

St George Mining Limited

The Boys from Brazil

October 2025

Recommendation: BUY

- **High grade Niobium-Rare Earths Project in Brazil**
- **Proven processing flowsheets, infrastructure, experienced in-country team**
- **Targeting production in 2027 with Economic Studies as near-term catalysts**

ASX: SGQ

Share Price: \$0.12

Target Price: \$0.44

M/Cap.: \$343M

Valuation: \$0.44/share

Valuation: \$2,172M

Shares: 2921.6

Monthly T/over: \$85.7M



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Petra Capital Pty Ltd

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Figure 1: Top 20 Shareholders (Dated September 2025)

| | Name | Amount | % |
|----|--|----------------------|--------------|
| 1 | BNP PARIBAS NOMINEES PTY LTD | 313,724,347 | 10.74 |
| 2 | ITAFOS INC | 277,893,103 | 9.51 |
| 3 | HONGKONG XINHAI MINING SERVICES LIMITED | 215,000,000 | 7.36 |
| 4 | CITICORP NOMINEES PTY LIMITED | 190,505,297 | 6.52 |
| 5 | MS XUEQING YANG | 82,109,424 | 2.81 |
| 6 | MRS HUANYING WANG | 72,000,000 | 2.46 |
| 7 | MR JIUMIN YAN | 67,432,496 | 2.31 |
| 8 | BNP PARIBAS NOMS PTY LTD | 65,608,633 | 2.25 |
| 9 | MR ANTANAS GUOGA | 61,793,975 | 2.11 |
| 10 | BNP PARIBAS NOMINEES PTY LTD | 50,889,966 | 1.74 |
| 11 | WARBONT NOMINEES PTY LTD | 34,167,837 | 1.17 |
| 12 | JOHN PRINEAS | 32,000,000 | 1.10 |
| 13 | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2 | 23,860,649 | 0.82 |
| 14 | HONGKONG XINWEI ELECTRONIC CO LIMITED | 23,255,814 | 0.80 |
| 15 | MR YONGLU YU | 20,666,667 | 0.71 |
| 16 | MRS THERESA ANNE MORRIS + MR GREGORY MARSHALL MORRIS | 20,000,000 | 0.68 |
| 17 | S3 CONSORTIUM PTY LTD | 19,930,000 | 0.68 |
| 18 | MS ZHILIN ZHOU | 18,666,667 | 0.64 |
| 19 | MRS DONGHUA TAN | 17,839,972 | 0.61 |
| 20 | MS YI CHEN | 16,500,000 | 0.56 |
| | Total | 1,623,844,847 | 55.57 |

Source: Company

St George Mining Limited (SGQ) BUY

Share Price: A\$0.12

The Boys from Brazil

Target Price: A\$0.44

SGQ's Feb.'25 acquisition of the Araxá Niobium-Rare Earth Project in Brazil is a gamechanger. Adjacent to niobium giant CBMM in the epicentre of global niobium production, with well-developed regional infrastructure, a MoU in place with the State of Minas Gerais to expedite permitting, strategic partnerships for offtake and project construction, and with an in-country team of ex-CBMM experts, SGQ is targeting first ferroniobium (FeNb) production in 2027. Niobium is listed as a critical metal with global production currently sourced from just three mines and demand growing for use in high strength steel and emerging technologies. We anticipate that near-term niobium production will be followed in 2029 by production of high-value Mixed Rare Earth Carbonate (MREC). Predicated on our timelines, we see SGQ generating ~A\$90m EBITDA in FY28F rising to >A\$650m in FY31F when both operations are at steady state. We initiate with a BUY and A\$0.44/sh PT.

Araxá Project in Brazil – to get even bigger

- Already a globally significant niobium and rare earth Resource in one deposit: 41.4Mt @ 0.68% Nb₂O₅ plus 40.6Mt @ 4.13% TREE. Resource defined from only 3,764m of historical drilling with average drillhole depth of just 60m. 10,000m program delivering high-grade intersections and pointing to significant Resource upside.

Accelerating niobium into production

- An Economic Study on the niobium endowment is on track for Mar. Q'26. Predicated on obtaining permitting by end-2026, we forecast a 2Mtpa operation (preproduction capex US\$130m) delivering 10,000tpa of ferroniobium (FeNb) from Dec. Q'27 and generating steady state revenue/EBITDA of A\$400m/A\$300m respectively.

Rare earth production via high-value MREC

- Economic Study on the rare earth endowment targeted for mid-2026. Ahead of the Study outcomes, we forecast a 200,000tpa processing facility (capex US\$260m) delivering ~11,000tpa of MREC from Dec. Q'29; forecast steady state revenue/EBITDA of A\$500m/A\$380m.

NPV₁₀ valuation A\$2.2bn, Target Price A\$0.44/sh

- Underpinned by a post-tax NPV₁₀ of A\$1,398m for the Araxá Niobium Project and a 50%-riskd post-tax NPV₁₀ of A\$759m for the Araxá Rare Earths Project, we calculate SGQ's equity value at A\$2,172m (A\$0.44/sh).

Key Dates Ahead

- Ongoing – Drill results from 10,000m program.
- End 2025/Early 2026 – Updated Araxá Resource.
- Mar. Q'26 – Niobium Economic Study.
- Jun. Q'26 – Rare Earths Economic Study.
- End 2026 – Permitting for Niobium Project.
- Dec. Q'27 – First ferroniobium (FeNb) production.
- Dec. Q'29 – First MREC production.

Company Data

| | |
|--------------------------------|-----------------|
| Shares – ordinary (M) | 2921.6 |
| Right/options (M) | 1,077 |
| Total (fully diluted) (M) | 3,999 |
| Market capitalisation (\$M) | 343 |
| 12 month low/high (\$) | 0.01/ 0.13 |
| Average monthly turnover (\$M) | 85.7 |
| GICS Industry | Metals & Mining |

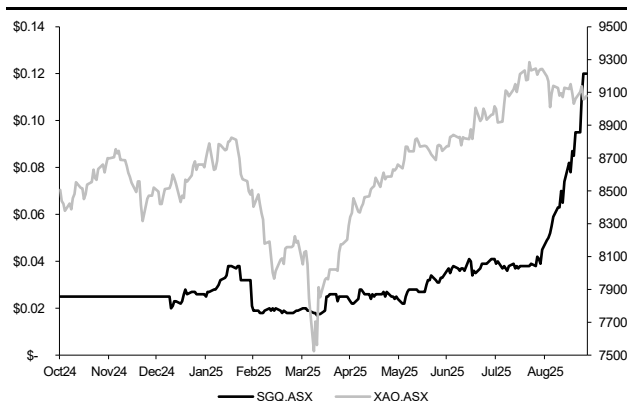
Financial Summary (fully diluted/normalised)

| Year End June | FY26F | FY27F | FY28F | FY29F | FY30F |
|--------------------|-------|-------|-------|--------|--------|
| Revenue (\$M) | 0.0 | 0.0 | 125.9 | 398.8 | 551.8 |
| Costs (\$M) | -5.0 | -5.0 | -37.9 | -102.5 | -139.7 |
| EBITDA (\$M) | -5.0 | -5.0 | 88.0 | 296.3 | 412.1 |
| NPAT (\$M) | -6.3 | -6.6 | 48.9 | 182.1 | 244.1 |
| EPS (¢ps) | -0.2 | -0.2 | 1.0 | 3.7 | 5.0 |
| EPS growth (%) | -ve | -ve | >100% | >100% | 34% |
| PER (x) | na | na | 11.8 | 3.2 | 2.4 |
| Op. Cashflow (\$M) | -5.0 | -5.0 | 50.7 | 162.8 | 257.5 |
| OCFPS (¢ps) | -0.2 | -0.1 | 1.0 | 3.3 | 5.2 |
| POCFPS (x) | na | na | 11.4 | 3.6 | 2.2 |
| EV (\$M) | 322 | 382 | 398 | 565 | 458 |
| EV / EBITDA (x) | -64.3 | -76.3 | 4.5 | 1.9 | 1.1 |
| 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% |

Board

| Director | Position | Executive |
|---------------|----------|-----------|
| John Prineas | Chairman | Yes |
| John Dawson | Director | No |
| Sarah Shipway | Director | No |

SGQ – performance over one year



Analysis

St George Mining (SGQ)

