

17 October 2023

ST GEORGE SECURES ATL – A WORLD LEADER IN LITHIUM-ION BATTERIES – AS A STRATEGIC INVESTOR

HIGHLIGHTS

- **Amperex Technology Limited (“ATL”)**, the world’s leading producer of lithium-ion batteries¹, has entered into a joint venture deal with St George for lithium exploration in Western Australia
- ATL has agreed to invest \$3 million in Lithium Star Pty Ltd (“Lithium Star”), one of St George’s subsidiary companies, which has 100% ownership of seven prospective hard-rock lithium projects in Western Australia
- ATL will acquire a 10% direct equity stake in Lithium Star with St George holding the remaining 90%; ATL can increase its stake in Lithium Star with further investment on terms to be agreed
- New funds will be used to accelerate exploration at Lithium Star’s highly prospective lithium projects in Western Australia with field work commencing this month at the following priority projects:
 - ***Split Rocks Project***: located ~25km north-west of the Earl Grey lithium deposit, which has a resource of 189Mt @ 1.50% Li₂O², owned in joint venture by Wesfarmers (ASX: WES) and SQM (NYSE: SQM)
 - ***Buningonia and Buningonia North Projects***: located in the same lithium province as Global Lithium’s (ASX: GL1) Manna Project (32.7Mt @ 1.0% Li₂O)³ and the operating Bald Hill Mine (26Mt @ 1% Li₂O)⁴
 - ***Myuna Rocks Project***: located along the lithium belt that also hosts Allkem’s (ASX: AKE) operating Mt Cattlin Mine (12.1Mt @ 1.3% Li₂O)⁵
- In addition to the investment by ATL in Lithium Star, ATL and St George are continuing discussions to consider partnering on other lithium business opportunities

St George Mining Limited (ASX: SGQ) (“St George” or “the Company”) is pleased to announce a \$3 million strategic investment by **Amperex Technology Limited (“ATL”)** for lithium exploration in Western Australia.

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

“We are delighted to welcome ATL – a world leader in lithium-ion batteries – as a partner for our lithium exploration in Western Australia.

¹ Based on the number of batteries and cells produced in calendar year 2022

² Wesfarmers Proposal to acquire Kidman Resources – ASX Briefing Presentation 2 May 2019

³ Global Lithium Delivers Transformative 50.7 Mt Lithium Resource Base – ASX Release 15 December 2022

⁴ Lithium Ore Reserve Increase of 105% at Bald Hill by Tawana Resources – ASX Release 6 June 2018

⁵ Allkem Confirms Material Growth Profile – ASX Release 25 September 2023

“This strategic investment recognises the exciting potential of the seven prospective lithium projects secured by our subsidiary, Lithium Star.

“It also recognises the technical expertise and commitment of the St George team which has considerable experience in exploration for lithium, nickel and other battery metals as well as the development and operation of open-pit and underground mines in Western Australia.

“All the Lithium Star projects are located in Western Australia – the world’s best hard-rock lithium address. Five of the new projects are in the southern portion of the Yilgarn Craton, an area gaining a global reputation as a ‘super province’ for lithium and already hosting three spodumene-producing mines and five others in development.

“Exploration ground in this region is highly sought after with significant M&A activity already underway to secure strategic positions.

“The investment by ATL will strengthen our ability to advance the Lithium Star projects with minimal dilution to existing St George shareholders. We also look forward to potentially partnering with ATL on additional lithium exploration and other lithium business opportunities.

“The deal with ATL highlights St George’s strong success in developing key industry relationships with some of the largest and most important global players in lithium-ion batteries. The key downstream relationships formed by St George, including with Shanghai Jayson, SVOLT, Sunwoda Electronic and now ATL, underpin our capacity to grow in the lithium sector and validate our strategic decision to build out our portfolio of battery metals projects.”

Strategic investment looks to growth in lithium business:

ATL is a world leader in the development and high-volume production of lithium-ion batteries and is recognised world-wide for high-quality batteries with industry leading standards in safety, power density and fast-charge technology.

St George is confident the strategic relationship with ATL will provide an opportunity to leverage ATL’s substantial financial and technical capabilities in a way that can maximise the value of St George’s lithium projects. In particular, the \$3 million investment by ATL will be used to fund exploration by St George of Lithium Star’s prospective projects in Western Australia.

Lithium Star holds 100% of 14 exploration licences – 13 granted and 1 in application – which comprise 7 distinct projects (see Figure 1):

- **Split Rock Project**
- **Buningonia Project**
- **Buningonia North Project**
- **Myuna Rocks Project**
- **Ten Mile West Project**
- **Carnamah Project** and
- **Lindville Project.**

The other St George projects shown in Figure 1 – **Mt Alexander⁶, Woolgangie, Ajana and Mt Holland AOI** – are 100% owned by St George and do not at this stage form part of the investment by ATL.

