



## \$72.5m raised for Araxa

St George Mining (ASX:SGQ) has successfully raised \$72.5m to advance its Araxa Niobium-REE Project in Brazil. Araxa has the largest and highest-grade carbonatite-hosted REE resource in South America and the second highest-grade REE Resource in the Western world, with 40.6Mt @ 4.13% TREO. The MRE contains 280,000 tonnes of niobium oxide and 1.7 million tonnes of TREO. SGQ plans to continue to grow the resource, and the funds raised will be a major boost for these ambitions.

### Another sign of confidence in the project

There was major institutional demand for shares in the capital raising. \$22.5m of the proceeds came from Hancock Prospecting. Beyond being the mining company of Gina Rinehart, Hancock brings significant experience and a proven track record in the execution and delivery of rare earths projects. Moreover, Hancock was already a shareholder and deliberately chose to increase its shareholding. The remaining \$50m was raised from local and overseas institutional investors who similarly saw the project's potential.

### More to look forward to

SGQ's market capitalisation has soared from \$50m to >\$350m in 6 months, and it is for several reasons including the successful exploration which has uncovered very high-grade rare earths, the unveiling of the first JORC Resource (which occurred in April 2025), strategic alliances with REAlloys and MagBras to position the company for commercialisation and the growing awareness of the need for Western sources of niobium, of which there are so few but Araxa could fill the void. In the immediate term (the next 3-6 months), we see further upside if the company can continue its current run of exploration success. Looking further ahead, we see expansion of the resource, offtake arrangements, and momentum in niobium prices as upside catalysts.

### We see further upside to \$0.18-0.27 per share

We reiterate our most recent of valuation last updated in September 2025 - at \$682m/\$0.18 per share base case and \$1,053m/\$0.27 per share bull case. These figures represent a percentage of our NPV of Araxa, which is A\$2.07bn in our base case and \$3.2bn in our bull case. Our valuation is 33% of those figures. Please see our report from 23 September 2025 for further details on the Araxa project, our valuation of SGQ, and the key risks to our investment thesis.

Share Price: A\$0.135

ASX: SGQ

Sector: Resources

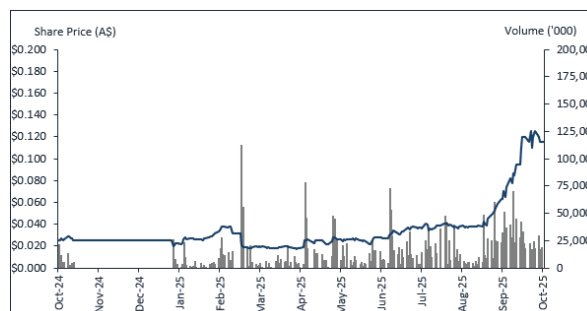
14 October 2025

Market cap. (A\$ m)	377.9
# shares outstanding (m) <sup>1</sup>	2,799.4
# shares fully diluted (m)	3,872.5
Market cap ful. dil. (A\$ m)	522.8
Free float	100%
52-week high/low (A\$)	0.15 / 0.02
Avg. 12M daily volume ('1000)	11,700.9
Website	stgm.com.au

Source: Company, Pitt Street Research

<sup>1</sup> Does not include 725m placement shares yet to be issued.

### Share price (A\$) and avg. daily volume (k, r.h.s.)



Source: Refinitiv Eikon, Pitt Street Research

Valuation metrics	
Market cap of SGQ (A\$m)	682/1053
Discount rate	8%
% of Pitt Street's Project NPV	33%

Source: Pitt Street Research

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Disclosure: Pitt Street Research directors own shares in SGQ.

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