This report is prepared solely for the use of John Prineas of St George Mining Limited

2 November 2026

St George Mining Ltd (SGQ)

BUY **Share Price: A$0.05**

Sep. Q'26 – a strong base for growth

Target Price: A$0.45

Sep. Q'26 was another busy period for SGQ's 100%-owned Araxá Niobium and Rare Earths Project in Minas Gerais, Brazil (Figs. 1,2) with the standout being a 57% increase in the Resource to 111.2Mt @ 3.57% TREO and 0.57% Nb_2O_5. This makes Araxá the largest and highest grade hard-rock rare earths Resource in South America (Fig. 3) noting that another Resource update is targeted for early 2027. An Economic Study on the project's niobium endowment is expected soon with the final development path (greenfield or brownfield) dependent on the outcome of discussions to acquire Mosaic's nearby processing infrastructure (on C&M). BUY, TP A$0.45/sh (unchanged).

Sep. Q'26 – key activities

- 57% increase in the Araxá Resource to 111.2Mt @ 3.57% TREO and 0.57% Nb_2O_5. Continued strong drill results including AXDD166 which returned 135m @ 4.86% TREO from surface. Commencement of the permitting process with submission of the Environmental Impact Assessment (EIA) for a greenfield operation.
- Work to start a pilot test plant to validate niobium and rare earths processing flowsheets and support future feasibility studies. Collaboration with the State of Minas Gerais and a major Brazilian industrial group to pioneer a rare earths processing centre in Minas Gerais.
- Cash balance A$86m (Jun. Q'26 A$80.6m) after A$12m outflow from investing and operating activities and A$17.7m inflow from Tranche 2 of June Placement.

Niobium – first cab off the rank, A$300mpa margin

- We forecast a 2Mtpa niobium operation (pre-production capex A$150m) starting Mar. Q'29, ramping up to 10,000tpa of ferroniobium (FeNb) and generating steady state annual EBITDA of A$300m. SGQ is in discussions to acquire Mosaic's nearby processing infrastructure. Success here would be a major positive, fast tracking permitting & reducing capex

Corporate activity in the Brazilian rare earths space

- Lynas (ASX:LYC) is to acquire Brazilian ionic clay rare earths developer Meteoric Resources (ASX:MEI) for A$968m in LYC scrip. MEI and SGQ are not strictly comparable (typical with rare earth plays), but applying the same A$2,562 consideration per tonne of MEI's TREO Resource points to a valuation for (only) SGQ's rare earths Resource of A$1,017m (Fig. 4). Note: Araxá boasts a substantial inventory of 630,000t of contained Nb_2O_5 in addition to its high-grade TREO Resource.

Key Dates Ahead (Fig. 5)

- Early 2027 – Resource update.
- Early 2027 – Niobium Economic Study.

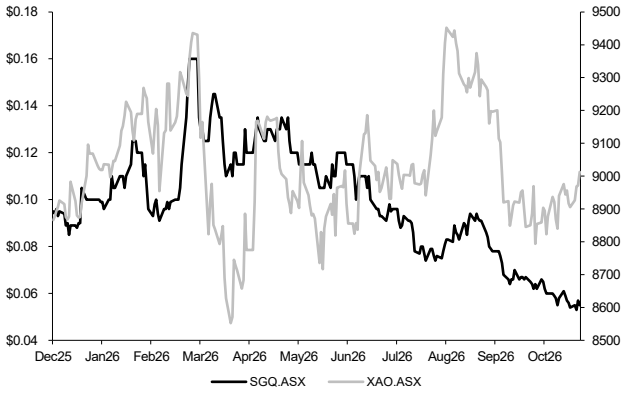
Company Data

Shares – ordinary (M)	4701
Rights/options (M)	956
Diluted for rights/options (M)	5657
Market capitalisation ($M)	249
12 month low/high ($)	0.05/ 0.17
Average monthly turnover ($M)	21.2
GICS Industry	Metals & Mining

Financial Summary (fully diluted/normalised)