Year End June

| | |
|---------------------------------|--|
| Share price (A\$) | 0.12 |
| Issued Shares (m) | 2,922 |
| Market Cap (A\$m) | 343 |
| Options/Rights (m) | 1,077 |
| Dilution (m) | 1,000 (A\$100m in new equity @ A\$0.10/sh) |
| Fully Diluted no. of Shares (m) | 4,999 |

| P&L Statement (A\$m) | FY26F | FY27F | FY28F | FY29F | FY30F | FY31F | FY32F |
|-----------------------------|--------------|--------------|-------------|------------|------------|------------|------------|
| Revenue | 0.0 | 0.0 | 126 | 399 | 552 | 868 | 888 |
| Costs | (5.0) | (5.0) | (38) | (102) | (140) | (203) | (234) |
| EBITDA | (5.0) | (5.0) | 88.0 | 296 | 412 | 665 | 654 |
| Depreciation & Amortisation | (0.5) | (0.5) | (10.0) | (20.0) | (40) | (40) | (40) |
| Operating profit | (5.5) | (5.5) | 78.0 | 276 | 372 | 625 | 614 |
| NOI | (0.9) | (1.8) | 0.0 | 0.0 | 0 | 0 | 0 |
| EBIT | (6) | (7) | 78 | 276 | 372 | 625 | 614 |
| Interest income | 0.1 | 0.7 | 1.8 | 1.4 | 1 | 5 | 19 |
| Interest expense | 0.0 | 0.0 | (10.0) | (18) | (25) | (23) | (21) |
| Tax expense | 0.0 | 0.0 | (21) | (78) | (105) | (182) | (183) |
| Minority interest | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Reported NPAT | (6.3) | (6.6) | 48.9 | 182 | 244 | 425 | 428 |
| EPS Reported (A\$c) | (0.20) | (0.16) | 1.0 | 3.7 | 5.0 | 8.6 | 8.7 |
| DPS - Declared (A\$c) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1.0 | 2.0 |
| Avg. no. of shares (m) | 3,091 | 4,094 | 4,927 | 4,927 | 4,927 | 4,927 | 4,927 |
| YE no. of shares (m) | 3,261 | 4,927 | 4,927 | 4,927 | 4,927 | 4,927 | 4,927 |

| Cash Flow (A\$m) | FY26F | FY27F | FY28F | FY29F | FY30F | FY31F | FY32F |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|-------------|-------------|
| EBITDA | (5.0) | (5.0) | 88.0 | 296 | 412 | 665 | 654 |
| Working capital change | 0.0 | 0.0 | (16.4) | (55.4) | (50) | (75) | (100) |
| Tax expense | 0.0 | 0.0 | (21.0) | (78.1) | (105) | (182) | (183) |
| Operating Cash Flow | (5.0) | (5.0) | 50.7 | 163 | 257 | 408 | 371 |
| Capex (growth) | 0 | (150) | (50) | (300) | (100) | 0 | 0 |
| Capex (sustaining) | 0 | 0 | (4) | (8) | (23) | (28) | (28) |
| Explor./development | (14) | (13) | (5) | (5) | (5) | (5) | (5) |
| Investing Cash Flow | (14) | (163) | (59) | (313) | (128) | (33) | (33) |
| Net interest received / (paid) | 0.1 | 0.7 | (8.2) | (16.1) | (23) | (18) | (3) |
| Debt drawdown / (payment) | 0.0 | 100.0 | 0.0 | 150 | (10) | (15) | (25) |
| Dividends | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Equity raised / (repaid)* | 35.0 | 70.0 | 0.0 | 0 | 0 | 0 | 0 |
| Financing Cash Flow | 35.1 | 170.7 | (8.2) | 134 | (33) | (33) | (28) |
| Other** | 3.0 | 36.9 | 0.0 | 0.0 | 0 | 0 | 0 |
| Inc/(Dec) in Cash | 18.9 | 40 | (16) | (16) | 96 | 342 | 310 |

| Balance Sheet (A\$m) | FY26F | FY27F | FY28F | FY29F | FY30F | FY31F | FY32F |
|---------------------------------|-----------|------------|------------|------------|------------|--------------|--------------|
| Cash & Equivalents | 21.7 | 61.5 | 45.1 | 28.8 | 125 | 467 | 777 |
| Receivables | 0.0 | 0.0 | 10.1 | 31.9 | 56.9 | 94.4 | 144.4 |
| Inventories | 0.0 | 0.0 | 6.3 | 39.9 | 64.9 | 89.9 | 114.9 |
| Other Current Assets | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| PPE and Explo/Dev. | 30 | 192 | 241 | 534 | 622 | 615 | 608 |
| Deferred tax asset | 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 |
| Total Assets | 52 | 254 | 303 | 635 | 869 | 1,266 | 1,644 |
| Payables and other CL | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 |
| ST Debt / Lease Liabilities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| LT Debt/Lease Liabilities | 0.0 | 100.0 | 100.0 | 250 | 240 | 225 | 200 |
| Other NC Liabilities | 0.1 | 0.1 | 0.1 | 0.1 | 0 | 0 | 0 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Total Liabilities | 1.0 | 101.0 | 101.0 | 251 | 241 | 226 | 201 |
| Equity | 51 | 153 | 202 | 384 | 628 | 1,040 | 1,443 |
| Liabilities & Equity | 52 | 254 | 303 | 635 | 869 | 1,266 | 1,644 |

| Ratios | FY26F | FY27F | FY28F | FY29F | FY30F | FY31F | FY32F |
|-------------|--------|-------|-------|-------|-------|-------|-------|
| P/E (x) | na | na | 11.8 | 3.2 | 2.4 | 1.4 | 1.4 |
| Debt/Equity | 0% | 65% | 50% | 65% | 38% | 22% | 14% |
| ROE (%) | -18.2% | -6.5% | 27.6% | 62.2% | 48.3% | 50.9% | 34.5% |

Note: * Diluted for forecast A\$100m in new equity at A\$0.10/sh. ** Diluted for in-the-money options (39m options @ A\$0.10 = A\$3.9m, 971m options @ A\$0.04 = A\$38.8m)

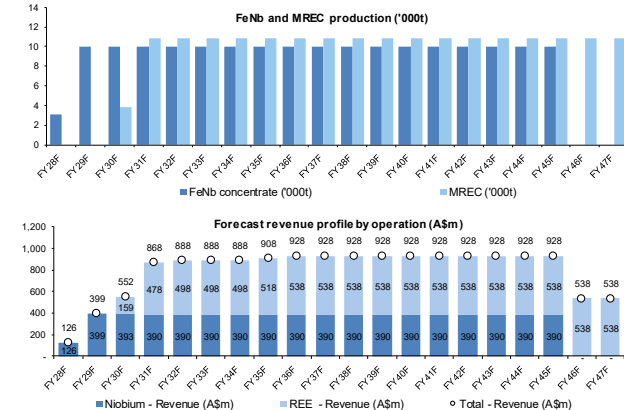
Source: Petra Capital

| Araxá Niobium Project | FY27F | FY28F | FY29F | FY30F | FY31F | FY32F |
|--------------------------------------|----------|------------|------------|------------|------------|------------|
| Mill throughput (kt) | 0 | 625 | 2,000 | 2,000 | 2,000 | 2,000 |
| Nb grade (%) | na | 0.65% | 0.65% | 0.65% | 0.65% | 0.65% |
| Nb recovery (%) | na | 51% | 51% | 51% | 51% | 51% |
| FeNb 66% conc. production (t) | 0 | 3,139 | 10,045 | 10,045 | 10,045 | 10,045 |
| Index FeNb price (US\$/kg CFR China) | na | 40 | 40 | 40 | 40 | 40 |
| ARP (US\$/kg) | na | 40 | 40 | 40 | 40 | 40 |
| AISC (US\$/kg) | 0 | 11.7 | 10.4 | 10.4 | 10.4 | 10.4 |
| Revenue (A\$m) | 0 | 126 | 399 | 393 | 390 | 390 |

| Araxá REE Project | FY27F | FY28F | FY29F | FY30F | FY31F | FY32F |
|----------------------------------|----------|----------|----------|------------|------------|------------|
| Mill throughput (kt) | 0 | 0 | 0 | 70 | 200 | 200 |
| TREE grade (%) | na | na | na | 9.0% | 9.0% | 9.0% |
| TREE recovery (%) | na | na | na | 60% | 60% | 60% |
| MREC production (t) | 0 | 0 | 0 | 3,780 | 10,800 | 10,800 |
| Index Nd/Pr (US\$/kg, CFR China) | 75 | 85 | 95 | 105 | 115 | 120 |
| ARP MREC (US\$/kg) | na | na | na | 28.4 | 30.1 | 31.4 |
| AISC MREC (US\$/kg) | 0 | 0 | 0 | 8.6 | 7.4 | 9.4 |
| Revenue (A\$m) | 0 | 0 | 0 | 159 | 478 | 498 |

