

ST GEORGE MINING LIMITED  
ACN 139 308 973

NOTICE OF ANNUAL GENERAL MEETING

AND

EXPLANATORY MEMORANDUM

IMPORTANT INFORMATION

*This is an important document that should be read in its entirety.  
If you do not understand it you should consult your professional advisers without delay.*

*If you wish to discuss any aspect of this document with the Company please contact  
Ms Sarah Shipway on telephone (+61 8) 9322 6600.*

The Annual Report is available online at [www.stgm.com.au](http://www.stgm.com.au)

ST GEORGE MINING LIMITED  
ACN 139 308 973

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of St George Mining Limited will be held at The Boulevard Centre, 99 The Boulevard, Floreat, Western Australia at 9am (WST) on 27 November 2015 to conduct the following business and to consider, and if thought fit, to pass the following Resolutions.

AGENDA

ORDINARY BUSINESS

FINANCIAL & OTHER REPORTS

To receive and consider the financial report for the year ended 30 June 2015 and the accompanying Directors' Report, Directors' Declaration, and Auditor's Report.

RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT

To consider, and if thought fit, to pass with or without amendment, the following resolution as an **advisory resolution**:

*"That the Remuneration Report that forms part of the Directors' Report for the financial period ended 30 June 2015, be adopted."*

The Remuneration Report is set out in the Directors' Report in the Annual Report. Please note that the vote on this Resolution is advisory only and does not bind the Directors or the Company.

**Voting Exclusion**

In accordance with sections 250R and 250BD of the Corporations Act 2001, the Company will disregard any votes cast on this Resolution by any Key Management Personnel ("KMP") and a closely related party of a KMP. However, the Company need not disregard a vote if it is cast by a KMP or a closely related party of a KMP as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by a chairperson of the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides, or it is cast by a chairperson of the Meeting as proxy for a person who is entitled to vote, the proxy is undirected and the proxy form expressly authorises the chairperson to vote the proxy on this Resolution.

KMPs and their closely related parties will commit an offence under the Corporations Act if they vote in relation to this Resolution in breach of the voting restrictions.

RESOLUTION 2 – RE-ELECTION OF MS SARAH SHIPWAY AS A DIRECTOR

To consider, and if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

*"That Ms Sarah Shipway, having retired in accordance with the Company's Constitution and the Listing Rules, and being eligible, offers herself for re-election, be re-elected as a Director of the Company with immediate effect."*

### RESOLUTION 3 – RE-ELECTION OF MR TIM HRONSKY AS A DIRECTOR

To consider, and if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

*"That Mr Tim Hronsky, having retired in accordance with the Company's Constitution and the Listing Rules, and being eligible, offers himself for re-election, be re-elected as a Director of the Company with immediate effect."*

### SPECIAL BUSINESS

#### RESOLUTION 4 - APPROVAL OF 10% PLACEMENT FACILITY

To consider, and if thought fit, to pass with or without amendment, the following resolution as a **special resolution**:

*"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed by Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person (and any associates of such person) who may participate in the 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares (and any associates of such person), if this Resolution is passed. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

#### RESOLUTION 5 - APPROVAL OF GRANT OF INCENTIVE OPTIONS TO MR TIM HRONSKY

To consider, and if thought fit, to pass with or without amendment, the following resolution as a **special resolution**:

*"That for the purposes of Listing Rule 10.14 and all other purposes, Shareholders approve the issue of up to 300,000 Class D Options and 300,000 Class E Options to Mr Tim Hronsky (or his nominee) on the terms and conditions set out in the Explanatory Memorandum."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by the Directors of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company), and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

The Company will also disregard any votes cast on this Resolution by any KMP and a closely related party of a KMP. However, the Company need not disregard a vote if it is cast by a KMP or a closely related party of a KMP as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by a chairperson of the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

KMPs and their closely related parties will commit an offence under the Corporations Act if they vote in relation to this Resolution in breach of the voting restrictions.

