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# ST GEORGE MINING LIMITED

ABN 21 139 308 973

## HALF YEARLY REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2022



This Interim Financial Report does not include all the notes of the type normally included in an Annual Financial Report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2022 and any public announcements made by St George Mining Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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**DIRECTORS' REPORT**

The Directors are pleased to submit their report on St George Mining Limited for the half-year ended 31 December 2022. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows.

**DIRECTORS**

The names of the Directors who held office during or since the end of the half-year are:

John Prineas B.EC, LL.B F FIN – Executive Chairman  
Sarah Shipway B.Com, CA – Non-Executive Director  
John Dawson B.Com MBA – Non-Executive Director

**REVIEW AND RESULTS OF OPERATIONS**

A summary of revenues and results for the half-year is set out below:

	<b>31 December 2022</b>	
	<b>Revenues</b>	<b>Results</b>
	<b>\$</b>	<b>\$</b>
Revenues and (Loss)	49,596	(4,867,394)

During the six months period the exploration and evaluation expenditure was \$3,657,737 (2021: \$3,400,634). In accordance with the Group's accounting policy these costs were written off. Administration costs were \$1,226,493 (2021: \$967,955) and share based payments expense were \$32,760 (2021: \$146,931), resulting in a total loss for the six months of \$4,867,394 (2021: \$4,481,157).

REVIEW OF OPERATIONS

The Board is pleased to present the Review of Operations for the half-year ended 31 December 2022

**MT ALEXANDER PROJECT – LITHIUM**

***Lithium potential established:***

St George’s Mt Alexander Project is emerging as a key landholding in an underexplored lithium province first identified by Red Dirt Metals (ASX: RDT) – see ASX Release by Red Dirt dated 28 September 2021 *Mt Ida – A New Lithium Province*.

The geological setting of the pegmatites mapped at Mt Alexander is interpreted to be similar to the significant pegmatite-hosted lithium discovery made by Red Dirt at its Mt Ida Project, approximately 15km south of Mt Alexander.



Figure 1 – photos of pegmatite outcrop at Mt Alexander. Rock chip sampling has confirmed a geochemistry favourable for the presence of lithium pegmatite mineralisation.

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Field mapping of pegmatites at Mt Alexander has identified numerous pegmatites along a north-south corridor adjacent to the Copperfield Granite. The geochemistry of rock chip samples from these pegmatites indicates fertility for lithium, caesium and tantalum pegmatites. In particular, assays for these samples include many results with high-grade lithium values of more than 1% Li<sub>2</sub>O.

The highest value of lithium was identified in sample MARK238 which returned assays of **3.25% Li<sub>2</sub>O, 225ppm Cs<sub>2</sub>O, 53ppm Ta<sub>2</sub>O<sub>5</sub> and 1.24% Rb**. For further details of these rock chip samples see our ASX Release dated 7 November 2022 *Drilling Intersects Pegmatites with Visible Lithium*.

St George increased its landholding across the highly prospective pegmatite corridor parallel to the Copperfield Granite with the 100% acquisition of Exploration Licence E29/1143 and application for Prospecting Licence P29/2680.

The additional ground is contiguous with St George’s existing Mt Alexander tenure providing near-continuous coverage over 15km of the pegmatite corridor, plus the critical contact with the Copperfield Granite – the interpreted source of the mineralised pegmatites.

