprises one granted exploration licence that covers 38km². The Buningonia North Project comprises two granted exploration licences that cover a total area of 19km².

The tenements are interpreted from magnetic data to host greenstone rocks with a favourable structural position at the confluence of two major fault zones. A large granite – the Yardilla monzogranite – lies immediately to the west of the tenements. The Manna Deposit, located 85km to the north, is in a similar geological setting.

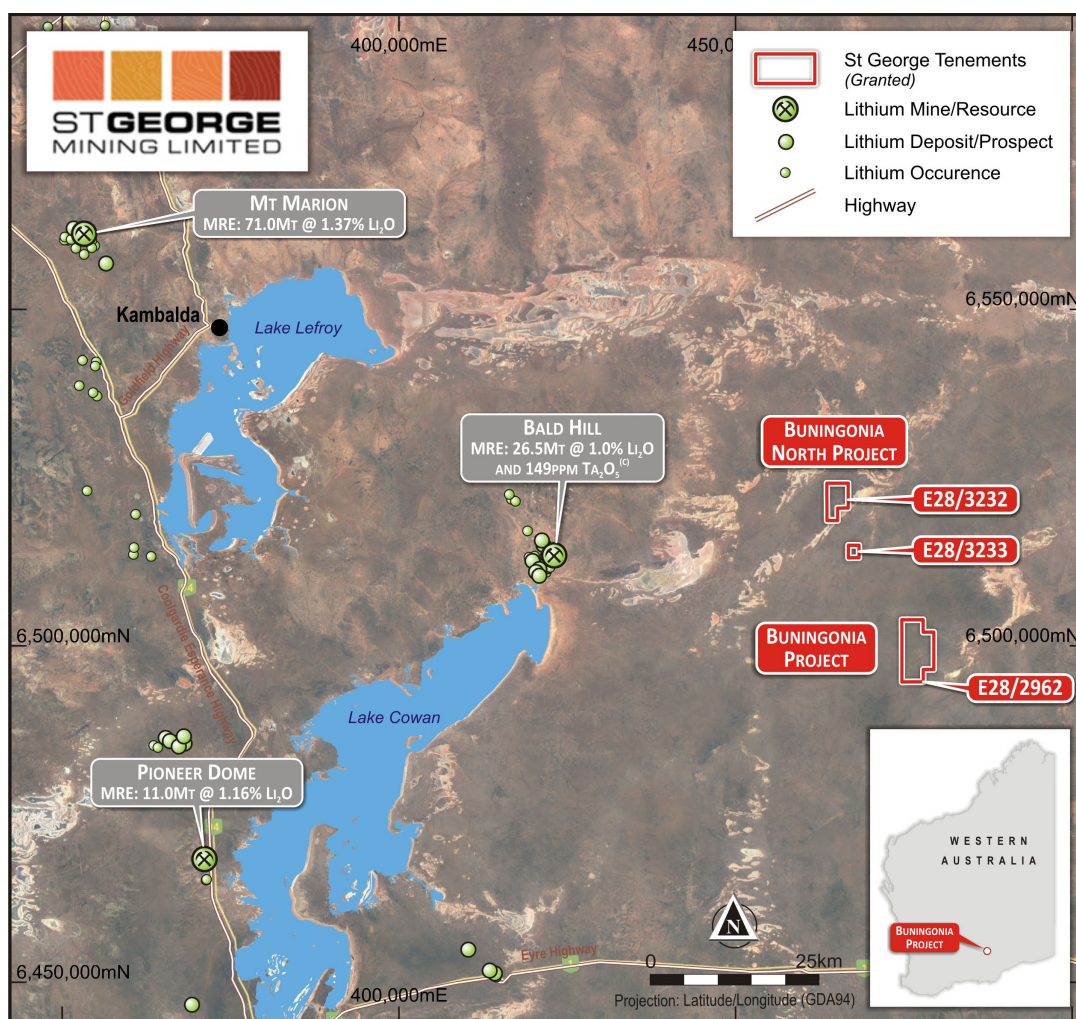


Figure 3 – map showing the regional location of the Buningonia and Buningonia North Projects.

⁵ Bald Hill Mine - Lithium Ore Reserve Increase of 105% at Bald Hill, Tawana Resources - ASX Release 6 June 2018

⁶ Global Lithium (GL1) Delivers Transformative 50.7 Mt Lithium Resource Base - ASX Release 15 Dec 2022

⁷ Essential Metals (ESS) Dome North Resource upgrade - ASX Release 20 Dec 2022

⁸ Mineral Resources (MIN) Mt Marion Mineral Resource Update - ASX Release 31 Oct 2018

⁹ Liontown Resources (LTR) Potential new drill targets defined at Buldania - ASX Release 15 Jul 2021

Myuna Rocks Project:

The Project comprises three exploration licences that cover 273km². It is located approximately 30km north of the Mt Cattlin mine in the Ravensthorpe region.