**RESOLUTION 6– RATIFICATION OF PRIOR ISSUE OF BROKER OPTIONS**

To consider, and if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 402,857 Broker Option on the terms and conditions set out in the Explanatory Memorandum.”*

**Voting Exclusion**

The Company will disregard any votes cast on Resolution 11 by any person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if the vote is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**DATED THIS 22 DAY OF OCTOBER 2015**

**BY ORDER OF THE BOARD**

**SARAH SHIPWAY  
COMPANY SECRETARY / DIRECTOR**

## **Notes:**

### **Definitions**

Terms which are used in this Notice and which are defined in Section 8 of the Explanatory Memorandum have the meanings ascribed to them therein.

### **Note**

If you have recently changed your address or if there is any error in the name and address used for this notice please notify the Company Secretary. In the case of a corporation, notification is to be signed by a director or company secretary.

### **Proxies**

A Shareholder who is entitled to vote at this Meeting has a right to appoint a proxy and should use the proxy form enclosed with this notice. The proxy need not be a Shareholder of the Company and can be an individual or a body corporate.

A body corporate appointed as a Shareholder's proxy may appoint a representative to exercise any of the powers the body may exercise as a proxy at the Meeting. The representative should bring to the Meeting evidence of this appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

A Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, section 249X of the Corporations Act will take effect so that each proxy may exercise half of the votes (ignoring fractions).

A proxy's authority to speak and vote for a Shareholder at the meeting is suspended if the Shareholder is present at the meeting.

The proxy form must be signed and dated by the Shareholder or the Shareholder's attorney. Joint Shareholders must each sign.

Proxy forms and the original or a certified copy of the power of attorney (if the proxy form is signed by an attorney) must be received:

- at Computershare Investors Services Pty Limited GPO Box 242 Melbourne Victoria 3001; or
- on facsimile number within Australia 1800 783 447 or outside Australia +61 3 9473 2555

not later than 9am (WST) on 25 November 2015.

Pursuant to regulation 7.11.37 of the Corporations Regulations, the Board has determined that the shareholding of each Shareholder for the purposes of ascertaining the voting entitlements for the Meeting will be as it appears in the share register at 4 pm (WST) on 25 November 2015.

### **Bodies Corporate**

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of a company's shareholders. The appointment may be a standing one.

Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

**ST GEORGE MINING LIMITED**  
**ACN 139 308 973**

**EXPLANATORY MEMORANDUM**

This Explanatory Memorandum forms part of a Notice convening the Annual General Meeting of Shareholders of St George Mining Limited to be held at The Boulevard Centre, 99 The Boulevard, Floreat, Western Australia at 9am (WST) on 27 November 2015. This Explanatory Memorandum is to assist Shareholders in understanding the background to and the legal and other implications of the Notice and the reasons for the Resolutions proposed. Certain terms used in the Notice and Explanatory Memorandum are defined in Section 8.

**1. FINANCIAL AND OTHER REPORTS**

As required by section 317 of the Corporations Act, the financial report for the year ended 30 June 2015 and the accompanying Directors' Report, Directors' Declaration and Auditor's Report will be laid before the Meeting.

Neither the Corporations Act nor the Company's Constitution requires a vote on the reports. However, Shareholders will have an opportunity to ask questions about the report at the Annual General Meeting. Shareholders will also be given a reasonable opportunity to ask the Auditor questions about the auditor's report and audit conduct. Written questions may be submitted 5 business days prior to the Meeting addressed to the Chairman and sent to the Company's registered office, about the management of the Company, or addressed to the Company's auditor and sent to the Company's registered office about audit conduct, accounting policies used by the Company and auditor independence. General questions about the management of the Company will also be taken.