Year End June	FY26A	FY27F	FY28F	FY29F	FY30F
Revenue ($M)	0.0	0.0	0.0	67.3	240.2
Costs ($M)	-23.1	-5.0	-5.0	-24.8	-71.8
EBITDA ($M)	-23.1	-5.0	-5.0	42.5	168.4
NPAT ($M)	-44.6	-3.5	-7.1	14.7	115.3
EPS (¢ps)	-1.3	-0.1	-0.1	0.3	2.1
EPS growth (%)	na	na	na	>100%	>100%
PER (x)	na	na	na	19.8	2.5
Op. Cashflow ($M)	-33.7	-5.0	-5.0	34.9	142.8
OCFPS (¢ps)	-1.0	-0.1	-0.1	0.6	2.6
POCFPS (x)	na	na	na	8.3	2.0
Enterprise Value ($M)	168	159	243	298	380
EV / EBITDA (x)	-7.3	-31.9	-48.6	7.0	2.3
Payout ratio (%)	na	na	na	na	na
Dividends (¢ps)	0.0	0.0	0.0	0.0	0.0
Yield (%)	na	na	na	na	na
Franking (%)	0%	0%	0%	0%	0%

SGQ – performance over one year



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PETRA CAPITAL

2 November 2026

Analysis

St George Mining (SGQ)

Year End June

Share price (A$)	0.053
Issued Shares (m)	4,701
Market Cap (A$m)	249
Options/Rights/To Issue (m)	956
Dilution (m)	0
Fully Diluted no. of Shares (m)	5,657

P&L Statement (A$M)	FY26A	FY27F	FY28F	FY29F	FY30F	FY31F	FY32F
Revenue	0.0	0.0	0.0	67.3	240.2	465.5	707
Costs	(23.1)	(5.0)	(5.0)	(24.8)	(71.8)	(133.0)	(196)
EBITDA	**(23.1)**	**(5.0)**	**(5.0)**	**42.5**	**168.4**	**332.5**	**512**
Depreciation & Amortisation	0.0	(0.5)	(2.5)	(20.0)	(20.0)	(40.0)	(40)
Operating profit	**(23.1)**	**(5.5)**	**(7.5)**	**22.5**	**148.4**	**292.5**	**472**
NOI	(23.0)	(0.4)	0.0	0.0	0.0	0.0	0
EBIT	**(46.1)**	**(5.9)**	**(7.5)**	**22.5**	**148.4**	**292.5**	**472**
Interest income	1.5	2.4	2.7	1.5	1.2	1.8	7
Interest expense	(0.0)	0.0	(2.3)	(6.8)	(14.0)	(24.0)	(24)
Tax expense	0.0	0.0	0.0	(2.6)	(20.3)	(40.5)	(136)
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0
Reported NPAT	**(44.6)**	**(3.5)**	**(7.1)**	**14.7**	**115.3**	**229.8**	**318**
EPS Reported (A$c)	(1.26)	(0.07)	(0.13)	0.27	2.10	4.18	5.8
DPS - Declared (A$c)	0.0	0.0	0.0	0.0	0.0	0.0	2.0
Avg. no. of shares (m)	3,536	4,960	5,484	5,492	5,492	5,492	5,492
YE no. of shares (m)	4,443	5,477	5,492	5,492	5,492	5,492	5,492

Cash Flow (A$M)	FY26A	FY27F	FY28F	FY29F	FY30F	FY31F	FY32F
EBITDA	(23.1)	(5.0)	(5.0)	42.5	168.4	332.5	512
Working capital change	(10.6)	0.0	0.0	(5.0)	(5.2)	(30.0)	(100)
Tax expense	0.0	0.0	0.0	(2.6)	(20.3)	(40.5)	(136)
Operating Cash Flow	**(33.7)**	**(5.0)**	**(5.0)**	**34.9**	**142.8**	**262.0**	**275**
Capex (growth)	(22.5)	(20.0)	(75.0)	(75.0)	(200)	(200)	0
Capex (sustaining)	0	0	0	(4)	(8)	(18)	(28)
Explor./evaluation	0	(20)	(5)	(5)	(5)	(5)	(5)
Investing Cash Flow	**(24)**	**(40)**	**(80)**	**(84)**	**(213)**	**(223)**	**(33)**
Net interest received / (paid)	1.5	2.4	0.4	(5.2)	(12.8)	(22.2)	(17)
Debt drawdown / (payment)*	0.0	0.0	45.0	45.0	100	100	(100)
Dividends	0.0	0.0	0.0	0.0	0.0	0.0	0
Equity raised / (repaid)	147.5	17.6	0.0	0.0	0.0	0.0	0
Financing Cash Flow	**149.0**	**20.0**	**45.4**	**39.8**	**87.2**	**77.8**	**(117)**
Other**	(13.0)	34.2	0.7	0.0	0.0	0.0	0
Inc/(Dec) in Cash	**77.9**	**9.2**	**(38.9)**	**(9.3)**	**17.1**	**116.7**	**125**

