

2 February 2023

ST GEORGE EXPANDS PORTFOLIO OF CRITICAL METALS PROJECTS**HIGHLIGHTS**

- St George has entered into an option to acquire the Woolgangie Project, a package of nine exploration licences (granted or in application) with a total area of 1,200km²
- Woolgangie is located in an established mining region of the Eastern Goldfields extending south-west of Coolgardie and west of Kambalda
- Seven of the exploration licences (two granted and five in application) cover a 70km strike of the Ida Fault with large sections of an adjacent outcropping and concealed greenstone belt that hosts pegmatites with potential for lithium
- Two additional exploration licences (in application) with observed pegmatite occurrences extend ~25km along the western margin of the established lithium region that hosts the Bald Hill Mine, the Dome North Project of Essential Metals (ASX: ESS), the Mt Marion Mine of Mineral Resources (ASX: MIN) and the Buldania Project of Liontown Resources (ASX: LTR)
- Woolgangie is considered prospective for lithium, nickel-copper sulphides and ionic clay-hosted rare earths mineralisation
- Woolgangie complements St George's focus on building a portfolio of highly prospective lithium and other critical metals projects across Western Australia
- Significant exploration activity is planned at Woolgangie for 2023 including field mapping and outcrop sampling, soil surveys, airborne magnetic surveys, ground electromagnetic surveys and drilling

St George Mining Limited (ASX: **SGQ**) (**St George** or **Company**) is pleased to announce that it has entered into a binding agreement for an option to acquire 100% of the Woolgangie Project, located in the Eastern Goldfields of Western Australia.

The Woolgangie Project covers a large area within a prospective belt that has received only superficial previous exploration for lithium bearing pegmatites and limited exploration for other types of mineralisation. St George believes that systematic exploration for lithium and other critical metals offers an excellent opportunity for a new discovery.

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

"This acquisition expands our project portfolio in Western Australia into a highly prospective but largely overlooked region and stamps St George as a dominant player in this area.

"The option over Woolgangie provides a strategic and cost-effective pathway to grow St George's already substantial lithium and critical metals opportunities in Western Australia, complementing our success at Mt Alexander and the potential of our other projects including Paterson, Ajana and Broadview Projects.

“We are excited by the potential for systematic exploration at Woolgongie to deliver a major discovery at this highly prospective but underexplored landholding.”

Option over Woolgongie:

St George’s wholly owned subsidiary, Destiny Nickel Pty Ltd (**Destiny Nickel**), entered into an option agreement with Belres Pty Ltd and WA Mining Partners Pty Ltd (together, the **Vendor**) on 1 February 2023 to acquire a package of tenements in the Eastern Goldfields (**Option Agreement**). Pursuant to the Option Agreement, Destiny Nickel has been granted an option to acquire tenements, applications for tenements and project information owned by the Vendor, which must be exercised no later than 2 February 2025.

The tenements comprise nine exploration licences – two have been granted and seven are in application – covering a total area of approximately 1,200 sq km. The tenements cover two strategic areas.

One area, the western tenements, encompasses approximately 70km of strike along the highly prospective Ida Fault – a major crustal boundary that controls multiple major minerals deposits within WA. The other area, the eastern tenements, is proximal to an established lithium region that hosts several significant lithium deposits and operating mines.

Figure 1 below shows the Woolgongie Project tenements and their regional location.

Lithium Prospectivity: The tenements along the Ida Fault are considered prospective for lithium as well as ionic clay-hosted rare earths and nickel-copper sulphides. Numerous pegmatites have been mapped for many kilometres within the western tenements along the Ida Fault and also within the eastern tenements along the margin of the known lithium province. No previous systematic exploration for lithium appears to have been conducted within the project area.

The geological setting of the western tenements has analogies to the Mt Ida district that includes Red Dirt Metals’ Mt Ida Project (MRE: 12.7 Mt @ 1.2% Li₂O)¹ and St George Mining’s Jailbreak lithium prospect. Lontown Resources’s Kathleen Valley (MRE: 156Mt at 1.4% Li₂O and 130ppm Ta₂O₅)² is also located along the Ida Fault, to the north of Mt Alexander.