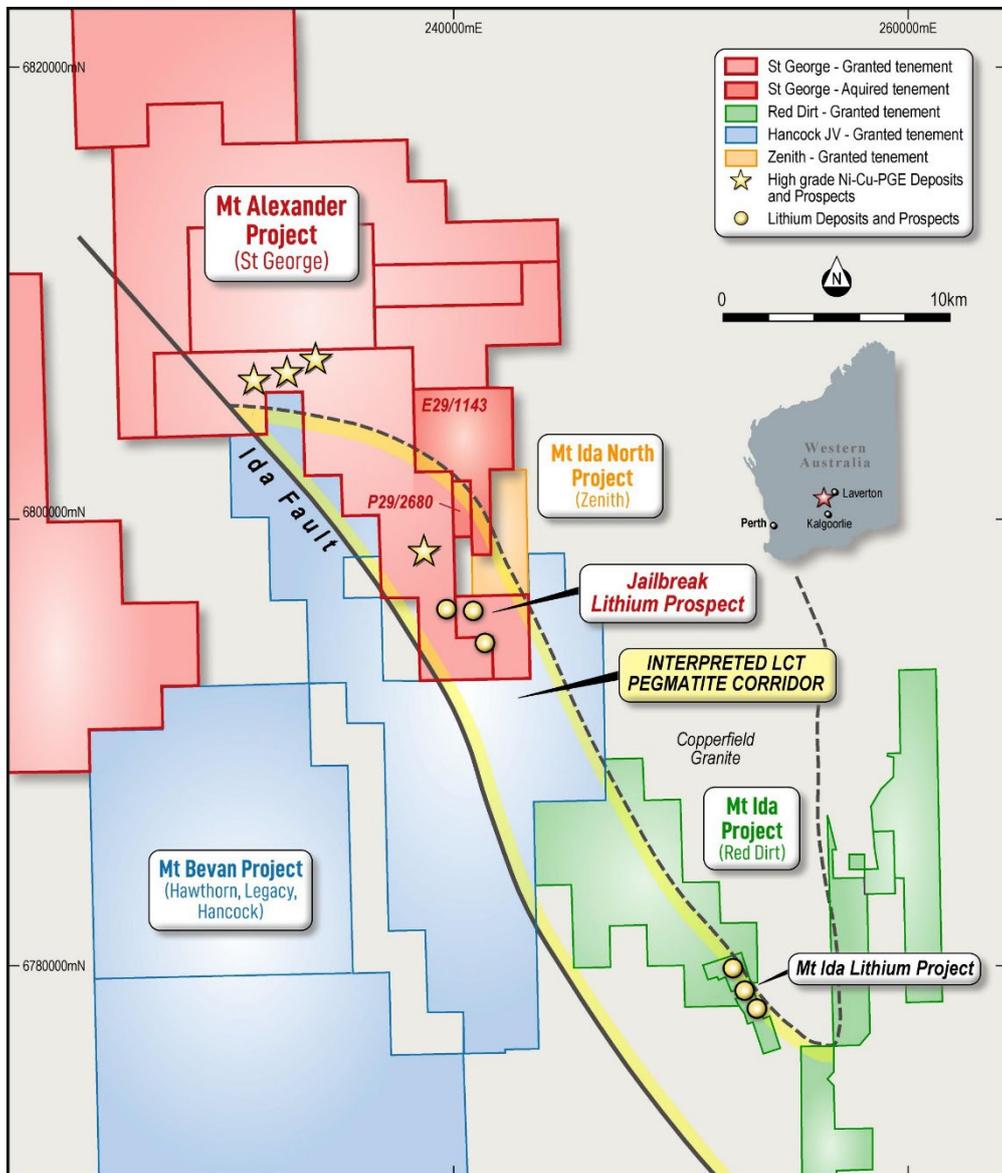


Figure 2 – map showing the interpreted prospective LCT pegmatite corridor, the new tenements acquired/applied for by St George and the lithium projects along strike to St George’s Mt Alexander.

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St George completed its first-ever lithium drilling during the December 2022 quarter. Drilling was focused on testing several lithium-bearing pegmatite outcrops and confirmed that the fertile pegmatites extend from surface up to depths of 200m.

In total, 23 drill holes – both RC and diamond – were completed to test pegmatites for 2,409m drilled. Of those, 20 drill holes intersected pegmatites with intersections up to 13m thick.

Laboratory assays have returned several high-grade lithium values, supporting the fertility and continuity of the pegmatites below surface. High-grade lithium values above **1% Li<sub>2</sub>O** were returned in six intersections of the 2022 drilling with a peak value of **1.8% Li<sub>2</sub>O** (MARC158).

This is an important exploration milestone for Mt Alexander and provides encouragement for the potential for systematic exploration of the extensive pegmatites at Mt Alexander to delineate significant lithium mineralisation. The 2023 drilling commenced in February 2023.



Figure 3 – photo of drill core from MAD214 completed in December 2022 which intersected 5m of pegmatites from 49.5m downhole.

### MT ALEXANDER PROJECT – NICKEL-COPPER-PGEs

Three RC drill holes and two diamond drill holes were completed in the December 2022 quarter to test nickel targets. These drill holes intersected intervals of thick massive and semi-massive sulphides but no apparent nickel sulphide mineralisation.

MAD212 was drilled to test electromagnetic plate P1 at the Manta Prospect and was completed to 405.6m downhole. The drill hole intersected intercalating sulphidic sediments and ultramafics from 260m to 338m downhole. Intensive alteration logged throughout this zone and in contact with intruding granites is indicative of a complex structural setting that still has the potential to host either nickel or base metal occurrences.

MAD213 was drilled to test a strong seismic reflector and was completed to 799m downhole. The drill hole intersected predominantly granite rocks. Preliminary logging indicates the hole does not contain a source for the reflector.

A review of the drill results and geophysical data is ongoing.

**About the Mt Alexander Project:**

The Mt Alexander Project is located 120km south-west of the Agnew-Wiluna Belt, which hosts numerous world-class nickel deposits. The Project comprises six granted exploration licences – E29/638, E29/548, E29/962, E29/954, E29/972 and E29/1041 – which are a contiguous package. An additional two exploration licences – E29/1093 and E29/1126 – are located to the south-east of the core tenement package.

The Cathedrals, Stricklands, Investigators and Radar nickel-copper-cobalt-PGE discoveries are located on E29/638, which is held in joint venture by St George (75%) and IGO Limited (25%). St George is the Manager of the Project, with IGO retaining a 25% non-contributing interest (in E29/638 only) until there is a decision to mine. The Jailbreak Lithium Prospect is on E29/268 and E29/962. With the exception of E29/638, all Project tenements are owned 100% by St George.