**2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT**

As required by the Corporations Act, the Board is presenting the Remuneration Report to Shareholders for consideration and adoption by a non-binding vote. The Remuneration Report contains:

- information about Board Policy for determining the nature and amount of remuneration of the Company's Directors and senior executives;
- a description of the relationship between remuneration policy and the Company's performance;
- a summary of performance conditions, including a summary of why they were chosen and how performance is measured against them; and
- remuneration details for each executive and non-executive Directors, and Key Management Personnel.

The Remuneration Report, which is part of the 2015 Annual Report, has been sent to Shareholders (except those who have made an election not to receive the Annual Report). Copies of the 2015 Annual Report are available by contacting the Company's Share Registry or visiting the Company's web site ([www.stgm.com.au](http://www.stgm.com.au)).

The Meeting presents an opportunity to discuss the Remuneration Report for Shareholders who are interested in doing so. The vote on this Resolution is advisory only and does not bind the Directors or the Company.

Shareholders are informed that under recent reforms to the Corporations Act, if 25% or more of the vote on this Resolution are against adopting the Remuneration Report, the Company will be required to consider and report to Shareholders in the next Remuneration Report on what action is proposed to be (if any) or has been taken in response to Shareholder concerns, and if no action is proposed to be taken, the Board's reasons for this.

Shareholders also need to be aware that as a result of the legislation which became effective on 1 July 2011 a "two strikes" process will apply to the results of voting in relation to this Resolution. This means that if the resolution proposing adoption of the Remuneration Report receives a "no" vote of over 25% of votes cast by those attending in person or by proxy and permitted to vote, at two successive annual general meetings, then at the Company's 2015 annual general meeting, an extra resolution must be put to the meeting proposing that another general

meeting should be held within 90 days of the second annual general meeting. A simple majority of over 50% of the votes cast at the 2015 annual general meeting is required to pass this extra resolution. If the resolution is passed, within 90 days another general meeting must be held at which all the Directors, except the Managing Director and any new Directors appointed since the date of the 2015 annual general meeting, will be required to resign and offer themselves for re-election. These provisions are colloquially referred to as the "two strikes rule" and the "spill resolution" to be put to the "spill meeting".

If at the spill meeting, the resolutions are all passed against re-electing the relevant Directors, the legislation includes a mechanism to ensure the Board continues with the statutory required minimum of 3 Directors. After the Managing Director, the remaining two positions will be filled by the Directors whose re-election resolutions at the spill meeting received the highest percentage of votes in favour of re-election. If the number of votes is the same for two Directors, the Managing Director and any other Director whose re-election has been confirmed at this spill meeting, can choose who is to become the third Director, with such appointment to be confirmed by shareholders at the 2016 annual general meeting. The ramifications of this mechanism being invoked include that the Company would not be in compliance with its corporate governance policies as a result of not having three independent directors on the Company's audit committee or any other committees requiring independent directors.

Furthermore, depending on the outcome of voting at the subsequent annual general meeting, Shareholders may be obliged to consider a resolution to requiring the full Board (excluding the Managing Director) to seek re-election.

The Chairman intends to vote all available proxies in favour of adopting the Remuneration Report. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the proxy form the Shareholder is considered to have provided the Chairman with express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intentions.

### **3. RESOLUTION 2 - RE-ELECTION OF MS SARAH SHIPWAY AS A DIRECTOR**

Resolution 2 deals with the re-election of Ms Sarah Shipway who retires in accordance the Company's Constitution and Listing Rule 14.4, and being eligible, has offered herself for re-election.

Details of Ms Shipway's qualifications and experience are in the annual financial report of the Company.

All the Directors except for Ms Shipway recommend that Shareholders vote in favour of Resolution 2.

The Chairman intends to vote all available proxies in favour of Resolution 2.

### **4. RESOLUTION 3 - RE-ELECTION OF MR TIM HRONSKY AS A DIRECTOR**

Resolution 3 deals with the re-election of Mr Tim Hronsky who retires by rotation as required by the Company's Constitution and the Listing Rules and being eligible, has offered himself for re-election.

