

15 January 2025

Steelmaking Giant signs Offtake and Development MoU with St George

Collaboration to advance the Araxá niobium-REE Project in Brazil

- **Strategic MoU:** St George and the Liaoning Fangda Group ('Fangda') – one of the world's largest steelmaking enterprises and heavy mine equipment manufacturers – have entered into a Memorandum of Understanding ("MoU") to potentially work together on the development of the high-grade Araxá niobium-REE Project (the "Project").
- **Offtake and Project Finance:** St George and Fangda will consider commercial arrangements that may include:
 - an offtake commitment whereby Fangda may secure a minimum 20% of potential niobium products from the Project
 - the provision by Fangda of funding support for the development of the Project including through an investment in St George and/or pre-payment for offtake
 - technical advice and support for mine development and construction
- **Fangda – a high-growth steelmaking giant:** Fangda produces approximately 20 million tonnes of steel products per year, ranking 16 among the world's top steel producers, and is expanding capacity to 50mtpa, which has potential to make Fangda a Top 5 global steel producer. Fangda is a large consumer of niobium products, essential for its high-strength steel products used in construction, bridges, ships, autos and heavy mining equipment.
- **World-class potential at Araxá:** The MoU with Fangda recognises the long-term strategic importance of the Araxá Project as a potential global supplier of niobium products.

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

"The relationship with Fangda – through potential financial and technical support as well as mine development – is another key milestone in de-risking the Project.

"The global niobium sector has only three primary producers – the global leader being CBMM, with its flagship project located immediately adjacent to the Araxá Project. With extensive near-surface niobium mineralisation already confirmed by historical drilling at the Araxá Project – including more than 500 intercepts of +1% Nb₂O₅ – as well as access to existing regional infrastructure, St George is continuing to position itself to be the next global player in niobium.

"St George's ability to attract global giants like Fangda speaks volumes to the potential of the Araxá Project and also recognises the high-performance in-country management established by St George to drive project development."

1. For details of drilling, see ASX Release dated 6 August 2024 'Acquisition of High-Grade Araxá Niobium Project'

St George Mining Limited (**ASX: SGQ**) ("**St George**" or "**the Company**") is pleased to announce that it has signed a Memorandum of Understanding ("MoU") with the Liaoning Fangda Group, through its wholly owned subsidiary Beijing Fangda Carbon-Tech Co., Ltd ("**Beijing Fangda**"), that provides a framework for ongoing collaboration between St George and Fangda in relation to development of the advanced, high-grade Araxá niobium-REE Project in Minas Gerais, Brazil ("**Project**").

St George and Fangda will consider marketing, offtake and financing opportunities with the aim of progressing the Project through feasibility studies and a financial investment decision for mine development. The parties will aim to negotiate a potential binding partnership agreement within nine months of signing the MoU, which was signed on 15 January 2025.

Key terms of a potential offtake agreement may include:

1. Fangda to be granted exclusive rights to acquire 20% of niobium products from the Project;
2. Offtake to last for a term of five (5) years, with an option for Fangda to extend for a further five (5) years;
3. Pricing for offtake based on a market-linked reference price; and
4. A prepayment loan facility.

The MoU is non-binding and contemplates that St George can also pursue additional partnerships with other strategic investors and enter into other transactions involving the Project.

The MoU with Fangda creates a framework for the parties to work together on the matters outlined above. There is no financial obligation on St George under the MoU, and there are no other material terms under the MoU other than those contained already in this announcement.

About Fangda:

The Liaoning Fangda Group is one of the largest steelmakers in the world. It is in the process of expanding steel production capacity from 20 million tonnes annually to 50mtpa, which will increase its world ranking from the 16th largest steelmaker to potentially a Top 5 producer in the world.¹

Fangda is a large and multi-industry conglomerate with core business units in Steel and Carbon as well as businesses in the Medical, Commercial and Aviation sectors. Fangda is a privately owned group with its head office in Beijing, China. There are five listed companies within the Fangda Group – including its steelmaking flagship: Fangda Special Steel Technology Co., Ltd. Fangda also owns another three steel plants: Jiangxi Px Steel Industrial Co., Ltd; Jiujiang Px Steel Co., Ltd and Sichuan Dazhou Steel Co., Ltd.

Fangda's steelmaking operations produce a range of products including large-scale construction steel, high-strength seismic steel and high-strength steel for automobiles, ships and heavy machinery – making Fangda a large consumer of niobium products including ferroniobium and niobium oxide.

The Liaoning Fangda Group is also a world leader in the manufacture of mining and metallurgy equipment through its group company, Northern Heavy Industries Group Co., Ltd ("**NHI**"). Mining machinery products of NHI are widely used in mines around the world and include large-scale equipment for crushing, grinding, beneficiation and process handling. NHI is recognised for industry leading credentials in innovation and new technology in mining equipment, enabling advances in optimal mine operation.

¹ See World Steel Association, Top Producers at <https://worldsteel.org/data/top-producers/>

Beijing Fangda is also a major player in the lithium battery anode material industry since 2015. Starting from 2016, it became the exclusive agent of the Korean needle coke manufacturer in China and has been supplying raw materials from overseas to China's major lithium battery anode material manufacturers. Beijing Fangda continues to research the new energy industry and developing new business, including the use of niobium in lithium-ion batteries.

About the Araxá Project:

St George has entered into a conditional binding agreement for the 100% acquisition of the Project and expects to complete the acquisition in Q1 2025. In anticipation, St George has assembled a highly experienced team in Brazil to oversee the first stage of on-the-ground exploration work and development studies.

For further details of the Araxá Project and the arrangements for St George to acquire 100% of the Project, see our ASX Release dated 7 January 2025 '*Araxá Niobium-REE Project – Acquisition Locked In*', 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.

John Prineas

Executive Chairman

St George Mining

+61 411 421 253

john.prineas@stgm.com.au

Peter Klinger

Media and Investor Relations

Purple

+61 411 251 540

pklinger@purple.au

Competent Person Statement:

The information in this ASX Release that relates to historical and foreign results is based upon, and fairly represents, information and supporting documentation reviewed by Mr. Carlos Silva, Senior Geologist employed by GE21 Consultoria Mineral and a Competent Person who is a Member of The Australian Institute of Geoscientists.

GE21 an independent consultancy engaged by St George Mining Limited for the review of historical exploration data. Mr Silva has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

This ASX Release contains information extracted from the following reports which are available on the Company's website at www.stgm.com.au:

6 August 2024 Acquisition of High-Grade Araxa Niobium Project

The Company confirms that it is not aware of any new information or data that materially affects the exploration results included in any original market announcements referred to in this report and that no material change in the results has occurred. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

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.

The announcement is in summary form and does not purport to be all inclusive or complete. Recipients should not rely upon it as advice for investment purposes, as it does not take into account your investment objectives, financial position or needs. These factors should be considered, with or without professional advice, when deciding if an investment is appropriate.

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Recipients should seek professional advice when deciding if an investment is appropriate. All securities transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments. To the extent permitted by law, no responsibility for any loss arising in any way (including by way of negligence) from anyone acting or refraining from acting as a result of this material is accepted by St George Mining Limited (including any of its related bodies corporate), its officers, employees, agents and advisers.

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