Rare Earth Elements (REE) Prospectivity: Historical drilling in 2010 by Mincor Resources (see ASX December Quarterly Report 2010 and GSWA open file report A90100) identified several wide zones of rare earth anomalism while exploring for nickel sulphides. The preliminary interpretation is that the REE anomalism is more likely to relate to ionic clay-hosted rare earth mineralisation rather than carbonatite hosted mineralisation.

Copper Prospectivity: Historical drilling by Emu NL (see Emu’s ASX Release dated 19 October 2010) encountered extensive near-surface copper sulphide mineralisation that warrants further follow-up exploration.

A review of historical data is ongoing and further announcements of previous results and work programmes planned at the Woolgongie Project will be made soon.

¹ Red Dirt Metals ASX release dated 19 October 2022 “Maiden Lithium Mineral Resource Estimate at Mt Ida”

² Lontown Resources Limited release dated 11 November 2021 “Kathleen Valley DFS confirms Tier-1 global lithium project”

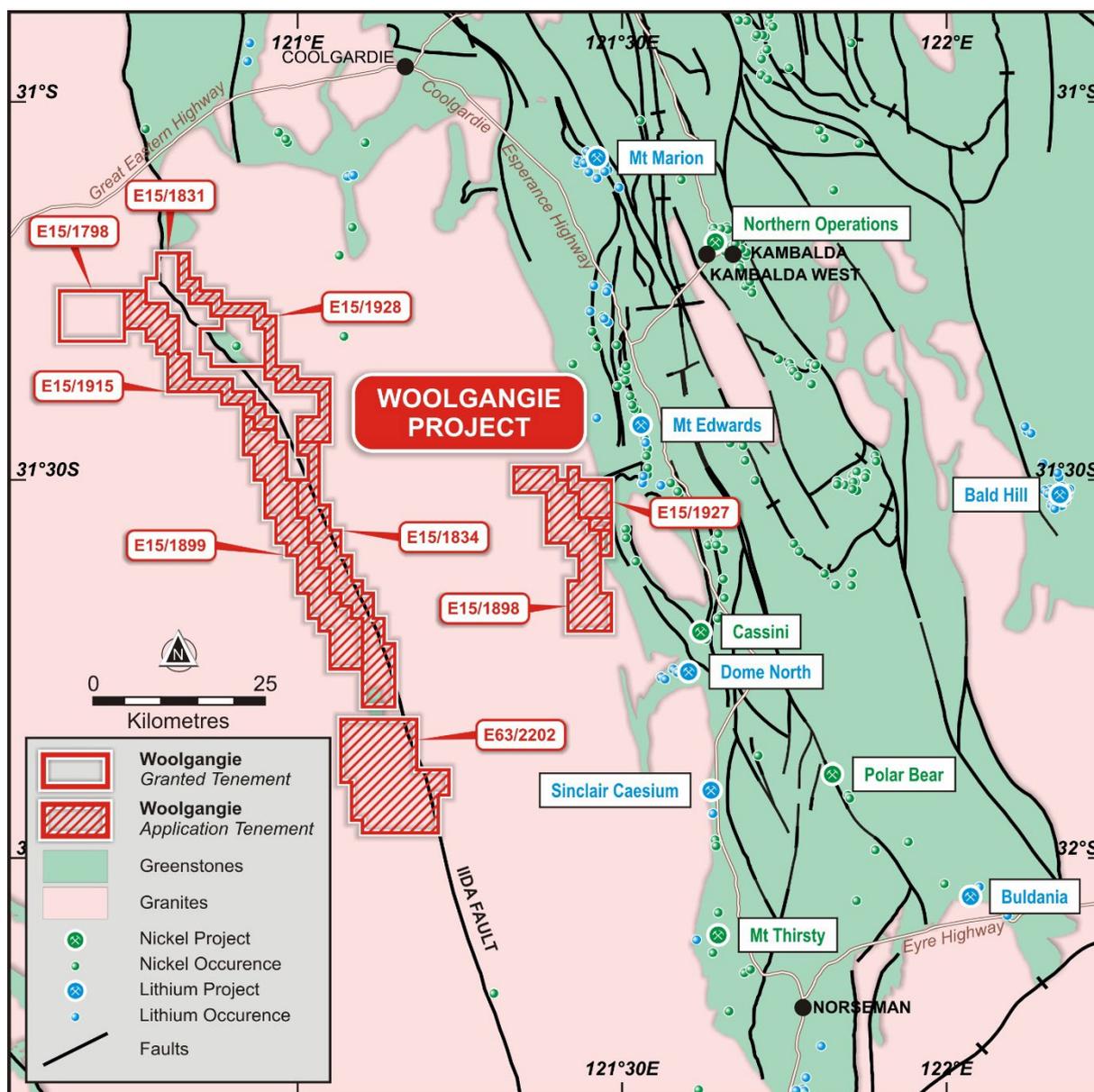


Figure 1 – map of the location of the Woolgangie Project tenement package for which St George has entered into an option to acquire.

Summary of Key Terms:

The key terms and conditions of the Option Agreement are as follows:

Counterparties: The Vendor is constituted by two private proprietary limited companies, Belres Pty Ltd and WA Mining Partners Pty Ltd.

Consideration: Consideration payable to the Vendor under the Option Agreement is as follows:

1. \$400,000 (plus GST) on signing as an option fee: satisfied by the payment of \$200,000 (plus GST) cash and \$200,000 (plus GST) worth of St George shares to be issued at the lower of: (a) the VWAP in the 15 trading days prior to execution of the Option Agreement; and (b) the higher of the VWAP for the price of shares for the 15 trading days before the date of issue of the option shares and \$0.023 (**Option Shares**). The Option Shares will be issued under the Company's existing Listing Rule 7.1 placement capacity.

2. \$1,000,000 (plus GST) worth of St George shares to exercise the option on or before 2 February 2025. The number of shares will be based on the 15 day VWAP prior to the date of the option exercise notice (**Consideration Shares**). The issue of the Consideration Shares is subject to the approval of St George shareholders, which must be sought within four months from exercise of the Option. If shareholder approval is not obtained, the amount for the Consideration Shares must be paid in cash.