Details of Mr Hronsky's qualifications and experience are in the annual financial report of the Company.

All the Directors except for Mr Hronsky recommend that Shareholders vote in favour of Resolution 3.

The Chairman intends to vote all available proxies in favour of Resolution 3.

## 5. RESOLUTION 4 – APPROVAL OF 10% PLACEMENT FACILITY

### 5.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (“**10% Placement Facility**”). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 5.2(c) below).

The primary purpose for the 10% Placement Facility is to enable the Company to raise additional capital without additional regulatory impediments and to pursue possible future investment opportunities that may arise.

The Directors of the Company believe that Resolution 4 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

### 5.2 Description of Listing Rule 7.1A

#### (a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

#### (b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue two class of quoted Equity Securities, being Shares and Options (having the ASX codes SGQ and SGQOA).

#### (c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A is the number of shares on issue 12 months before the date of issue or agreement:

- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an

- issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (D) less the number of fully paid shares cancelled in the 12 months.

*Note that A is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.*

- D is 10%
- E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

**(d) Listing Rule 7.1 and Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 137,395,226 Shares and has a capacity to issue:

- (i) 20,609,283 Equity Securities under Listing Rule 7.1; and
- (ii) 13,739,522 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 5.1 (c) above).

**(e) Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days in which trades in the relevant class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

**(f) 10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX ("10% Placement Period").

### 5.3 Listing Rule 7.1A

The effect of Resolution 4 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 4 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

### 5.4 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days, on which trades in those securities were recorded, immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
  
- (b) If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in Table A (below). There is a risk that:
  - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
  - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset.

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

Table A shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
  
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

TABLE A

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.05 50% decrease in issue price	\$0.10 Issue price	\$0.20 100% increase in issue price
Current Variable "A" 137,395,226 Shares	10% voting dilution	13,739,522 Shares	13,739,522 Shares	13,739,522 Shares
	Funds raised	\$686,976	\$1,373,952	\$2,747,904
50% Increase in current Variable "A" 206,092,839 Shares	10% voting dilution	20,609,283 Shares	20,609,283 Shares	20,609,283 Shares
	Funds raised	\$1,030,464	\$2,060,928	\$4,121,856
100% Increase in current Variable "A" 274,790,452 Shares	10% voting dilution	27,479,045 Shares	27,479,045 Shares	27,479,045 Shares
	Funds raised	\$1,373,952	\$2,747,904	\$5,495,809

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No Options (including any Options under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities.
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example at 10%.
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.
- (v) The table shows only the effect of the issue of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes the issue of Listed Options, it is assumed that those Listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- (vii) The Issue Price is \$0.10, being the closing price of Shares on ASX on 21 October 2015.
- (viii) The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or without approval under Listing Rule 7.1, and the total number of Shares on issue and approved or deemed approved at the date hereof for the purpose of Listing Rule 7.1 is 137,395,226.

- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 4 for the issue of the Equity Securities will cease to be valid in the event that Shareholders

approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking)).

(d) The Company may seek to issue the Equity Securities for the following purposes:

- (i) non-cash consideration for the acquisition of the new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
- (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition), continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new assets or investments.

(e) The Company has obtained Shareholder approval under Listing Rule 7.1A at its 2013 and 2014 Annual General Meetings.