**PATERSON PROJECT**

Results for the 2022 diamond drill programme at the **Paterson Project** are under review with a report on final assays expected in the March 2023. A work programme for the Project will be determined once drill results are assessed.

The maiden diamond drill programme completed in 2022 represented a major escalation of greenfields exploration at the Project. The drilling was designed to test priority structural targets for the potential to host large copper-gold systems.

The drill core for the completed holes shows locally intense alteration and hydrothermal veining with multiple zones of sulphides. These features are evidence of hydrothermal and mineralising processes and support the potential signature of mineralisation at the Paterson Project.

*Figure 4 – core from 236m depth within PDD002 completed at the Paterson Project showing disseminated and semi-massive sulphide as void infill within strongly altered breccia.*



OTHER EXPLORATION ACTIVITIES

Stakeholder engagement is continuing with private landowners at each of the **Ajana Project** and **Broadview Project**.

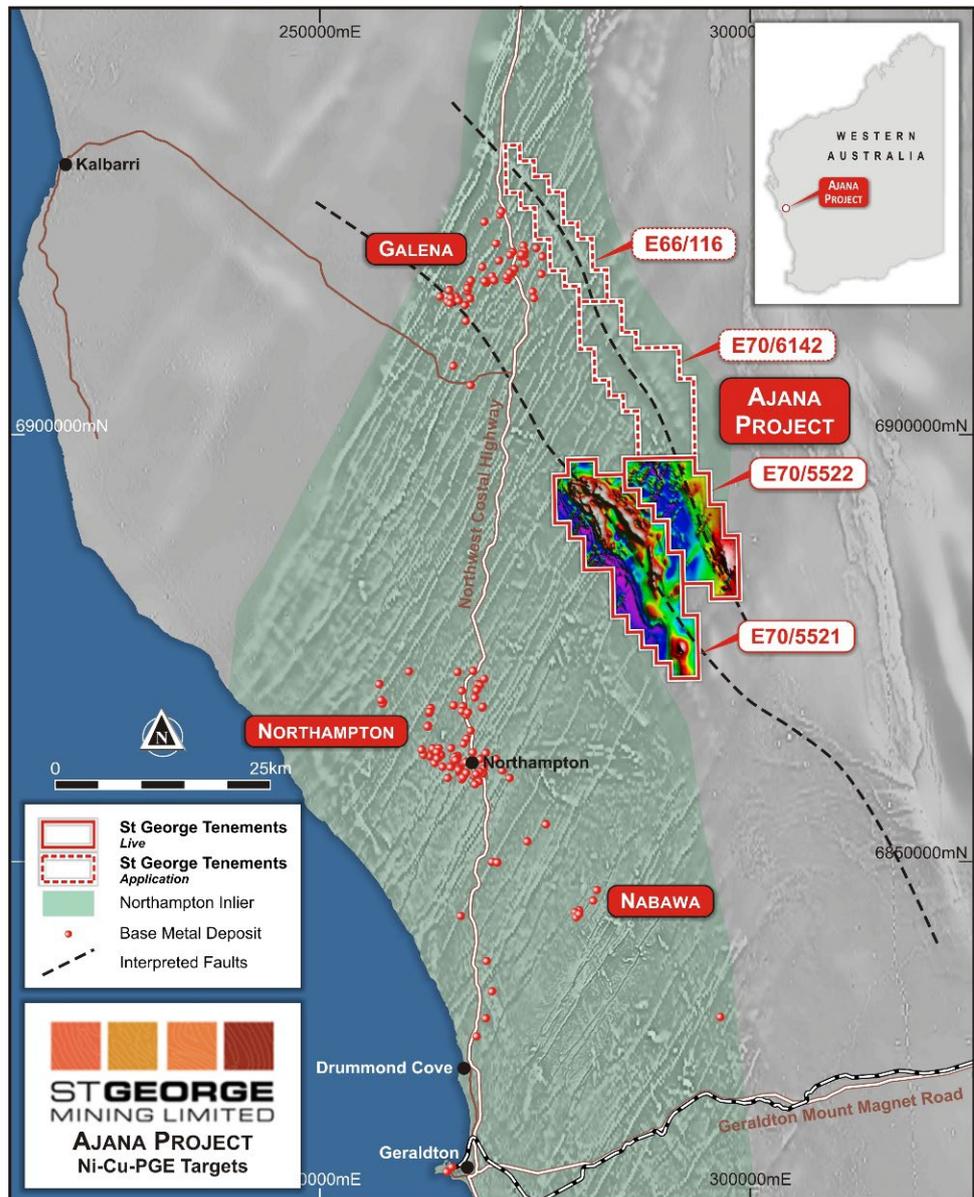
Maiden drill programmes for each Project are expected to be carried out in Q2 2023.

The drilling will be designed to test geophysical features that are interpreted to potentially be associated with mineralisation.