Note: TREE = Total Rare Earth Elements, MREC = Mixed Rare Earth Carbonate

| Araxá Resources (1 April 2025) | Tonnes (Mt) | Nb ₂ O ₅ (%) | Nb ₂ O ₅ (Mt) |
|--------------------------------|-------------|------------------------------------|-------------------------------------|
| Niobium | 41.2 | 0.68% | 0.28 |
| Araxá Resources (1 April 2025) | Tonnes (Mt) | TREE (%) | TREE (Mt) |
| Rare Earths | 40.6 | 4.13% | 1.68 |



| Valuation | (A\$m) | (A\$/sh) |
|--|--------------|-------------|
| Niobium f'cast mine inventory NPV10 (34.7Mt) | 1,277 | 0.26 |
| Residual Resource (6.6Mt) | 121 | 0.02 |
| Niobium Total Resource (41.2Mt) | 1,398 | 0.28 |
| REE f'cast mine inventory NPV10 (3.4Mt) | 1,245 | 0.25 |
| Residual Resource (37.2Mt) | 272 | 0.06 |
| REE Total Resource (40.6Mt) | 1,517 | 0.31 |
| REE risk discount (timing, capex, ARP, opex) | 50% | |
| REE Project - risked | 759 | 0.15 |
| Araxá combined Nb & REE Projects | 2,157 | 0.44 |
| Araxá exploration upside (nominal) | 50 | 0.01 |
| Australian Li, Ni, Cu Projects (nominal) | 25 | 0.01 |
| Corporate costs | (81) | (0.02) |
| Enterprise value | 2,151 | 0.44 |
| Net cash (debt) FY26F | 22 | 0.00 |
| Equity value | 2,172 | 0.44 |

Executive Summary

Globally significant Niobium-Rare Earth Element Project in Brazil

St George Mining's (ASX:SGQ) flagship asset is the Araxá Niobium-REE Project (SGQ 100%) in the State of Minas Gerais, Brazil. Acquired in February 2025, Araxá hosts a globally significant niobium Resource of 41Mt @ 0.68% Nb, and one of the highest grading REE Resources in the world at 4.13% TREE, second only to MP Materials' (NYSE: MP) Mountain Pass deposit.

Niobium operation to start in 2027: A\$300mpa EBITDA, NPV₁₀ A\$1.28bn

SGQ's Araxá Project is located in the prolific Barreiro Carbonatite complex, the epicenter of global niobium production, and adjacent to CBMM's operations which supply 80% of global niobium. As a result, the geology, metallurgy, mining and processing characteristics of the ore are well understood. The region has a long-established mining history (particularly in niobium and phosphate) and has extensive road, rail, power, water and communications infrastructure, with population centres including Araxá (pop. 112,000) nearby to provide skilled and unskilled labour, mining and support services.

Industry players have quickly identified SGQ as a new, potential near-term niobium producer; MoU's have been signed with SKI Hong Kong (specialist ferro-alloy trading firm), Liaoning Fangda (steel producer), and the Xinhai Group (EPC + Financing contractor). Note: SGQ is in discussions with multiple other potential strategic investors and offtake partners. Critically, an MoU has been signed with the State of Minas Gerais to expedite project approvals, noting the extensive neighbouring mining operations as well as Minas Gerais being considered a mining-friendly state. Environmental, geotechnical, and development studies are ongoing and a 10,000m infill and expansionary drilling program is underway to support an updated Resource ahead of a Mar. Q'26 Niobium Economic Study.

Predicated on obtaining permitting by end-2026, we forecast a 2Mtpa operation (preproduction capex US\$130m) delivering 10,000tpa of ferroniobium (FeNb) from Dec. Q'27 and generating annual revenue and EBITDA of ~A\$400m and ~A\$300m respectively.

...followed by Rare Earths: A\$380mpa EBITDA, NPV₁₀ A\$1.5bn

We believe an Economic Study on the Araxá REE will be released in mid-2026 following the Niobium Economic Study in Mar. Q'26. While the final decision on the REE end-product (monazite concentrate, Mixed Rare Earth Carbonate (MREC), Mixed Rare Earth Oxide (MREO), or separated oxides) has still to be decided, we suggest that a combination of customer demand and capex/technology will see the most likely product outcome (at least initially) being an intermediate MREC. Intermediate REE oxylates (a precursor to oxides) were produced historically in 2012/2013 from a pilot plant, while SGQ recently signed a MOU with US-based magnet metal producer REAlloys Inc, and is in a technology partnership with MagBras, a public-private initiative to establish a rare earths magnet making facility in Brazil.

Ahead of Study outcomes, we forecast a 200,000tpa processing facility (pre-production capex US\$260m) targeting higher-grade zones of the Resource to deliver 10,000-11,000tpa of MREC from Dec. Q'29 and generating annual revenue and EBITDA of ~A\$500m and ~A\$380m respectively.

Niobium - a critical metal

While the importance of rare earths to key technologies and industries is well known, niobium has tended to fly under the radar. However, niobium is classified as a critical metal by the US and EU because of its essential role in producing high strength low alloy (HSLA) steel used in the construction, aerospace and automotive sectors. The strategic importance of niobium is heightened by its vulnerability to supply disruptions, with production concentrated in just three mines worldwide (2 Brazil, 1 Canada).

Target price A\$0.44/sh; initiate with a BUY

Underpinned by a post-tax NPV₁₀ of A\$1,277m for the Araxá Niobium Project and a 50%-riskd post-tax NPV₁₀ of A\$759m for the Araxá Rare Earths Project, we calculate SGQ's equity value at A\$2,172m (A\$0.44 per diluted share). Risks include (i) exploration success in establishing an economic Resource, (ii) capex & timeframe associated with progressing the Projects to commercial production, (iii) production profile and operating costs, (iv) commodity price and FX rate volatility and, (v) regulatory environment.

Valuation and target price

Underpinned by a post-tax NPV₁₀ of A\$1,398m for the Araxá Niobium Project and a 50%-riskd post-tax NPV₁₀ of A\$759m for the Araxá Rare Earths Project, we calculate SGQ's equity value at A\$2,172m (A\$0.44 per diluted share) – Fig. 2

Figure 2: SGQ valuation summary

| Item | A\$m | A\$/sh |
|--|--------------|-------------|
| Niobium f'cast mine inventory NPV10 (34.7Mt) | 1,277 | 0.26 |
| Residual Resource (6.6Mt) | 121 | 0.02 |
| Niobium Total Resource (41.2Mt) | 1,398 | 0.28 |
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| REE risk discount (timing, capex, ARP, opex) | 50% | |
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| Araxá exploration upside (nominal) | 50 | 0.01 |
| Australian Li, Ni, Cu Projects (nominal) | 25 | 0.01 |
| Corporate costs | (81) | (0.02) |
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| Net cash (debt) FY26F | 22 | 0.00 |
| Equity value | 2,172 | 0.44 |

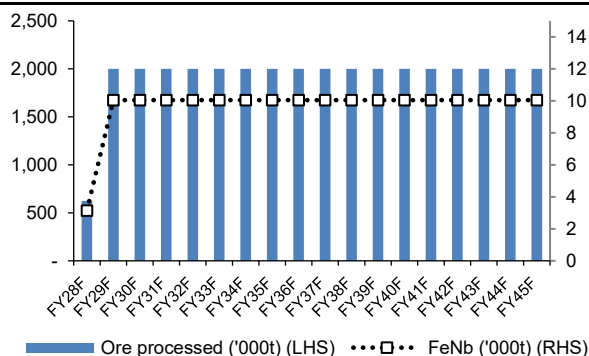
Source: Petra Capital

Key valuation assumptions – Niobium operations

Ahead of the Economic Study on commercialising the niobium endowment (targeted for Mar. Q'26) our key assumptions for a standalone Araxá Niobium Project include:

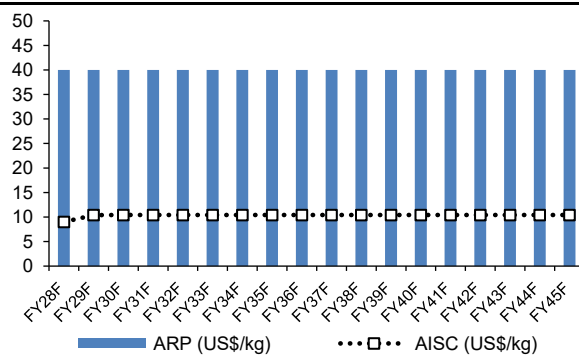
- Mine life: 17 years. Mine inventory 34.6Mt (84% of the current 41.2Mt Resource).
- Start of production: Dec. Q'27 assuming permitting end 2026 + one year construction (Fig. 3).
- Throughput/production: Steady state 2Mtpa ore at 0.65% Nb₂O₅ grade, 51% recovery for 10,000tpa ferroniobium (FeNb) at 66% grade (FeNb-66). Payable Nb 6,600tpa.
- Realised Nb price: US\$40,000 per tonne of niobium in FeNb (US\$40/kg).
- Costs/capex: US\$10.83/kg AISC (Fig. 4). Pre-production capex: A\$200m (US\$130m).
- Funding for capex & working capital: A\$100m debt plus A\$100m in new equity (A\$30m in FY26F plus A\$70m in FY27F) at an assumed flat equity issue price of A\$0.10/sh. We also assume A\$39m cash comes from conversion of 971m options at A\$0.04/sh.

Figure 3: Ore throughput & FeNb prod. profile ('000t)



Source: Petra Capital forecasts

Figure 4: Niobium in FeNb ARP vs AISC (US\$/kg)



Source: Petra Capital forecasts

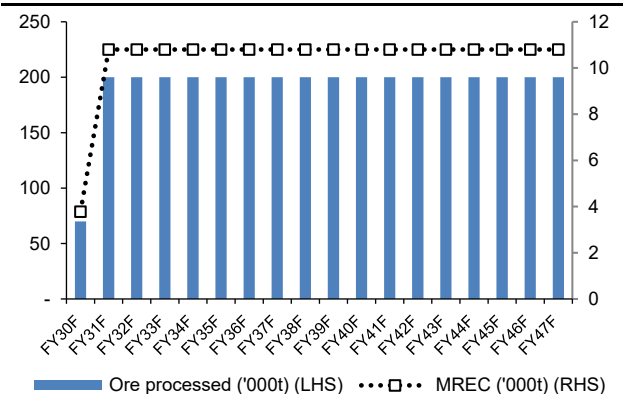
October 2025

Key valuation assumptions – Rare Earths operations

The Mar. Q'26 Economic Study will focus solely on development of the Araxá Project's niobium endowment. However, studies on the rare earths' development path will follow shortly afterwards noting the recent (10 Sep.'25) announcement on a strategic alliance with US rare earths processor REAlloys Inc. Our key assumptions for a standalone Araxá Rare Earth Project include:

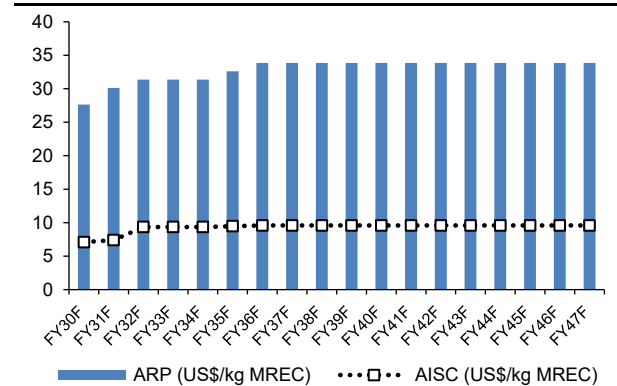
- Mine life: 18 years. Mine inventory 3.5Mt (~9% of the current 40.6Mt Resource).
- Start of production: Dec. Q'29 (Fig. 5), two years after the start of the niobium operations. This is to provide internal cash flow to fund the construction of a forecast Mixed Rare Earth Carbonate (MREC) processing facility, and to accumulate waste (containing higher-grade REE) from the niobium processing circuit which may contribute feed to the rare earth circuit.
- Throughput/production: Steady state 0.2Mtpa ore at upgraded 9% TREO, 60% recovery for ~11,000tpa MREC (Fig. 5). Historical pilot plant may be reassembled for test work in 2027.
- Realised price: Predicated on high-value magnet rare earths (Nd,Pr,Dy,Tb) comprising 25% of the MREC, and assuming 70% payability, we calculate an average FY30F-35F ARP of US\$31/kg MREC equivalent to 26% of our forecast FY30F-35F NdPr price of US\$118/kg. At a L/T NdPr price of US\$130/kg, we calculate an average received price of US\$34/kg MREC.
- Costs: LOM average AISC of US\$9.40/kg (Fig. 6).
- Pre-production capex: A\$400m (US\$260m) funded from debt and Nb operational cash flow.

Figure 5: Ore throughput & MREC prod. profile ('000t)



Source: Petra Capital forecasts

Figure 6: MREC ARP vs AISC (US\$/kg)

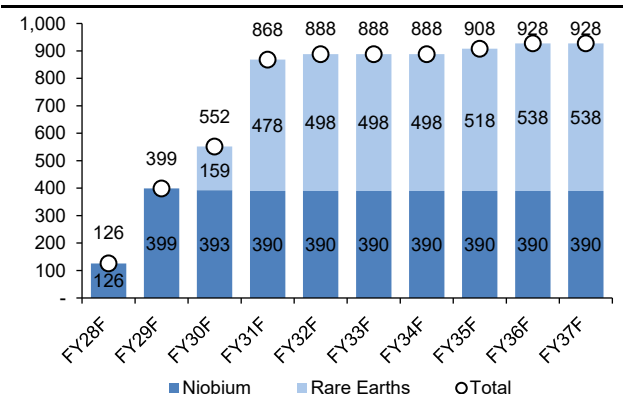


Source: Petra Capital forecasts

Group revenue and EBITDA profile (A\$m)

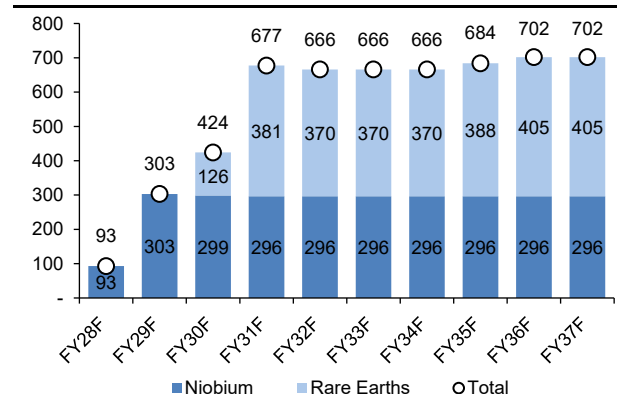
Predicated on our forecast production profile, unit revenues and costs at the niobium and rare earths operations, we forecast SGQ generating significant annual revenue and EBITDA of ~A\$900m and >A\$670m respectively by FY31F when both operations are running at steady state (Figs. 7,8).

Figure 7: 10-year revenue profile (A\$m)



Source: Petra Capital forecasts

Figure 8: 10-year EBITDA profile (A\$m)

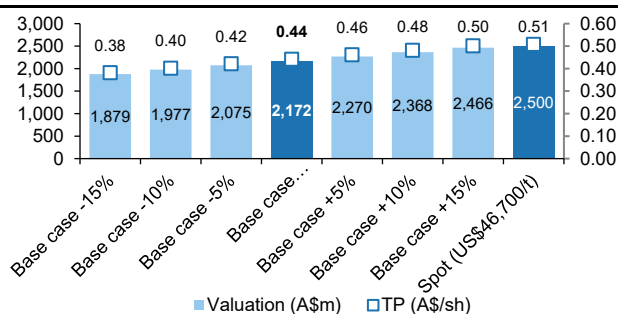


Source: Petra Capital forecasts

Valuation sensitivity to the FeNb price

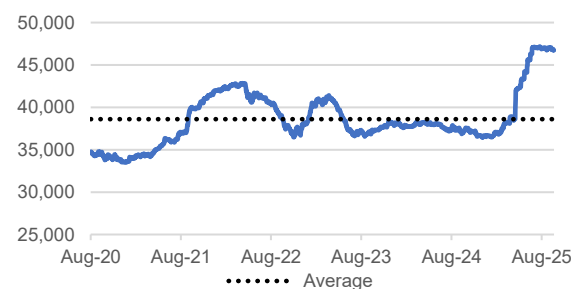
Our NPV₁₀-derived valuation of A\$2,172m (A\$0.44/sh diluted share) is predicated on a flat Index FeNb price of US\$40,000/t (US\$40/kg). A $\pm 10\%$ change in the benchmark price impacts our target price by $\pm 9\%$; TP A\$0.51/sh at spot FeNb Index price of US\$46,700/t (Figs. 9,10).