The Company issued 11,183,180 Equity Securities under Listing Rule 7.1A during the preceding 12 months. During the preceding 12 month period a total of 48,470,598 Equity Securities (being 25,563,420 Shares and 22,907,178 Options) were issued, which based on the number of Equity Securities on issue at the commencement of that period comprises 35% of the Company's Equity Securities. Information relating to the issue of Equity Securities in the preceding 12 months are as follows:

Date of Appendix 3B	Number of Equity Securities	Class of Equity Securities and summary of terms	Names of recipients or basis on which recipients determined	Issue price of Equity Securities and discount to Market Price <sup>1</sup> on the trading day prior to the issue	If issued for cash – the total consideration, what it was spent on and the intended use of any remaining funds
					If issued for non-cash consideration – a description of the consideration and the current value of the consideration
5 January 2015	11,183,181	Options exercisable for \$0.20 on or before 30 June 2017	Those persons who participated in the bonus issue.	Issue price was nil.	No funds were raised because the Options were issued as part of a bonus issue.
6 January 2015	2,050,000	Options exercisable for \$0.30 on or before 30 June 2017	Issue to corporate advisors who assisted with the October 2014 capital raising.	Issue price was nil.	No funds were raised because the Options were issued as fees.
9 June 2015	20,007,864	Shares	Those persons who participated in the placement the subject of the announcement dated 1/6/2015.	Issue price was \$0.07 and the closing price on the previous trading day was \$0.12.	\$1,400,550 was raised were applied towards the exploration program conducted at the East Laverton project and for general working capital purposes.
9 June 2015	6,669,288	Options exercisable for \$0.20 on or before 30 June 2017	Those persons who participated in the placement the subject of the announcement dated 1/6/2015.	Issue price was nil.	No funds were raised because the Options were issued as free attaching Options.
15 June 2015	750,000	Options exercisable for \$0.20 on or before 30 June 2017	Brokers who assisted with the placement the subject of the announcement dated 1/6/2015.	Issue price was nil.	No funds were raised because the Options were issued as fees.
29 July 2015	(a) 5,555,556 (b) 1,851,852 (c) 402,857	(a) Shares (b) Options exercisable for \$0.20 on or before 30 June 2017 (c) Options exercisable for \$0.20 on or before 30 June 2017	(a) Placement to institutional investor. (b) Placement to institutional investor. (c) Issued in consideration of advisory services.	(a) \$0.09 per Share. The closing price on the previous trading day was \$0.089. (b) Issue price was nil. (c) Issue price was nil.	\$500,000 was raised were applied towards the exploration program conducted at the East Laverton project and for general working capital purposes.

- (f) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security

holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

The Board believes that the Additional 10% Placement Facility is beneficial for the Company as it will give the Company the flexibility to issue further securities representing up to 10% of the Company's share capital during the next 12 months. Accordingly, the Board unanimously recommends that Shareholders approve Resolution 4.

The Chairman intends to vote all available proxies in favour of Resolution 4.

## **6. RESOLUTION 5 - APPROVAL OF GRANT OF EMPLOYEE INCENTIVE OPTIONS TO MR TIM HRONSKY**

### **6.1 Background**

Resolution 5 seeks Shareholder approval, pursuant to Listing Rule 10.14, for the grant a total of up to 300,000 Class D Options and 300,000 Class E Options to Mr Hronsky (and/or his nominee), under the Plan, as part of the long term incentive component of his remuneration as Technical Director of the Company.

In the Company's present circumstances, the Board considers that the grant of these Incentive Options to Mr Hronsky is a cost effective and efficient reward for the Company to make to appropriately incentivise the continued performance of Mr Hronsky and is consistent with the strategic goals and targets of the Company.

The principal terms of the Class D Options and the Class E Options to be granted to Mr Hronsky are summarised in Schedules 1 and 2 respectively .

Resolution 5 is an ordinary resolution. If Resolution 5 is not passed, no Incentive Options will be granted to Mr Hronsky under Resolution 5.

The Chairman intends to vote all available proxies in favour of Resolution 5.

### **6.2 ASX Listing Rules**

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire securities under an employee incentive scheme without the approval of ordinary shareholders:

- (a) a director;
- (b) an associate of a director; or
- (c) a person whose relationship with the entity or a person referred to in (a) or (b) above is, in ASX's opinion, such that approval should be obtained.