Balance Sheet (A$M)	FY26A	FY27F	FY28F	FY29F	FY30F	FY31F	FY32F
Cash & Equivalents	80.7	89.9	51.0	41.6	58.7	175.5	301
Receivables	1.4	1.4	1.4	5.4	19.2	37.2	87.2
Inventories	0.0	0.0	0.0	3.4	12.0	46.6	49.1
Other Current Assets	0.9	0.9	0.9	0.9	0.9	0.9	0.9
PPE and Explo/Dev.	54	93	171	235	428	611	604
Deferred tax asset	0.0	0.0	0.0	0.0	0.0	0.0	0
Other Non Current Assets	0.0	0.0	0.0	0.0	0.0	0.0	0
Total Assets	**137**	**185**	**224**	**286**	**518**	**871**	**1,042**
Payables and other CL	4.4	4.4	4.4	6.7	24.0	46.6	46.6
ST Debt / Lease Liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LT Debt/Lease Liabilities	0.0	0.0	45.0	90.0	190.0	290.0	190
Other NC Liabilities	0.5	0.5	0.5	0.5	0.5	0.5	1
Other	0.0	0.0	0.0	0.0	0.0	0.0	0
Total Liabilities	4.9	4.9	49.9	97.3	214.5	337.1	237
Equity	132	180	174	189	304	534	804
Liabilities & Equity	**137**	**185**	**224**	**286**	**518**	**871**	**1,042**

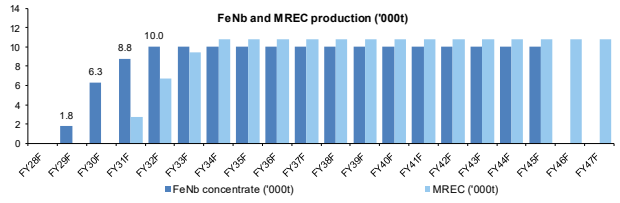
Ratios	FY26A	FY27F	FY28F	FY29F	FY30F	FY31F	FY32F
P/E (x)	na	na	na	19.8	2.5	1.3	0.9
Debt/Equity	0%	0%	26%	48%	63%	54%	24%
ROE (%)	-33.9%	-2.3%	-4.0%	8.1%	46.8%	54.9%	47.6%

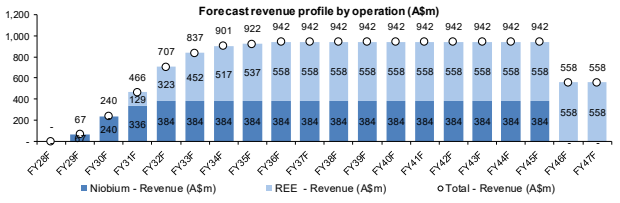
Araxá Niobium Project	FY27F	FY28F	FY29F	FY30F	FY31F	FY32F
Mill throughput (kt)	0	0	350	1,250	1,750	2,000
Nb grade (%)	na	na	0.65%	0.65%	0.65%	0.65%
Nb recovery (%)	na	na	51%	51%	51%	51%
FeNb 66% conc. production (t)	0	0	1,758	6,278	8,790	10,045
Index FeNb price (US$/kg CFR China)	na	na	40	40	40	40
ARP (US$/kg)	na	na	40	40	40	40
AISC (US$/kg)	0	0.0	13.1	11.3	10.6	10.4
Revenue (A$m)	**0**	**0**	**67**	**240**	**336**	**384**

Araxá REE Project	FY27F	FY28F	FY29F	FY30F	FY31F	FY32F
Mill throughput (kt)	0	0	0	0	50	125
TREO grade (%)	na	na	na	na	9.0%	9.0%
TREO recovery (%)	na	na	na	na	60%	60%
TREO in MREC (t)	0	0	0	0	2,700	6,750
Index Nd/Pr (US$/kg, CFR China)	115	115	115	115	118	120
ARP TREO in MREC (US$/kg)	na	na	na	na	33.0	33.0
AISC TREO in MREC (US$/kg)	0	0	0	0.0	12.7	11.4
Revenue (A$m)	**0**	**0**	**0**	**0**	**129**	**323**

