

21 October 2024

Strategic MoU and Offtake with Global Metal Trader

St George signs Memorandum of Understanding to support the development of the high-grade Araxá niobium-REE Project in Brazil

Highlights

- **Strategic MoU:** St George and SKI HongKong Limited (SKI) – a leading global trading house in steel materials including niobium – have entered into a non-binding Memorandum of Understanding (“MoU”) to work together towards forming a potential strategic partnership to support the development of the high-grade Araxá niobium-REE Project (the “Project”).
- **Advancing Araxá:** The MoU establishes a general framework for collaboration on marketing, offtake and financing aspects of the Project with the aim of progressing feasibility studies for a mine development.
- **Offtake and Project Finance:** St George and SKI will negotiate and consider potentially entering into a range of commercial transactions and offtake opportunities relating to niobium products including:
 - ◆ offtake arrangements, whereby SKI may secure a minimum 20% of potential niobium products from the Project
 - ◆ the provision of funding support to St George for the development of the Project including through an investment in St George and/or pre-payment for offtake
 - ◆ marketing rights for niobium products including technical advice on product specifications and product marketing to global clients
- **SKI – experts in steel materials:** SKI, a privately owned trading house based in Hong Kong, is one of the world’s leading traders in specialty steel materials and ferro alloys with a focus on niobium, manganese and chrome products. SKI currently sources niobium products exclusively from the Niobec mine in Canada, the world’s third-largest niobium producer.
- **Additional strategic partners:** The MoU with SKI contemplates that St George can also pursue additional partnerships with other strategic investors. The MoU is non-binding and does not restrict St George from entering into any other transaction involving the Project.

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

"We are delighted to have executed the MoU with SKI, which we believe can be the start of a productive and successful, long-term relationship. SKI's decision to partner with St George highlights the longer-term strategic significance of the Araxá Project as a potential globally significant supplier of niobium products.

"SKI is an impressive strategic partner for St George, based on its substantial trading track record in steel materials and its particular industry leading expertise in niobium products.

"SKI's objective is to secure a long-term reliable supply of high-quality niobium products against the market background of fast-growing global demand for niobium as well as geo-political issues that may restrict access to this highly rated critical metal.

"The MoU provides a framework for collaboration on technical and financial matters to advance development of the Project. The support of SKI is a major milestone in de-risking the Project by further enabling opportunities to expedite development.

"St George's ability to attract global partners like SKI speaks volumes to the potential of the Araxá Project."

St George Mining Limited (**ASX: SGQ**) ("**St George**" or "**the Company**") is pleased to announce that it has entered into a non-binding Memorandum of Understanding ("**MoU**") with SKI HongKong Limited ("**SKI**") in relation to the advanced, high-grade Araxá niobium-REE Project in Minas Gerais, Brazil ("**Project**"). St George is finalising arrangements for the 100% acquisition of the Project and the MoU is conditional on that acquisition being completed.

The MoU sets out a framework for ongoing collaboration between St George and SKI in relation to development of the Project. The parties will consult with each other on marketing, offtake and financing opportunities with the aim of agreeing a road map for progressing the Project through feasibility studies and a financial investment decision for development.

SKI is one of the leading trading houses in steel materials with a focus on niobium, manganese and chrome. In niobium, SKI has particular industry leading expertise and is a major supplier of niobium products to a range of end-consumers in China and globally.

The parties will consider and negotiate a potential binding partnership agreement within nine months of signing the MoU. During this period, St George and SKI will consult closely on key project development parameters including product mix and global marketing arrangements. St George will aim to produce sample niobium products in H1 2025 – using the pilot plant currently at the Project – in line with specifications to be agreed with SKI, and for product testing by SKI and certain of its clients.

On 8 October 2024, St George shareholders voted overwhelmingly in favour of the acquisition of the Araxá Project and an associated equity raising. Final steps to complete the acquisition are in progress. In anticipation, St George has assembled a highly experienced team in Brazil to oversee the first stage of on-the-ground exploration work, which is due to commence before the end of this year.

For further details of the Araxá Project and the arrangements for St George to acquire 100% of the Project, see our ASX Release dated 6 August 2024 '*Acquisition of High-Grade Araxá Niobium Project*' and our ASX Release dated 27 August 2024 '*St George Appoints Ex-Mines Minister as Advisor*'.

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', '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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