Initial interpretations of the geophysical data for Ajana suggest the presence of late-stage, potentially layered mafic intrusions that may be prospective to host significant Ni-Cu-PGEs.

Encouraged by these preliminary indications, the Company applied for two additional exploration licences which cover ground contiguous with the existing granted and pending exploration licences, increasing the project area from 580 sq km to 930 sq km; see Figure 5.

Figure 5 – location map for the Ajana Project showing the granted and pending exploration licences. Set against regional GSWA magnetics with new magnetic data shown within St George’s tenements.



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CORPORATE

**Capital Raisings:**

**November 2022:** On 29 November 2022, the Company announced that commitments to raise \$7.2 million had been received from investors for a placement of new shares at \$0.068 per share ("**November Placement**").

These commitments include a \$2,040,000 cornerstone investment by global battery minerals company, Shanghai Jayson New Energy Materials Co., Ltd ("**Jayson**").

A total of 105,941,190 ordinary shares were issued on 7 December 2022 under the November Placement.

Subscribers under the November Placement were also offered one (1) free-attaching option for every five (5) shares subscribed for and issued under the November Placement, with the options having an exercise price of \$0.10 and an expiry date of three years from their date of issue ("**Options**"). An Options Prospectus was issued on 8 December 2022 and the new Options, having an expiry of 13 December 2025, were issued on 13 December 2022. The Options are quoted on the ASX under code SGQO.

**December 2022:** On 21 December 2022, the Company announced that Hongkong Xinwei Electronic Co., Limited ("**Xinwei**"), a wholly-owned subsidiary of Sunwoda Electronic Co., Ltd ("**Sunwoda**") had agreed to invest \$2 million in St George by way of a placement of new shares at \$0.086 per share ("**December Placement**").

A total of 23,255,814 ordinary shares were issued under the December Placement on 5 January 2023. As the cash for this December Placement was received in January 2023, it is not included in the cash balance for the end of the December half year.

Following the above capital raisings, St George has the following listed securities:

Listed ordinary shares – SGQ	837,385,549
Listed options – SGQO	37,188,238

**Strategic Relationships:**

St George forged strategic relationships during the December 2022 quarter with three world leading lithium-ion battery companies. A Memorandum of Understanding was signed with each of the three companies to consider and negotiate strategic collaboration on lithium business opportunities including potential offtake from any mining operation at Mt Alexander.

For further details of the MoU signed with Shanghai Jayson Co., Ltd, see our ASX Release dated 30 November 2022 *St George Signs MoU with Global Battery Investor*.

For further details of the MoU signed with SVOLT Energy Technology Co., Ltd, see our ASX Release dated 8 December 2022 *St George Signs MoU with Global Battery Giant - SVOLT*.

For further details of the MoU signed with Sunwoda Electronic Co., Ltd, see our ASX Release dated 21 December 2022 *Strategic Investment in St George*.

The strong backing from our strategic partners provides St George with funding support for business expansion and development including the acquisition of new lithium and other critical metals projects.

**COMPETENT PERSON STATEMENT:**

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves for the Mt Alexander Project is based on information compiled by Mr Dave Mahon, a Competent Person who is a Member of The Australasian Institute of Geoscientists. Mr Mahon is employed by St George Mining Limited to provide technical advice on mineral projects, and he holds performance rights issued by the Company.

Mr Mahon 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'. Mr Mahon consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

This ASX announcement contains information extracted from the following reports which are available on the Company's website at [www.stgm.com.au](http://www.stgm.com.au):

- 13 July 2022 *Drilling Update for Paterson Project*
- 1 September 2022 *New Nickel Targets at Mt Alexander*
- 7 September 2022 *Significant Lithium Potential at Mt Alexander*
- 20 September 2022 *Significant Expansion of Lithium Potential*
- 5 October 2022 *Nickel Targets Confirmed at Mt Alexander*
- 12 October 2022 *High-Grade Lithium Confirmed at Mt Alexander*
- 25 October 2022 *Lithium Drilling Underway at Mt Alexander*
- 4 November 2022 *Drilling Intersects Pegmatites with Visible Lithium*
- 7 November 2022 *St George Increases Lithium Landholding*
- 30 November 2022 *St George Signs MoU with Global battery Investor*
- 8 December 2022 *St George Signs MoU with Global Battery Giant - SVOLT*
- 21 December 2022 *More Positive Lithium Results at Mt Alexander*
- 21 December 2022 *Strategic Investment in St George*

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.

**SUBSEQUENT EVENTS**

On 17 February 2023 the Company entered into the Mt Holland Area of Influence Agreement, a binding agreement whereby it has the right to potentially acquire an interest in the lithium and nickel rights of certain tenements covering parts of the Mt Holland region of Western Australia.

On 6 February 2023 the Company issued 2,695,418 fully paid ordinary shares as part consideration for an option fee that gives the Company the right to acquire certain tenements that comprise the Woolgangie Project in Western Australia - as detailed in our ASX Release dated 2 February 2023 and further referenced below.