Note: TREO = Total Rare Earth Oxides, MREC = Mixed Rare Earth Carbonate

Araxá Resources (August 2026)	Tonnes (Mt)	Nb_2O_5 (%)	Nb_2O_5 (Mt)
Niobium	111.2	0.57%	0.63
Araxá Resources (August 2026)	**Tonnes (Mt)**	**TREO (%)**	**TREO (Mt)**
Rare Earths	111.2	3.57%	3.97





Valuation	(A$m)	(A$/sh)
Niobium f'cast mine inventory NPV10 (31.4Mt ore)	1,045	0.19
Residual Resource (79.9Mt ore)	532	0.10
Niobium Total Resource (111.2Mt ore)	1,578	0.29
REE f'cast mine inventory NPV10 (3.2Mt ore)	1,072	0.20
Residual Resource (108.1Mt ore)	418	0.08
REE Total Resource (111.2Mt ore)	1,490	0.27
REE risk discount (timing, capex, ARP, opex)	*50%*	
REE Project - risked	745	0.14
Araxá combined Nb & REE Projects	2,323	0.42
Araxá exploration upside (nominal)	100	0.02
Australian Li, Ni, Cu Projects (nominal)	25	0.00
Corporate costs	(81)	(0.01)
Enterprise value	2,366	0.43
Net cash (debt) FY27F	90	0.02
Equity value	**2,456**	**0.45**

*Note: * We assume A$90m debt funding in FY28F/FY29F for the Niobium Project (est. capex A$150m) and A$200m debt funding in FY30F/31F for the Rare Earths Project (est. capex A$400m). ** Diluted for in-the-money options: 875m options average exercise price A$0.04 in FY27F, 15m options @ A$0.044 in FY28F.*

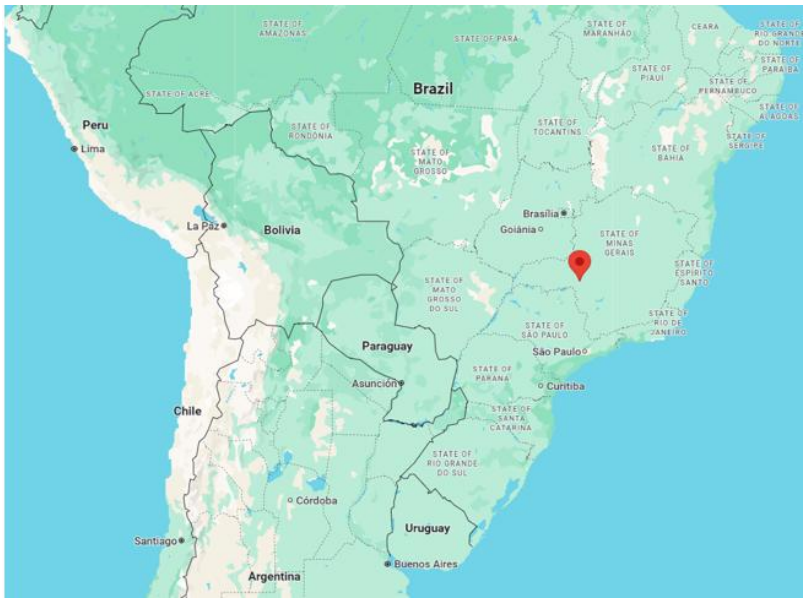
Source: Petra Capital

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Araxá Niobium-REE Project (SGQ 100%)

The Araxá Niobium-REE Project is located in the State of Minas Gerais, Brazil, 375km west of the state capital Belo Horizonte, and 550km north of Sao Paulo and the port of Santos (the second largest container port in Latin America) – Fig. 1.