3. \$1,000,000 (plus GST) as a milestone payment satisfied by the payment of \$500,000 (plus GST) cash and \$500,000 (plus GST) worth of St George shares (**Milestone Shares**) if St George announces the definition and delineation of a JORC compliant resource for any mineral on one or more of the acquired tenements on or before 5 years from completion of the Option Agreement (**Milestone**). The number of Milestone Shares to be issued will be based on the higher of the VWAP calculated for the Option Shares and the VWAP for the price of shares for the 15 trading days before the date of the Milestone being announced to the ASX. The issue of the Milestone Shares is subject to the approval of St George shareholders, which must be sought within 90 days of the Milestone being satisfied. If shareholder approval is not obtained, the amount for the Milestone Shares must be paid in cash. If the Milestone is not met within the 5 year time period, Destiny Nickel may elect to make the milestone payment to the Vendor otherwise the Vendor may require Destiny Nickel to transfer the assets back to it for consideration of \$1.
4. 0.5% net smelter royalty payable to the Vendor in regard to any mineral products produced and sold from the tenements.

During the option period, being the period of time commencing on 1 February 2023 and ending on 2 February 2025, unless extended by the parties in accordance with the Option Agreement (**Option Period**), Destiny Nickel must meet an annual commitment to spend \$400,000 (plus GST) on expenditure on the tenements and applications.

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

The Vendor 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 Vendor can perform its obligations under the Option Agreement including searches to confirm the Vendor's ownership of the tenements, review of project information including previous exploration, confirmation on the status of the Vendor's applications and meetings with key members of the board and management of the Vendor.

Option exercise and completion: The option may be exercised by Destiny Nickel at any time during the Option Period. If the option is exercised, completion will take place 10 business days after the first to occur: the date of the relevant general meeting of St George shareholders where the shareholder approval is sought; and four months from the date the Option Exercise Notice is issued; or such other date agreed by the parties in writing.

Tenements: The licences subject to the Option are:

- Granted Exploration Licences E15/1798 and E15/1831
- Applications for E15/1834, E15/1898, E15/1899, E15/1915, E15/1927, E15/1928 and E63/2202.

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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.

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.

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