On 2 February 2023 the Company announced that it had entered into a binding agreement for an option to acquire 100% of the Woolgangie Project. 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.

On 5 January 2023 the Company issued 23,255,814 fully paid ordinary shares at an issue price of \$0.086 per share to Honkin Xinwei Electronic Co., Limited a wholly owned subsidiary of Sunwoda Electronic Co., Ltd.

Other than the above there is no matter or circumstance that has arisen since 31 December 2022, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

**AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 13.

This report is made in accordance with a resolution of Directors.



John Prineas  
Executive Chairman  
**St George Mining Limited**  
10 March 2023

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10 March 2023

Board of Directors  
St George Mining Limited  
Suite 2, 28 Ord Street  
West Perth WA 6005

Dear Directors

**RE: ST GEORGE MINING LIMITED**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of St George Mining Limited.

As Audit Director for the review of the half year financial statements of St George Mining Limited for the period ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LIMITED**



**Martin Michalik**  
Director

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

AUSTRALIAN DOLLAR (\$)	NOTES	31 DECEMBER 2022	31 DECEMBER 2021
<b>REVENUE FROM CONTINUING OPERATIONS</b>			
Interest		17,934	2,190
Government rebates		-	21,591
Other		31,662	10,582
<b>EXPENDITURE</b>			
Administration expenses		(1,226,493)	(967,955)
Share based payments	3(b)	(32,760)	(146,931)
Exploration expenditure written off		(3,657,737)	(3,400,634)
<b>LOSS BEFORE INCOME TAX</b>		<b>(4,867,394)</b>	<b>(4,481,157)</b>
Income tax benefit		-	-
<b>LOSS AFTER INCOME TAX</b>		<b>(4,867,394)</b>	<b>(4,481,157)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will not be reclassified to Profit or Loss		-	-
Items that may be reclassified subsequently to Profit or Loss		-	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>		<b>(4,867,394)</b>	<b>(4,481,157)</b>
<b>LOSS AFTER INCOME TAX ATTRIBUTABLE TO MEMBERS OF THE COMPANY</b>			
		<b>(4,867,394)</b>	<b>(4,481,157)</b>
<b>COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO MEMBERS OF THE COMPANY</b>			
		<b>(4,867,394)</b>	<b>(4,481,157)</b>
<b>EARNINGS PER SHARE</b>			
Basic and diluted loss per share (cents)		(0.68)	(0.76)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2022

AUSTRALIAN DOLLAR (\$)	NOTE	31 DECEMBER 2022	30 JUNE 2022
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		6,297,859	4,103,089
Trade and other receivables		89,302	73,236
Other assets		134,038	124,434
<b>TOTAL CURRENT ASSETS</b>		<b>6,521,199</b>	<b>4,300,759</b>
<b>NON-CURRENT ASSETS</b>			
Security bond		71,686	71,682
Right of Use Assets	8(a)	358,374	333,064
Plant and equipment		34,880	40,081
<b>TOTAL NON-CURRENT ASSETS</b>		<b>464,940</b>	<b>444,827</b>
<b>TOTAL ASSETS</b>		<b>6,986,139</b>	<b>4,745,586</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,299,444	1,294,595
Lease Liabilities	8(b)	87,864	82,070
Provisions		253,335	238,555
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,640,643</b>	<b>1,615,220</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	8(b)	283,927	261,544
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>283,927</b>	<b>261,544</b>
<b>TOTAL LIABILITIES</b>		<b>1,924,570</b>	<b>1,876,764</b>
<b>NET ASSETS</b>		<b>5,061,569</b>	<b>2,868,822</b>
<b>EQUITY</b>			
Issued capital	3(a)	69,153,944	62,739,363
Reserves	3(b)	1,141,986	496,426
Accumulated losses		(65,234,361)	(60,366,967)
<b>TOTAL EQUITY</b>		<b>5,061,569</b>	<b>2,868,822</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

Australian (\$)	SHARE CAPITAL	ACCUMULATED	SHARE OPTIONS/ PERFORMANCE RIGHTS	TOTAL EQUITY
	\$	LOSSES	RESERVE	\$
<b>Balance at 1 July 2022</b>	<b>62,739,363</b>	<b>(60,366,967)</b>	<b>496,426</b>	<b>2,868,822</b>
Profit (loss) for the period	-	(4,867,394)	-	(4,867,394)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	(4,867,394)	-	(4,867,394)
Shares issued during the period	7,204,001	-	-	7,204,001
Share based payments	388,748	-	645,560	1,034,308
Expiry of options	-	-	-	-
Share and option issue expenses	(1,178,168)	-	-	(1,178,168)
<b>Balance at 31 December 2022</b>	<b>69,153,944</b>	<b>(65,234,361)</b>	<b>1,141,986</b>	<b>5,061,569</b>
<b>Balance at 1 July 2021</b>	<b>57,336,331</b>	<b>(52,186,650)</b>	<b>658,425</b>	<b>5,808,106</b>
Profit (loss) for the period	-	(4,481,157)	-	(4,481,157)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	(4,481,157)	-	(4,481,157)
Shares issued during the period	-	-	-	-
Share based payments	-	-	146,931	146,931
Expiry of options	-	-	-	-
Share and option issue expenses	-	-	-	-
<b>Balance at 31 December 2021</b>	<b>57,336,331</b>	<b>(56,667,807)</b>	<b>805,356</b>	<b>1,473,880</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CASH FLOWS FOR  
THE HALF YEAR ENDED 31 DECEMBER 2022