Figure 9: TP sensitivity to FeNb price



Source: Petra Capital forecasts

Figure 10: FeNb price (US\$/t)

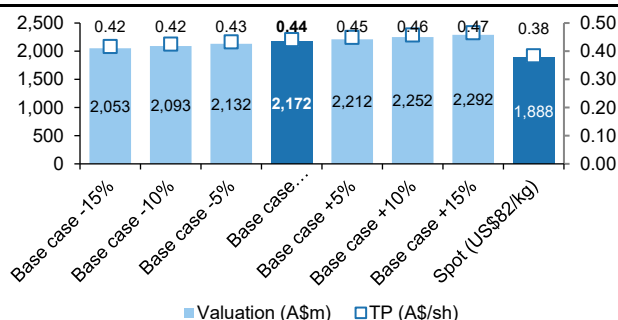


Source: Bloomberg, Petra Capital

Valuation sensitivity to the Nd/Pr price

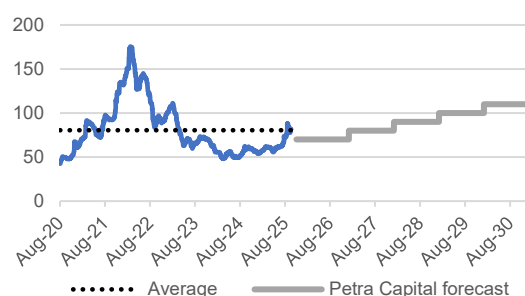
Our price target is also impacted by the rare earth price environment. A $\pm 10\%$ change in our base case LOM (FY30F-FY47F) Nd/Pr price of US\$126/kg impacts our target price by $\pm 4\%$ (Figs 11,12). Note: the rare earth NPV₁₀ valuation is risk-weighted by 50% which accounts for the lowered sensitivity.

Figure 11: TP sensitivity to Nd/Pr price



Source: Petra Capital forecasts

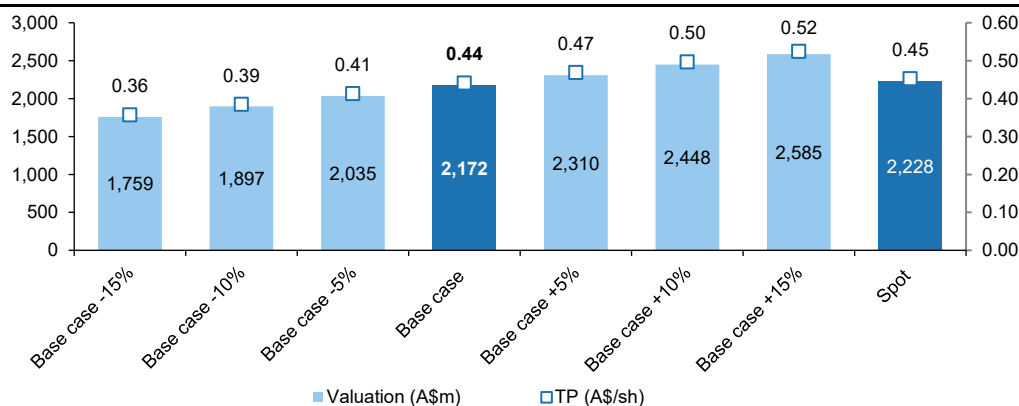
Figure 12: Nd/Pr price (US\$/kg)



Source: Bloomberg, Petra Capital L/T f'cast US\$120-US\$130/kg

A 10% change in both the niobium and rare earth price environment (relative to our base case) impacts our TP by 13% (Fig. 13). At spot prices, the TP is 3% higher with a lower spot Nd/Pr price (relative to our base case) more than offset by a higher spot niobium price.

Figure 13: Valuation sensitivity to Nb and Nd/Pr prices

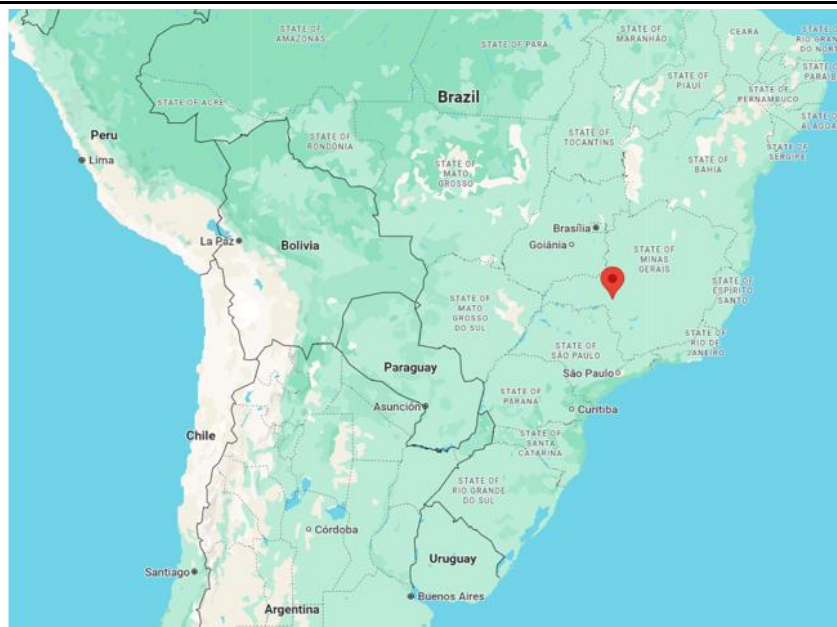


Source: Petra Capital forecasts

Araxá Niobium-REE Project (SGQ 100%)

The Araxá Niobium-REE Project is located in the State of Minas Gerais, Brazil, 375km west from 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. 14.

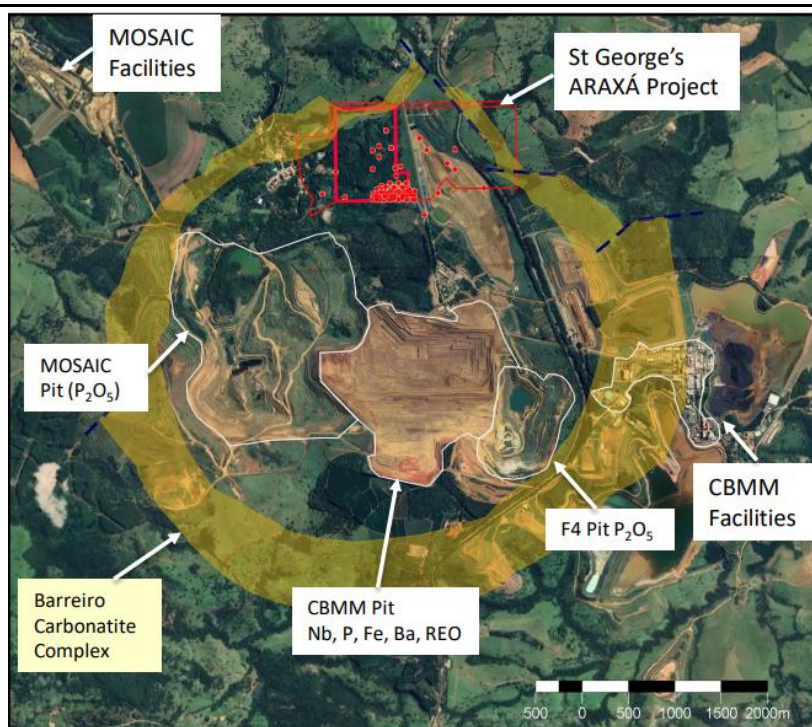
Figure 14: Araxá Project location in the State of Minas Gerais, Brazil



Source: Google Maps

The Project is adjacent to, and within the same Barreiro carbonatite intrusion that hosts CBMM's niobium mine (~80% of the world's niobium production), with Mosaic's (NYSE: MOS, mcap US\$11.2bn) large-scale phosphate mine (519Mt @ 13.4% P₂O₅) immediately to the Project's southwest (Fig. 15).