Resolution 5 seeks Shareholder approval, pursuant to Listing Rule 10.14, for the proposed grant of the Incentive Options to Mr Hronsky (and/or his nominee), because Mr Hronsky is a Director.

As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 is not required. Accordingly, the grant of Incentive Options to Mr Hronsky, pursuant to Resolution 5, will not reduce the Company's 15% capacity for the purposes of Listing Rule 7.1.

### **6.3 Specific Information required by Listing Rule 10.15**

Listing Rule 10.15 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval for the grant of the Incentive Options to Mr Hronsky (and/or his nominee):

- (a) the Incentive Options will be granted to Mr Hronsky, Technical Director of the Company (and/or his nominee);
- (b) the maximum number of Incentive Options to be granted to Mr Hronsky pursuant to Resolution 5 is 300,000 Class D Options and 300,000 Class E Options.
- (c) the Incentive Options will be granted as incentives and will be granted for nil cash consideration. The exercise price of the Class D Options is \$0.30 and the expiry date is 28 November 2016. The exercise price of the Class E Options is \$0.50 and the expiry date is 28 November 2017. The other terms and conditions of the Incentive Options are set out in Schedules 1 and 2.
- (d) No person has received securities under the Plan since it was re-adopted on 20 November 2014
- (e) under the rules of the Plan, the Board may grant Incentive Options to any full or part time employee or Director of the Company or an associated body corporate. Incentive Options may be granted by the Board at any time.
- (f) a voting exclusion statement is included in the Notice;
- (g) there is no loan associated with the grant of the Incentive Options; and
- (h) the Company will issue the Incentive Options as soon as practicable after the Meeting and in any event no later than 12 months (or such longer period of time as ASX may in its discretion allow) after the date of the Meeting.

## **7. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF BROKER OPTIONS**

### **7.1 Background**

On 29 July 2015, the Company issued 402,857 Broker Options to certain corporate advisors who assisted with the placement the subject of the Appendix 3B of the same date.

The Company issued the Broker Options the subject of Resolution 6 without prior Shareholder approval out of its 15% annual placement capacity under ASX listing Rule 7.1. Resolution 6 seeks Shareholder approval for the ratification of these Broker Option issues.

Listing Rule 7.4 allows an issue of securities made without the approval of shareholders to be ratified by shareholders, in order to refresh the Company's placement capacity, provided that, at the time the issue was made, the issue was made within the Company's existing placement capacity pursuant to Listing Rule 7.1.

By ratifying these issues the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### **7.2 Technical Information required by Listing Rule 7.5**

Listing Rule 7.5 requires that the following information be provided to shareholders for the purpose of obtaining shareholder approval for the purposes of Resolution 6 pursuant to Listing Rule 7.4:

- (a) the total number of equity securities granted was 402,857 Broker Options;
- (b) the Broker Options were issued for nil in cash consideration as they were issued to certain corporate advisors who assisted with the placement the subject of the Appendix 3B dated 29 July 2015.
- (c) The Broker Options are exercisable for \$0.20 on or before 30 June 2017 and otherwise on the terms and conditions set out in Schedule 3.

- (d) the Broker Options were issued to certain corporate advisors who assisted with the placement the subject of the Appendix 3B dated 29 July 2015;
- (e) The Broker Options were issued in lieu of fees to certain corporate advisors who assisted with the placement the subject of the Appendix 3B dated 29 July 2015. No funds were raised from the issue as the Broker Options were issued for nil in cash consideration.

The Chairman intends to vote all available proxies in favour of Resolution 6.

## 8. DEFINITIONS

In this Notice and Explanatory Memorandum:

“**10% Placement Facility**” has the meaning given to it in Section 5.1;

“**10% Placement Period**” has the meaning given to it in Section 5.2(f);

“**ASIC**” means the Australian Securities and Investments Commission;

“**ASX**” means ASX Limited ACN 008 624 691;

“**Board**” means the board of Directors;

“**Broker Options**” means the Options issued on the terms and conditions set out in Schedule 3.