AUSTRALIAN DOLLAR (\$)	31 DECEMBER 2022	31 DECEMBER 2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Expenditure on mining interests	(3,339,887)	(2,482,165)
Payments to suppliers and employees	(1,192,953)	(1,038,450)
Interest received	9,327	2,468
Government grants	-	21,591
Other income	21,209	38,931
<b>Net cash outflow used in operating activities</b>	<b>(4,502,304)</b>	<b>(3,457,625)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment for term deposit	-	(21,450)
Purchase of plant and equipment	(2,554)	(5,951)
<b>Net cash outflow used in investing activities</b>	<b>(2,554)</b>	<b>(27,401)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issued of shares net of capital raising costs	6,753,633	-
Exercise of options	-	-
Lease payment	(54,004)	(34,469)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>6,699,629</b>	<b>(34,469)</b>
Net outflow in cash and cash equivalents	2,194,771	(3,519,495)
Cash and cash equivalents at the beginning of the half-year	4,103,088	6,370,756
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR</b>	<b>6,297,859</b>	<b>2,851,261</b>

The above consolidated statement of cash flows should be read  
in conjunction with the accompanying notes

**CONDENSED NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT**

These general purpose interim financial statements for the half-year reporting period ended 31 December 2022 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. This financial report was authorised for issue in accordance with a circular resolution of the Board of Directors on 10 March 2023. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of St George Mining Limited and its controlled entities (referred to as the "consolidated group" or "Group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2022, together with any public announcements made during the half-year.

**Accounting Policies**

There have been no material changes in the critical accounting policies compared to those disclosures in the Group's consolidated financial statements as at, and for the year ended 30 June 2022.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards. St George Mining Limited has adopted all new and revised Standards issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half year.

**New or Amended Accounting Standards and Interpretations Adopted**

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. There has been no significant impact on the disclosures or the amounts recognised in the Group's consolidated financial statements as a result of the new and revised accounting standards.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**Reporting Basis and Conventions**

The half-year report has been prepared on an accruals basis and is based on historical costs. Cost is based on the fair values of the consideration given in exchange for assets.

All amounts are presented in Australian dollars, unless otherwise noted.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

**Going Concern Basis**

The Directors have prepared the financial statements on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

The Consolidated Entity has recorded a net loss of \$4,867,394 and net operating cash outflows of \$4,502,304 for the six months ended 31 December 2022. At the last reporting date, the Group had \$6,297,859 of cash and cash equivalents.

Equity raisings or debt financing arrangements will be required in the future to fund the Group's activities. The Directors are assessing a number of options in respect of equity and debt financing arrangements, and have reasonable expectations that further funding will be arranged to meet the Company's objectives. There is no certainty that new funding will be successfully completed to provide adequate working capital for the Group.

The Board is confident that the Group will have sufficient funds to finance its operations in the next 12 months following successful completion of equity raisings or debt financing arrangements.

**NOTE 2: SEGMENT INFORMATION**

The Group operates in predominantly one business and geographical segment, being mineral exploration in Australia. The information shown in the Consolidated Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income is the same as the business segment.

**NOTE 3: ISSUED CAPITAL**

AUSTRALIAN DOLLAR (\$)	31 DECEMBER 2022 \$	30 JUNE 2022 \$
<b>(a) Issued and paid up capital</b>		
At the beginning of the reporting period	62,739,363	57,336,331
March 2022: 94,230,769 shares issued at \$0.052	-	4,800,000
April 2022: 12,749,948 shares issued at \$0.052	-	663,000
June 2022: 3,846,154 shares issued at \$0.052	-	200,000
7 December 2022: 105,941,190 issued at \$0.068	7,204,001	-
Exercise of Options	-	-
Share based payment (i)	388,748	100,000
Transactions costs arising from issue of shares	(1,178,168)	(359,968)
<b>At reporting date 811,434,317 (30 June 2022: 700,017,808) fully paid ordinary shares</b>	<b>69,153,944</b>	<b>62,739,363</b>

	31 DECEMBER 2022	30 JUNE 2022
<b>Movements in Ordinary Shares</b>	<b>Number</b>	<b>Number</b>
At the beginning of reporting period	700,017,808	589,190,937
Shares issued during the period:		
March 2022: 94,230,769 shares issued at \$0.052	-	92,307,692
April 2022: 12,749,948 shares issued at \$0.052	-	12,749,948
June 2022: 3,846,154 shares issued at \$0.052	-	3,846,154
7 December 2022: 105,941,190 issued at \$0.068	105,941,190	-
Share based payment (i)	5,475,319	1,923,077
Exercise of options	-	-
<b>Balance at reporting date</b>	<b>811,434,317</b>	<b>700,017,808</b>

(i) During the period the following share-based payments were made:

- (a) On 9 November 2022 the Company issued 1,250,000 fully paid ordinary shares in the Company for information in connection with a tenement; and
- (b) On 7 December 2022 the Company issued 4,225,319 fully paid shares in the Company as consideration for the acquisition of tenement E29/1143.