Figure 15: Aerial image of the Barreiro carbonatite complex, Araxá Project and adjacent mines



Source: Company

In February 2025, SGQ completed the 100% acquisition of the three permits (1 exploration permit, 2 mining applications, total 211.35ha) comprising the Araxá Project from Itafos, a US-based fertiliser company which was more recently focused on the project's phosphate potential. The consideration comprised US\$21m cash (US\$10m paid on deal completion, US\$6m nine months after deal completion, US\$5m 18 months after deal completion), 221.2m SGQ shares, 9.99m SGQ options (exercise price A\$0.05/sh, expiry three years after date of issue), and 11.1m performance rights.

Geology and Maiden Resource

SGQ's Araxá Project and CBMM's niobium project are both situated within the Barreiro Carbonatite - a 5km wide, 90 million year old, carbonatite plug that has intruded into country rock. This hosts high-grade niobium and rare earth mineralisation in a near-surface (<80m) blanket of weathered ore, with further high-grade Nb/REE mineralisation plus phosphate in deeper fresh rock. Niobium is contained within the mineral pyrochlore $(\text{Na,Ca})_2\text{Nb}_2\text{O}_6$, REE is contained within the mineral monazite $(\text{REE})\text{PO}_4$, and phosphate is contained within the mineral apatite $\text{Ca}_5(\text{PO}_4)_3(\text{F,CL,OH})$.

SGQ announced a Maiden JORC 2012 Mineral Resource Estimate (MRE) for the Araxá Project of 41.2Mt @ 0.68% Nb_2O_5 and 40.64Mt @ 4.13% TREE (19% of which is the high value magnet rare earths Nd,Pr,Dy,Tb) – Fig. 16. The MRE was completed by independent geological consultancy E2M Ltd (a division of international consultants Sahara Natural Resources) using historical exploration work carried out by MBAC (now known as Itafos) between 2011 and 2012 including 67 diamond drillholes totalling 3,764m. Drilling was primarily focused within the weathered domain, with a maximum depth of 200m and an average depth of 60m. At that time MBAC was looking at the full endowment potential of the deposit, and the drill core was assayed for niobium and the full suite of REE, as well as phosphates.

Figure 16: JORC 2012 MRE Araxá Project – Niobium and Rare Earth Resources (April 2025)

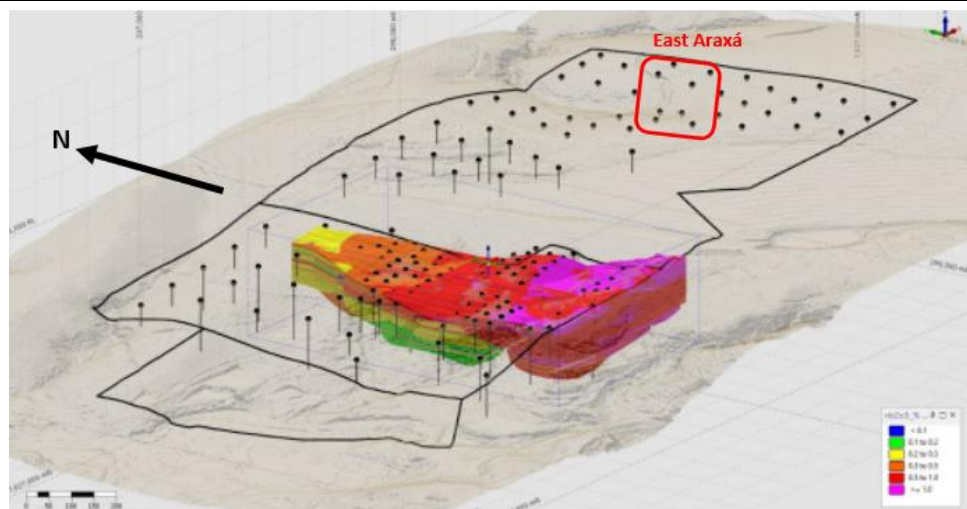
| Resource Classification | Million Tonnes (Mt) | Nb_2O_5 (%) | TREO (%) | MREO (%) | P_2O_5 (%) |
|--------------------------|---------------------|-----------------------------|-------------|-------------|----------------------------|
| Measured | 1.90 | 1.19 | 5.44 | 1.04 | 7.97 |
| Indicated | 7.37 | 0.93 | 4.76 | 0.9 | 9.12 |
| M&I | 9.27 | 0.99 | 4.9 | 0.92 | 8.89 |
| Inferred | 31.93 | 0.59 | 3.82 | 0.72 | 8.12 |
| Total⁵ | 41.20 | 0.68 | 4.07 | 0.77 | 8.3 |

Source: Company. Note: The Maiden MRE also includes a significant phosphate content at 8.3%.

Resource upside – 10,000m drilling program in progress

The Maiden Resource was defined from only 3,764m of drilling. A 10,000m drilling program is currently in progress: 2,700m of Resource definition infill drilling to upgrade Inferred to Indicated, and 7,200m of diamond drilling focused on resource expansion to the east, west, north and at depth (Fig. 17).

Figure 17: Infill and expansion drill program at Araxá relative to current Resource envelope



Source: Company, Petra Capital. Note: Colour scale in the Resource represents Nb_2O_5 grade (%)

October 2025

The first assays announced on 17 Sep. from Resource expansionary holes drilled 1km east of Araxá's existing MRE (Fig. 17) delivered wide, shallow, and high-grade niobium and rare earth intercepts:

- 48m @ 5.71% TREE from 2m incl. 15m @ 12.6% TREO from 4m.
- 40m @ 2.62% TREE and 1.05% Nb₂O₅ from surface incl. 8m @ 4.38% TREE from 35m.
- 32m @ 1.04% Nb₂O₅ from 11m incl. 6m @ 2.41% TREE from 11m.

The magnet & heavy rare earths grades at East Araxá are higher than in the existing MRE with:

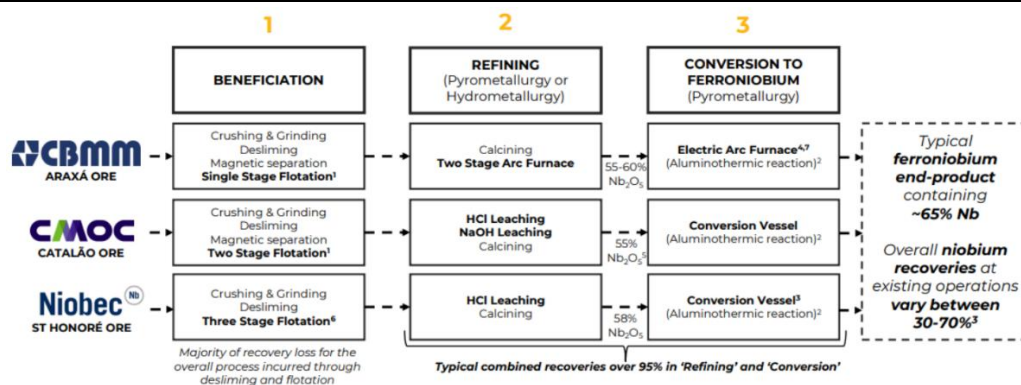
- NdPr values up to 3.96% NdPr.
- Dysprosium (Dy), Terbium (Tb), Lutetium (Lu), Gadolinium (Gd) making up 0.15% of TREE.
- High Samarium (Sm) making up to 0.26% of TREE – the main material in Samarium Cobalt magnets used in F-35 fighter planes and other military equipment.

Note: these holes were drilled vertically to a maximum depth of just 50m. The East Araxá discovery indicates potential to add a significant tonnage of near surface, high-grade rare earths and niobium mineralisation to an updated MRE which will feed into a Niobium Economic Study (Mar. Q'26).

Niobium: conventional, industry standard processing circuit

Metallurgical testwork is underway to inform a processing flowsheet, but early results show that the ore is amenable to processing via the beneficiation, refining, and pyrometallurgical flowsheet employed by long-established (50yrs) and neighbouring ferroniobium producer CBMM. The similarity in geology to CBMM and the employment of ex-CBMM technical staff are important derisking factors (Figs. 18,19).