⁶ Mt Alexander comprises eight licences – E29/638, E29/548, E29/962, E29/954, E29/972, E29/1041, P29/2680 and E29/1143 – which are a contiguous package and held in St George’s 100% owned subsidiary Blue Thunder Resources Pty Ltd. E29/638 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.

For further details of the Lithium Star projects, see our ASX Release dated 8 August 2023 *Acquisition of Strategic Lithium Projects*.

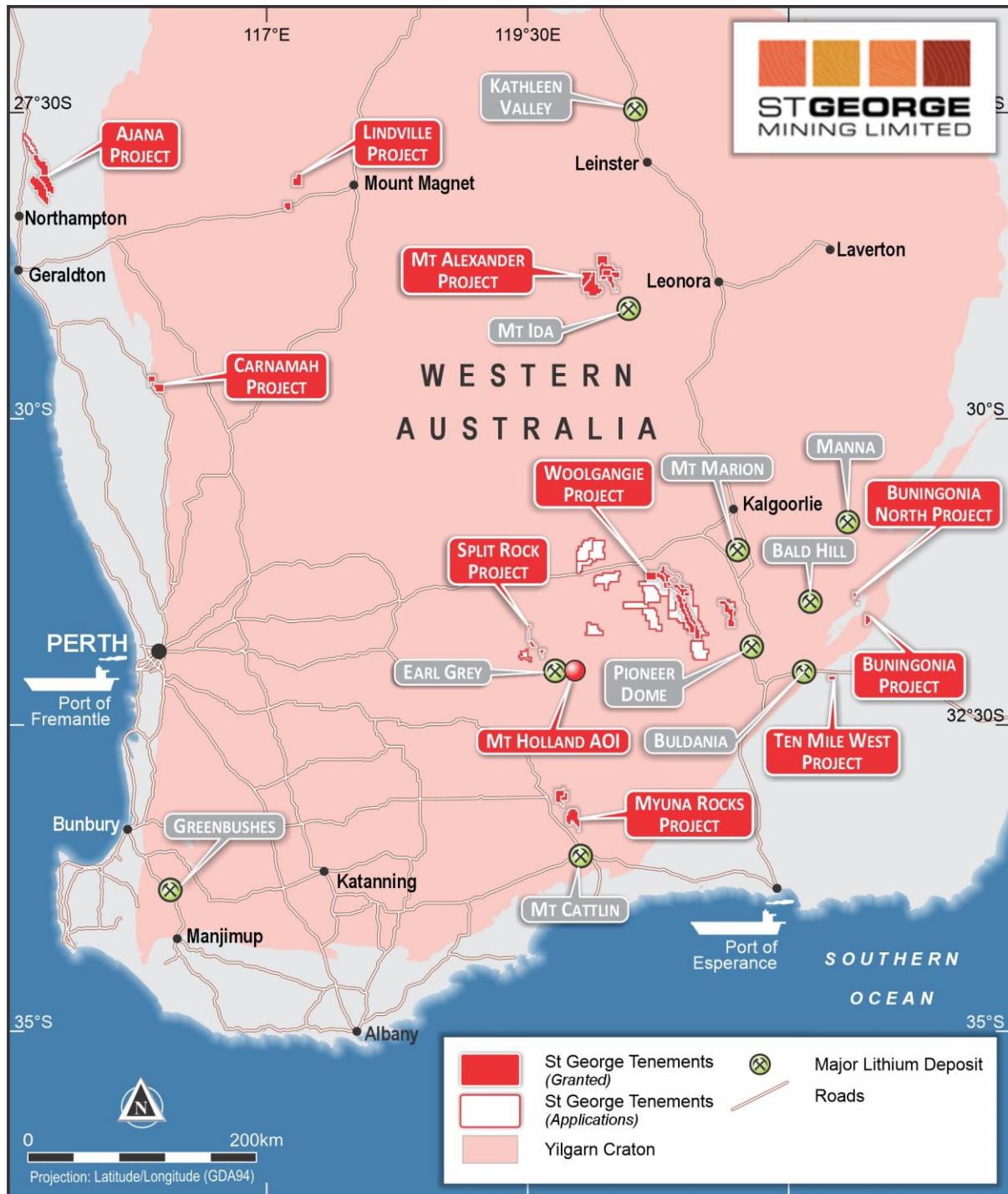


Figure 1- map of the Yilgarn Craton of Western Australia showing St George's multiple projects in the region as well as major lithium mines and deposits.