Figure 1: Araxá Project location in the State of Minas Gerais, Brazil



Source: Google Maps

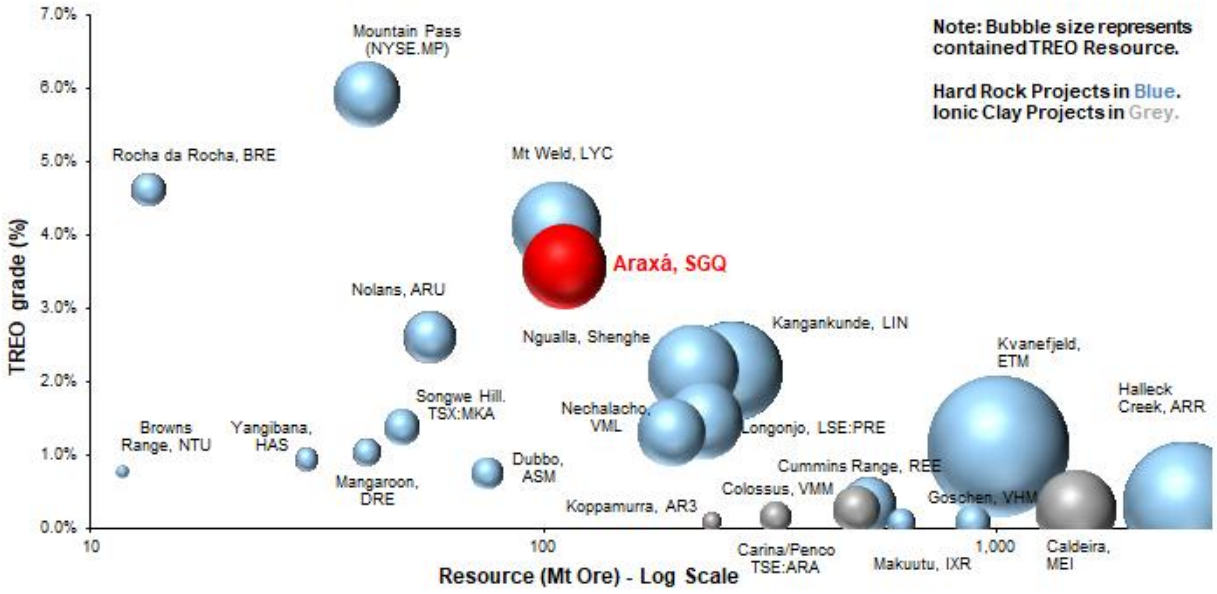
The Project is adjacent to, and within, the same Barriero carbonatite intrusion that hosts CBMM's niobium mine (~80% of the world's niobium production). On 16 February 2026, SGQ announced it had secured land (A$3.8m) suitable for a processing facility, less than 2km from the Araxá Project. We note that Mosaic's (NYSE: MOS) 6Mtpa phosphate plant ~6km to the northwest is for sale and could provide SGQ with an accelerated brownfield development opportunity (Fig. 2).

Figure 2: Aerial image of the Barreiro carbonatite complex, Araxá Project and adjacent mines



Source: Company

Figure 3: Rare earth projects – peer comp of Resources in ore (Mt) and grade (% TREO)



Source: Companies, compiled by Petra Capital

Figure 4: Comparison of MEI and SGQ's rare earth Resource, and MEI corporate activity read through for SGQ's rare earth Resource value

	Mt	% TREO	Contained TREO (t)	Consideration (A$/t contained TREO)	Consideration (A$m)
MEI	1,631	0.23	377,903	2,562	968
SGQ	111.2	3.57	396,984	2,562	1,017

Note: MEI is an ionic clay rare earths Resource, SGQ is a hard rock carbonatite rare earths Resource

Source: Companies, compiled by Petra Capital. Note: our base case valuation for SGQ's rare earth Resource is A$745m.

Figure 5: Development initiatives underway – strong news flow

Permitting Process	• Environmental permitting commenced. • LI and LP target within 12 months for greenfields development.	Licencing progresses in 2026 and into 2027
Drilling programs	• St George continues resource definition drilling at East Araxá. • Further increase to JORC MRE.	New assay results in Q4 2026 with new MRE to follow
Pilot plant, metwork and sample products	• Met testwork underway to produce processing flowsheet. • Pilot plant being installed in CEFET-MG.	Testwork ongoing; Pilot plant start in Q1 2027
Additional strategic investors and partners	• Discussions underway with multiple potential strategic investors. • Downstream partners and offtake partners.	More strategic partners expected to commit to support development
Development studies	• Worley appointed as feasibility technical adviser. • Economic studies underway with updates in Q4 2026.	Workstreams underway for scoping and DFS study

Source: Company

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