**(b) Reserve**

**AUSTRALIAN DOLLAR (\$)**

	31 DECEMBER 2022	30 JUNE 2022
	\$	\$
<b>Issued Options/Performance Rights</b>		
At the beginning of the reporting period	496,426	658,425
Share based payments expense	32,760	349,501
Options based payments	612,800	-
Expiry of options transferred to accumulated losses	-	-
Expiry of performance rights	-	(511,500)
<b>At reporting date</b>	<b>1,141,986</b>	<b>496,426</b>

**(a) Performance Rights**

	31 DECEMBER 2022	30 JUNE 2022
<b>Movements in Performance Rights</b>	<b>Number</b>	<b>Number</b>
At the beginning of reporting period	-	265
Issued during the period	-	-
Expired during the period	-	(265)
<b>Balance at reporting date</b>	<b>-</b>	<b>-</b>

(b) Performance Options

	31 DECEMBER 2022	30 JUNE 2022
	Number	Number
<b>Movements in Performance Rights</b>		
At the beginning of reporting period	-	-
Issued during the period	10,500,000	-
Expired during the period	-	-
<b>Balance at reporting date</b>	<b>10,500,000</b>	<b>-</b>

The Performance Options issued in the period have the following milestones attached to them:

- (i) **Class A Performance Options:** Vesting on the Company reaching a market capitalisation of AUD100m, based on a volume weighted average price of the Company's shares over 20 consecutive trading days on which the Company's shares have traded on or before 31 December 2024.
  - (ii) **Class B Performance Options:** Vesting on the Company reaching a market capitalisation of AUD150m, based on a volume weighted average price of the Company's shares over 20 consecutive trading days on which the Company's shares have traded on or before 31 December 2025.
  - (iii) **Class C Performance Options:** Vesting on the Company announcing a JORC compliant Inferred Mineral Resource (as defined in the JORC Code 2012 Edition) at any of the Company's Project of not less than:
    - (a) 1,000,000 ounces of Au (at a cut-off grade of 0.3g/pt);
    - (b) 50,000t contained Ni (at a cut-off grade of 0.3%);
    - (c) 10,000t contained Co (at a cut-off grade of 0.1%);
    - (d) 100,000t contained Cu (at a cut-off grade of 0.2%); or
    - (e) 1,000,000t contained Li (at a cut-off grade of 0.5%).
- by 30 June 2026.
- (iv) **Class D Performance Options:** Vesting on the Company announcing that the board has resolved to proceed with a decision to mine at any of its Projects by 31 December 2026.

The performance Options were ascribed the below value:

Class	Date of Issue	Number of Performance Options	Expiry Date	Number of Ordinary Shares on Achievement	Price of Shares (\$)	Total Value (\$) (i)	Expense for the period (\$)
<b>Class A</b>	29.09.22	2,250,000	31.12.24	2,250,000	0.035	78,750	9,366
<b>Class B</b>	29.09.22	2,250,000	31.12.25	2,250,000	0.035	78,750	6,822
<b>Class C</b>	29.09.22	3,000,000	31.12.25	3,000,000	0.035	105,000	8,831
<b>Class D</b>	29.09.22	3,000,000	30.06.26	3,000,000	0.035	105,000	7,741
<b>Total</b>	-	<b>10,500,000</b>	-	<b>10,500,000</b>	-	<b>367,500</b>	<b>32,760</b>

- (i) The value of the rights was determined as per the date the rights were issued.

Options to take up ordinary shares in the capital of the Company are as follows:

Exercise Period (On or Before)	Exercise Price (\$)	Opening Balance 1 July 2022 Number	Options Issued Number	Options Exercised/Expired Number	Closing Balance 31 December 2022 Number
24.03.24	\$0.094	5,000,000	-	-	5,000,000
13.12.25	\$0.10	-	35,188,238	-	35,188,238

**NOTE 4: CONTINGENCIES**

There have been no significant changes to commitments or contingencies since 30 June 2022.

**NOTE 5: SUBSEQUENT EVENTS**

On 17 February 2023 the Company entered into the Mt Holland Area of Influence Agreement, a binding agreement whereby it has the right to potentially acquire an interest in the lithium and nickel rights of certain tenements covering parts of the Mt Holland region of Western Australia.

On 6 February 2023 the Company issued 2,695,418 fully paid ordinary shares as part consideration for an option fee that gives the Company the right to acquire certain tenements that comprise the Woolgongie Project in Western Australia - as detailed in our ASX Release dated 2 February 2023 and further referenced below.