Figure 18: Ferroniobium flowsheets



Source: WA1

Figure 19: SGQ's project delivery team; in-country experts with combined +100 years' experience

| Brazil Team | |
|--|---|
| Director, ESG and Technical Development: Thiago Amaral Engineer with more than 17 years experience with CBMM including Head of Sustainability (including licensing and ESG management); Global Quality and Product Regulation; and Business Development in China | Director, Corporate Development: Caue (Paul) Araujo Experienced natural resources executive, previous roles include Global General Manager (Mine Finance) at Palaris; Partner / Regional Director - Investment and Business Planning at Hatch in Perth (Advisory); and SRK Consulting - General Manager Brazil. |
| Director, Mining Operations: Adriano Rios Engineer with more than 23 years experience at CBMM including as Production Manager, responsible for planning, managing and monitoring mineral processing and metallurgy units. | Group Exploration Manager: Wanderly Basso Brazilian trained geologist with technical qualifications in Brazil and Australia. Experience in managing a full suite of geological activities in Brazil including exploration, metallurgy, resource modelling and mining. |
| Consultant, Plant Engineer: Carlos Alberto de Araujo Industrial project engineer who managed the design, construction and commissioning of CBMM's technologically advanced niobium processing plant at Araxá. | Advisor to the Board: Adolfo Sachsida Highly credentialled business leader – ex-Minister of Mines and Energy (2022); Chief Secretary of Economic Affairs, Ministry for the Economy; and Secretary of Economic Policy, Ministry for the Economy |
| Consultant, Mineral Processing: Ricardo Maximo Nardi Former Head of Mineral Production Process at CBMM with more than 30 years' experience in niobium mineral processing. | Permitting Advisor: Alger Consultoria – Germano Vieira Advisor on environmental and heritage matters; former Secretary of Environment and Development |

Source: Company

Rare Earths: development path – likely MREC via a separate plant

We believe that an Economic Study on the Araxá Rare Earths will follow the release of the Niobium Economic Study. While the final decision on the rare earth end-product (monazite concentrate, Mixed Rare Earth Carbonate (MREC), Mixed Rare Earth Oxide (MREO), or separated oxides) has still to be decided, we suggest that a combination of customer demand, capital intensity, and available technology, will see the intermediate MREC as the most likely (at least initially) production outcome.

On 10 September, SGQ announced that it had entered into a MOU with US-based REAlloys Inc to create a strategic alliance for both parties to collaborate on the commercialisation of SGQ's rare earth endowment at the Araxá Project. The MOU establishes the framework for the parties' collaboration and will guide the finalisation of definitive agreements, with the understanding that it will lapse if no offtake agreement is reached within 120 days. REAlloys Inc. is a downstream magnet (incl. NdFeB, SmCo) material, critical metals and alloy manufacturing company based in Ohio, USA. REAlloys Inc is completing a listing on NASDAQ through a business combination with Blackboxstocks Inc (NASDAQ: BLBX), which will see it emerge as one of the major listed REE magnet material makers in the US.

Importantly, intermediate product has already been produced from Araxá; a rare earths oxalate (high purity precursor to oxides) was produced from a pilot plant study by MBAC in 2012/2013. Samples of this product will be delivered to REAlloys for completion of metallurgical testwork and processing studies. SGQ is also continuing metallurgical studies, including with MagBras (a public-private initiative to establish a rare earths magnet making facility in Brazil) to determine the optimal production flowsheet. Notably, there is potential for SGQ to reassemble and upgrade the pilot plant (which is in storage at a SGQ warehouse) for a small capital outlay (PCE A\$5m). This would fast-track metallurgical test work and process flow optimisation and could also deliver saleable product potentially as early as 2028. Ahead of the Rare Earths Economic Study (likely in Jun. Q'26), we forecast a relatively small operation (0.2Mtpa) processing higher MREE grade material (in tailings from the niobium operations and/or from higher grade primary ore which would be preferentially targeted) to produce ~11,000tpa of MREC.

Permitting / infrastructure

The Project is located in an established mining district, 6km from the town of Araxá (pop. 112,000), with existing transport and telecommunication infrastructure, access to skilled and unskilled labour, low-cost renewable grid power (hydroelectricity), water (borehole and mains), and is in the State of Minas Gerais which is Brazil's premier mining state, and which has a successful history of mine permitting. In October 2024, SGQ signed a non-binding MoU with the State Government of Minas Gerais (Invest Minas) where the State will assist with progressing regulatory approvals in an accelerated manner in recognition of SGQ's significant proposed investment in the region (Fig. 20). The MoU is similar to the MoU with Latin Resources (ASX:LRS) which resulted in their Preliminary Licence being issued in nine months, compared to the typical 3-4 years. Environmental and heritage studies are underway, together with submissions to the relevant agencies; SGQ point to the potential to have permitting completed in 2026. SGQ has appointed Alger Consultoria e Assessoria Juridica (Alger) to advise on socio-environmental and cultural heritage matters in connection with the licensing of the proposed mining operation. Alger has previously assisted with licensing for Sigma Lithium (NASDAQ:SGML), Latin Resources, Meteoric Resources (ASX:MEI) and other mining projects in Minas Gerais.

Figure 20: SGQ management and Minas Gerais State representatives sign MoU (Oct.'24)



Source: Company

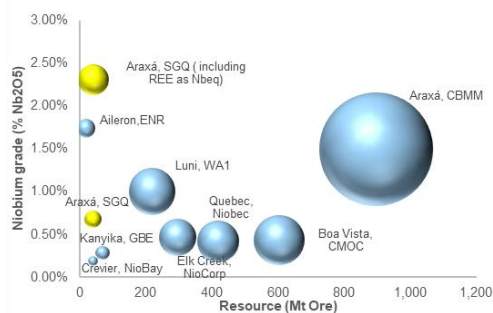
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Peer comparison - Araxá is a globally significant deposit

Niobium

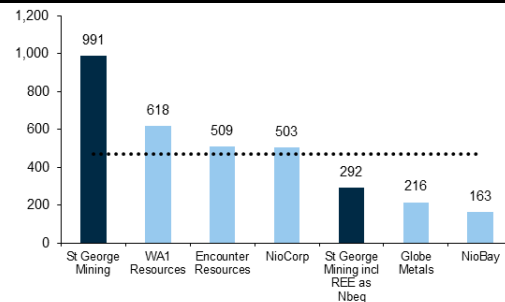
With niobium production so concentrated, SGQ's recently reported Maiden Resource of 41.2Mt @ 0.68% Nb₂O₅ for 280,000t of contained Nb₂O₅ makes the Araxá Project a globally significant standalone play. Including the rare earth endowment (i.e., converting the rare earths to Nb equivalent tonnes) increases the resource size and grade significantly (Fig. 21). We also note, the Resource has been defined from limited historical shallow drilling (3,764m, 80% of holes drilled to 60m or less). The drilling program now underway is likely to see the Resource increase significantly; we see potential for it to double. We calculate that SGQ is trading at A\$991/t of contained Nb₂O₅ versus a developer peer average of A\$470/t (Fig. 22). We suggest this position reflects SGQ's clearer path to near-term production, and also potential growth in the resource base with the current 10,000m drill campaign designed to deliver a significant expansion in the Resource and a new zone of high-grade niobium and rare earths recently discovered 1km east of the MRE. We note there is little apparent value being ascribed to the REE's at Araxá, with this a potential catalyst as the size and development pathway are better defined and understood by the market. SGQ is targeting first Nb production by end 2027 to become the first new producer in the space for some time (and ahead of peer niobium developers WA1 and Encounter Resources in Australia, Globe Metals in Malawi, NioBay in Canada, and NioCorp in the US). We exclude existing producers from our comps analysis; CBMM and Niobec (private companies) and CMOC (multicommodity/sector exposure in several jurisdictions).