The exploration target at the tenements is concealed pegmatites. Regional magnetics support the potential for favourable lithology and structures.

Ten Mile West Project:

The Project is located 32km east of the Buldania Deposit, and comprises one exploration licence application that covers an area of 23km².

Carnamah Project:

The Project is comprised in one granted exploration licence that covers an area of 110km².

The Project is located in the western margin of the Yilgarn Craton, approximately 500km north of Perth. There has been no systematic mineral exploration in this area.

The tenement hosts greenstone rocks with a large granite to the west of the tenement and close to a major first-order structure – a potential favourable setting for pegmatites.

Lindville Project:

The Project comprises two granted exploration licences covering a total area of 124km².

The Project is located in the north-west of the Yilgarn Craton. Pegmatites have been mapped at the tenement near the granite contacts.

EXPLORATION PROGRAMMES:

St George is developing exploration programmes for each of the new projects. Work will vary between projects depending on their geological setting and stage of exploration.

Planned exploration activities will likely include, but not be limited to:

- Ground field mapping where amenable
- Geochem sampling through soils or auger drilling
- Airborne magnetics where historic or no previous magnetics are available
- Aircore and reverse circulation drilling for the more advanced projects, such as the Buningonia Project

SUMMARY OF KEY TERMS:

Lithium Star, a wholly owned subsidiary of St George, will acquire 100% ownership of the tenements and applications comprising seven separate lithium projects in Western Australia (each a “Lithium Project”). The key terms and conditions of the Acquisition Agreement are as follows:

Counterparties: The Seller is constituted by two companies – Chariot Corporation Limited and its wholly owned subsidiary Stallion Lithium Pty Ltd.

Consideration: Consideration payable to the Seller under the Acquisition Agreement is as follows:

1. \$300,000 (plus GST) in cash upon Completion.
2. \$400,000 (plus GST) worth of St George shares to be issued upon Completion. The number of shares is 6,064,435 and is calculated based on the 15 day VWAP prior to the date of the Acquisition Agreement. The GST is payable in cash. The shares are subject to escrow for a period of 12 months from the date of the Acquisition Agreement.

3. **Resource Milestone Payment:** 15,000,000 fully paid ordinary shares in St George (**Milestone Shares**) if St George announces a JORC 2012 compliant Inferred Mineral Resource at a Lithium Project of not less than 10,000,000 tonnes of Li₂O with a minimum grade of 1% Li₂O (using a cut-off grade of no less than 0.5%) (**Milestone**) prior to the date which is five years from completion of the acquisition (**Milestone End Date**).
- With respect to each Lithium Project, the issue of any Milestone Shares is subject to shareholder approval. If that shareholder approval is not obtained then St George will pay Chariot Corporation the amount in cash which is equal to the value 15,000,000 fully paid ordinary shares in St George multiplied the VWAP of the shares for the 15 trading days before the date that the relevant Milestone was satisfied.
 - A Resource Milestone Payment is payable in regard to each Lithium Project upon the first time the Milestone is satisfied for that Project. If the Milestone for a Lithium Project is not met prior to the Milestone End Date, St George may elect to either make the Milestone Payment to the Seller or otherwise St George must transfer the applicable tenements for that Lithium Project back to the Seller for consideration of \$1.
4. A 2% net smelter royalty will be retained by Chariot in respect of any mineral products produced and sold from any of the Lithium Projects. St George will have the right to buy back half of the royalty in respect of a Lithium Project by paying \$5,000,000 cash to Chariot at any time prior to first commercial production from that Lithium Project.

Completion is subject to St George being assigned and assuming various aboriginal heritage agreements which relate to the Tenements prior to 60 business days from the date of the Acquisition Agreement.

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

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

St George has undertaken the usual type of due diligence to ensure that the Seller can perform its obligations under the Acquisition Agreement including searches to confirm the Seller's ownership of the tenements, review of project information including previous exploration, confirmation on the status of the Seller's applications and meetings with key members of the board and management of the Seller.

Tenements: The licences subject to the Option are:

- Granted Exploration Licences E28/2962, E70/5990, E77/2868, E77/2869, E77/2870, E77/2871, E74/708, E74/709, E74/729, E59/2648, E59/2649, E28/3232 and E28/3233
- Application for Exploration Licence E63/2142.

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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.

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.

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