On 2 February 2023 the Company announced that it had entered into a binding agreement for an option to acquire 100% of the Woolgongie Project. 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.

On 5 January 2023 the Company issued 23,255,814 fully paid ordinary shares at an issue price of \$0.086 per share to Honkin Xinwei Electronic Co., Limited a wholly owned subsidiary of Sunwoda Electronic Co., Ltd.

Other than the above there is no matter or circumstance that has arisen since 31 December 2022, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

#### **NOTE 6: ESTIMATES AND ASSUMPTIONS**

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

##### ***Future Rehabilitation***

The Group measures the cost of future rehabilitation in relation to its tenements based on probable cost estimations at the date upon which tenements are altered from their original state. Estimated values are determined using local data available. No rehabilitation provision is considered necessary at 31 December 2022.

##### ***Share-based payment transactions***

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instrument at the date at which they are granted. The fair value of the performance options granted was measured at the market price on date of issue.

A probability of 80% has been applied to milestone A, 60% has been applied to Milestone B and 100% has been applied to Milestone C and D of occurring for the performance options on issue.

##### ***Valuation of Right of Use Assets***

The Group measures the lease transactions by reference to the market interest rate which is used to calculate the discounted cash flow in relation to its leases. The decision in terms of the length of leases is determined by the contract.

**NOTE 7: SUBSIDIARIES**

The parent entity, St George Mining Limited, has 100% interest in Desert Fox Resources Pty Ltd, Blue Thunder Resources Pty Ltd and Destiny Nickel Pty Ltd. St George Mining Limited is required to make all the financial and operating decisions of these subsidiaries.

Subsidiaries of St George Mining Limited	Country of Incorporation	Percentage Owned %	
		31 December 2022	30 June 2022
Desert Fox Resources Pty Ltd	Australia	100%	100%
Blue Thunder Resources Pty Ltd	Australia	100%	100%
Destiny Nickel Pty Ltd	Australia	100%	100%

On 7 February 2023 the Company incorporated Dragon Lithium Pty Ltd and on 27 February 2023 the Company incorporated Lithium Stay Pty Ltd, these Company's are 100% owned subsidiaries of St George Mining Limited

**NOTE 8: RIGHT OF USE ASSETS AND LEASE LIABILITIES**

**(a) Right of use assets:**

	31 DECEMBER 2022	30 JUNE 2022
	\$	\$
Cost	600,513	527,491
Accumulated depreciation	(242,139)	(194,427)
<b>Carrying value at end of period</b>	<b>358,374</b>	<b>333,064</b>
Opening net carrying value	333,064	50,029
Additions	73,022	359,266
Depreciation for the period	(47,712)	(76,231)
<b>Carrying value at end of period</b>	<b>358,374</b>	<b>333,064</b>

**(b) Lease liabilities**

	31 DECEMBER 2022	30 JUNE 2022
	\$	\$
<b>Current</b>		
Property lease liability	87,864	82,070
<b>Non-current</b>		
Property lease liability	283,927	261,544
<b>Total lease liabilities</b>	<b>371,791</b>	<b>343,614</b>

**Property leases**

The above right-of-use asset (ROU) and lease liability relate to the office lease and storage lease entered into by the Group.

The right-of-use asset is measured at the amount equal to the lease liability at initial recognition and then amortised over the life of the lease.

The right-of-use asset is being depreciated over the lease term on a straight-line basis which is approximately 60 and 36 months for the office and storage lease, respectively, in place at 31 December 2022. Depreciation expense of \$47,712 was included in corporate administration expense in the consolidated statement of profit or loss and other comprehensive income.

At initial recognition, the lease liability was measured as the present value of minimum lease payments using the Group's incremental borrowing rates between 5.4% and 11.24%. The incremental borrowing rate was based on the unsecured interest rate that would apply if finance was sought for an amount and time period equivalent to the lease requirements of the Group. Each lease payment is allocated between the liability and interest expense. The interest expense of \$9,163 was included in corporate administration expense in the consolidated statement of profit or loss and other comprehensive income. Lease payments during the period was \$54,004 including interest.

**Option to extend or terminate**

The Group uses hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

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**DIRECTORS' DECLARATION**

The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 14 to 25 are in accordance with the Corporations Act 2001 and:
  - (a) comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the financial position as at 31 December 2022 and of the performance for the 6 months ended on that date of the Group;
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



John Prineas  
**Executive Chairman**  
St George Mining Limited  
Perth, 10 March 2023

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ST GEORGE MINING LIMITED

### Report on the Half-Year Financial Report

#### *Conclusion*

We have reviewed the half-year financial report of St George Mining Limited, which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of St George Mining Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### *Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company on 10 March 2023.

#### *Responsibility of the Directors for the Financial Report*

The directors of St George Mining Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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*Auditor's Responsibility for the Review of the Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
**(An Authorised Audit Company)**

*Stantons International Audit & Consulting Pty Ltd*



**Martin Michalik**  
Director

West Perth, Western Australia  
10 March 2023

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