Field exploration will commence this month at the highest priority projects of Lithium Star – Split Rock, Buningonia, Buningonia North and Myuna Rocks. Initial work programmes comprise field mapping of pegmatites, rock chip sampling of pegmatites and geochemical sampling through soils or auger drilling.

Aircore or reverse circulation drilling will be prioritised once lithium targets are identified for drill testing.



In addition to the investment in Lithium Star, ATL and St George are continuing discussions on the potential to collaborate on further lithium business opportunities. This may include investment arrangements regarding St George's other lithium projects in Western Australia as well as the potential to jointly acquire and develop new lithium projects in Australia or elsewhere.

Key terms of the \$3 million investment by ATL in Lithium Star are shown in the attached Appendix 1.

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

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Examples of forward-looking statements used in this announcement include use of the words 'may', 'could', 'believes', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present 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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APPENDIX 1 – SUMMARY OF KEY TERMS

Subscription Agreement

1. ATL, St George and Lithium Star have on 16 October 2023 executed a Subscription Agreement whereby ATL will subscribe for 3,000,000 ordinary shares in Lithium Star at \$1.00 per share.
2. The \$3 million is to be paid to Lithium Star within five business days of 16 October 2023. There are no conditions precedent to the obligation to pay the subscription moneys.
3. St George holds 27,000,000 ordinary shares, being 100% of the current issued capital of Lithium Star (the **Shares**). Following the issue of the 3,000,000 ordinary shares in Lithium Star to ATL, ATL will hold 10% equity of Lithium Star and St George will hold 90%.

Shareholders Deed

4. ATL, St George and Lithium Star have on 16 October 2023 executed a Shareholders Agreement that sets out how Lithium Star will manage its business and certain rights of ATL and St George as shareholders of Lithium Star.
5. The Board of Lithium Star will comprise:
 - a) Two directors where ATL holds less than 20% of the Shares, with both directors appointed by St George;
 - b) Three directors where ATL holds between 20% and 50% of the Shares, with one director appointed by ATL and two by St George; and
 - c) Four directors where ATL holds more than 50% the Shares with two directors appointed by each of ATL and St George.
6. Funds held by Lithium Star will be used for exploration at its 100% owned projects with St George in the role as the exploration manager.
7. The following matters require the consent of both ATL and St George:
 - a) the issue of, or agreement to issue, any securities by Lithium Star;
 - b) any addition or alteration of the capital on issue in Lithium Star;
 - c) any material change to the business of Lithium Star;
 - d) the creation of an encumbrance over all or a material part of the assets of Lithium Star;
 - e) the acquisition or disposal of a business or any material asset of Lithium Star;
 - f) the raising of material financial indebtedness by Lithium Star;
 - g) change in the auditors of Lithium Star;
 - h) decision to declare, determine or pay any dividend by Lithium Star;
 - i) approval or amendment of any annual business plan or budget of Lithium Star;
 - j) appointment of any administrator, liquidator, provisional liquidator, receiver, receiver and manager or equivalent officer to Lithium Star or any step to dissolve or wind up the company;
 - k) the entry into by Lithium Star of any transaction with any shareholder or any of its affiliates or variation, waiver or amendment of any agreement with any shareholder or any of its affiliates which in each case is: (i) outside the ordinary course of business; or (ii) within the ordinary course of business but has a value of more than 5% of the annual turnover of Lithium Star; or (iii) not on competitive and commercial arm's length terms;
 - l) the divestment of any tenements by Lithium Star unless required by law; and
 - m) Lithium Star entering into or varying in a material way the terms of a joint venture or other commercial arrangement regarding its mining tenements.
8. Where ATL does not consent to a proposal for: (a) the issue of further securities by Lithium Star; or (b) the entering into or varying in a material way the terms of a joint venture or commercial arrangement regarding its mining tenements, St George may exercise a call option requiring ATL to sell all its shares in Lithium Star to St George. The consideration for any sale will be the market value of the shares (to be determined by independent valuers).

9. Where ATL decides to not make any further investment in Lithium Star, ATL may exercise a put option to sell all its shares in Lithium Star to St George. The consideration for any sale will be the market value of the shares (to be determined by independent valuers). ATL may also exercise the put option where a JORC compliant resource has not been defined by Lithium Star by 31 December 2027.
10. ATL will have a first right of refusal to match any offer to Lithium Star regarding the provision of new funds through loans or other debt facilities.
11. ATL shall have a right to acquire a proportion of any lithium products produced from Lithium Star's projects being ATL's percentage shareholding in Lithium Star plus 10%.
12. The Shareholders Agreement contains other terms and conditions that are usual for agreements of this kind.

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