Figure 21: Niobium Resources in Mt and grade



Source: Companies, Petra Capital. Bubble size = contained Nb

Figure 22: Developer peer group (A\$/t Nb in Resource)

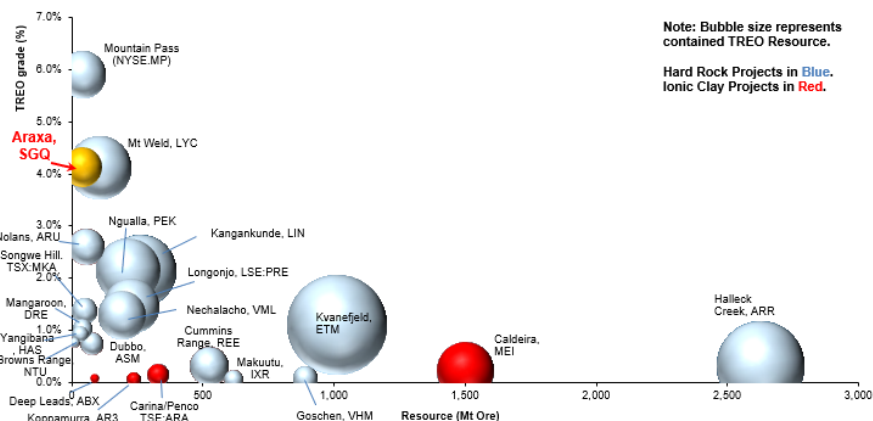


Source: Companies, Iress, compiled by Petra Capital

Rare Earths

Araxá's Maiden Resource of 41Mt @ 4.13% TREE is one of the highest grading Resources globally, on par with LYC's Tier-1 Mt Weld Resource and exceeded only by the Mountain Pass Resource (Fig. 23). There is strong potential for the Araxá REE resource to continue growing as drilling progresses.

Figure 23: Rare Earth Projects - Resources in Mt ore and grade TREE (%)



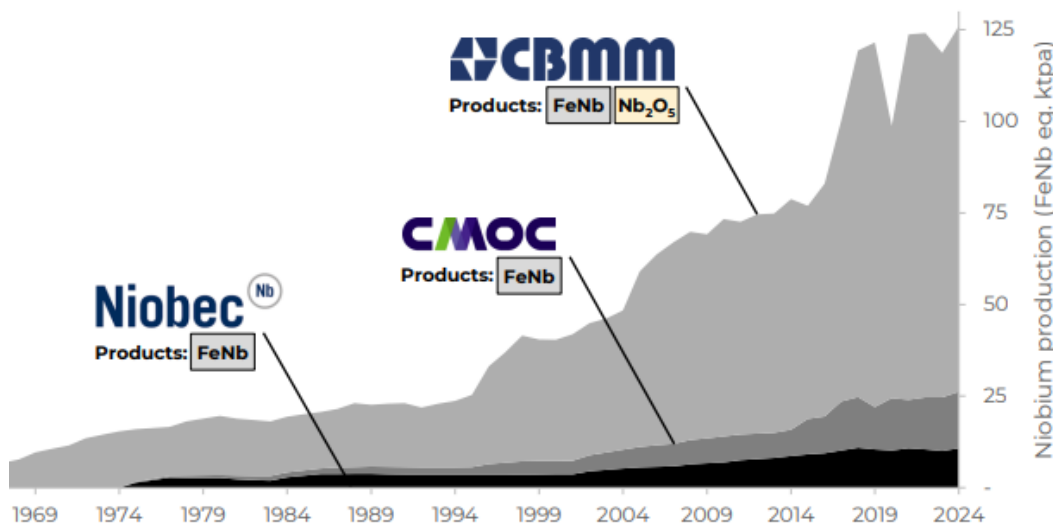
Source: Companies, compiled by Petra Capital

Niobium market

Highly concentrated supply

Current global niobium demand is ~125,000tpa with 90% of supply coming from CBMM and CMOC's Brazilian operations and 10% from Niobec's Canadian operations (Fig. 24).

Figure 24: Global niobium production dominated by three producers - CBMM, CMOC, Niobec



Source: WA1

Growing demand as a battery metal

Niobium consumption is primarily as an additive to produce high strength low alloy (HSLA) structural steel; ferroniobium accounts for just under 90% of global niobium demand. However, demand from the battery industry for niobium oxide as both an anode and cathode material is growing as the next generation of battery chemistries emerge (Fig. 25). The world's largest supplier of niobium products, CBMM, is spearheading these developments, with plans to invest US\$80m in expanding its niobium oxide production capacity to 40,000tpa by 2030 from 10,000tpa.

Figure 25: Niobium – a critical mineral on both the US and EU Critical Mineral Lists

Niobium – Future Facing Mineral

Essential for modern high-tech applications

STGEORGE
MINING LIMITED

Niobium is produced into Ferroniobium (88% of demand) and Niobium oxide (12%) with demand for Niobium oxide accelerating due to increasing use in battery technologies¹

| Ferroniobium | Niobium Oxide | Battery Technologies |
|---|---|--|
| <ul style="list-style-type: none"> Widely used in the steel industry to deliver performance improvements Niobium alloys create stronger, corrosive resistant and lighter steel – ideal for many industrial applications Key uses are: <ul style="list-style-type: none"> Pipelines Automobiles Structural steel for construction Water resistant machinery Other stainless steel | <ul style="list-style-type: none"> Niobium oxide is produced through further refinement of ferroniobium Niobium has the greatest magnetic penetration of any element, making it ideal for super-conductive magnets Key markets are: <ul style="list-style-type: none"> MRI equipment Optical lenses Superconductive magnets High temperature alloys for aerospace and defence | <ul style="list-style-type: none"> Niobium in battery technologies is a high-growth market Niobium can deliver remarkable improvements in battery performance and battery life Key battery enhancements: <ul style="list-style-type: none"> Ultra-fast charging (6 minutes) Greater stability allowing 20,000 charge and discharge cycles 10X increased battery life Smaller batteries |

Source: SGQ

Brazil is a well-established mining location

Mining contributed ~4% to Brazil's 2023 GDP, providing direct employment to ~204,000 people and supporting a further 2.3m indirect jobs. Brazil is the second largest exporter of iron ore and a large producer of bauxite, with mining majors Vale, BHP and RIO operating assets in the country. Mineral resources are legally separate from the land where they are located. The Federal Government is the owner of all mineral resources and can grant mineral rights for exploration and mining of mineral deposits, with the majority of royalties Federal in nature. There is no history of nationalising assets. The State of Minas Gerais is amongst the most mining-orientated State in Brazil (Fig. 26).

Figure 26: Brazil has a significant mining industry, with SGQ located in the Southeast Zone



Source: *Brazilian Rare Earths, Petra Capital*

Board of Directors

John Prineas (Executive Chairman) John is a founding shareholder and director of the Company. John has a diverse range of high-level experience in mining, finance and corporate governance gained over more than 25 years' experience in the mining, banking and legal sectors. Prior to establishing St George Mining, John was Australian Country Head for Commerzbank with a focus on project and acquisition finance for resources and infrastructure projects as well as associated commodities trading.

John Dawson (Non-Executive Director) Mr Dawson has over 30 years' experience in the finance and mining sectors where he occupied very senior roles with global investment banks including Goldman Sachs and Dresdner Kleinwort Wasserstein. At Goldman Sachs, Mr Dawson was a Managing Director of FICC (Fixed Income, Currency and Commodities) for Australia. At Dresdner Kleinwort Wasserstein, Mr Dawson was Global Head of Commodities as well as the Country Head for Australia.

Sarah Shipway (Non-Executive Director) Sarah is a Chartered Accountant with extensive experience in advising on ASX company listings, financial reporting, corporate planning and equity and debt funding. Sarah has a Bachelor of Commerce from the Murdoch University and is a member of the Institute of Chartered Accountants. Sarah was appointed Non-Executive Director on 11 June 2015 and has been Company Secretary of the Company since 22 March 2012.

Figure 27: Directors' Interests

| Director | Shares | Options/Rights | Total |
|---------------|-------------------|-------------------|--------------------|
| John Prineas | 49,011,255 | 38,000,000 | 87,011,255 |
| John Dawson | 26,895,242 | 13,500,000 | 40,395,242 |
| Sarah Shipway | 13,226,402 | 13,500,000 | 26,726,402 |
| Total | 89,132,899 | 65,000,000 | 154,132,899 |

Source: *Iress, compiled by Petra Capital*



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| United States Grayson Global & Partners LLC 20 West 55 Street New York | United States TerraNova Capital Partners Suite 1402, 420 Lexington Avenue New York | Vietnam Delta West Vincom Center Building, 72 Le Thanh Ton St, Ben Nghe Ward, District 1 Ho Chi Minh City |

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