“**Business Day**” has the meaning given to it in the Listing Rules;

“**Chairman**” means the chairman of the Board;

“**Class D Options**” means the Options proposed to be issued on the terms and conditions set out in Schedule 1;

“**Class E Option**” means the Options proposed to be issued on the terms and conditions set out in Schedule 2;

“**Company**” means St George Mining Limited (ACN 139 308 973);

“**Constitution**” means the constitution of the Company;

“**Corporations Act**” means the Corporations Act 2001 (Cth);

“**Director**” means a director of the Company;

“**Equity Securities**” has the same meaning as in the Listing Rules;

“**Explanatory Memorandum**” means this Explanatory Memorandum;

“**Incentive Options**” means those Options the subject of Resolution 5.

“**Listing Rules**” means the official listing rules of the ASX;

“**Notice**” and “**Notice of Meeting**” means the notice of meeting to which this Explanatory Memorandum is attached;

“**Official List**” means the official list of ASX;

“**Option**” means an option to acquire one Share and “**Optionholder**” has a corresponding meaning;

“**Resolution**” means a resolution set out in this Notice;

“**Schedule**” means a schedule to this Notice and Explanatory Memorandum;

“**Section**” means a section of this Explanatory Memorandum;

“**Share**” means an ordinary fully paid ordinary share in the capital of the Company and “**Shareholder**” has a corresponding meaning;

“**Trading Day**” has the meaning ascribed to that term in the Listing Rules;

“**VWAP**” has the meaning ascribed to the term “volume weighted average market price” in the Listing Rules;

“**WST**” means Western Standard Time.

## SCHEDULE 1 – TERMS AND CONDITIONS OF CLASS D OPTIONS

A summary of the terms and conditions of the Class D Options are set out below (for the purpose of this Schedule the Class D Options shall be referred to as “Options”):

The Options entitle the holder to subscribe for Shares on the following terms:

- (a) Each Option entitles the holder to subscribe for and be allotted one Share at an exercise price of \$0.30.
- (b) The Options are exercisable at any time prior to 5.00 pm WST time on 28 November 2016 by notice in writing to the Company accompanied by payment of the exercise price.
- (c) The Options are not transferable.
- (d) Shares will be allotted and issued pursuant to the exercise of Options following receipt of a properly executed notice of exercise of the Options and payment of the requisite application monies.
- (e) Shares issued upon exercise of the Options will rank equally in all respects with the other quoted Shares then on issue. The Company will apply for official quotation by ASX of all Shares issued upon exercise of the Options, subject to the requirements of the Listing Rules.
- (f) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered or made to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes for determining entitlements to any such issue, the record date will be the date as is prescribed by the Listing Rules. This will give optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (g) In the event of any new or bonus issues, there are no rights to a change in the exercise price or the number of underlying securities over which the Options can be exercised.
- (h) In the event of any re-organisation (including a consolidation, sub-division, reduction or return) of the issued capital of the Company on or prior to the expiry date, the rights of the optionholder will be changed to the extent necessary to comply with the applicable Listing Rules at the time of re-organisation.
- (i) The Company will as required by the Listing Rules send notice to the optionholders stating the name of the optionholder, the number of the Options held and the number of Shares to be issued on exercise of the Options, the exercise price, the due date for payment, and the consequence of non-payment.

## SCHEDULE 2 – TERMS AND CONDITIONS OF CLASS E OPTIONS

A summary of the terms and conditions of the Class E Options are set out below (for the purpose of this Schedule the Class E Options shall be referred to as “Options”):

The Options entitle the holder to subscribe for Shares on the following terms:

- (j) Each Option entitles the holder to subscribe for and be allotted one Share at an exercise price of \$0.50.
- (k) The Options are exercisable at any time prior to 5.00 pm WST time on 28 November 2017 by notice in writing to the Company accompanied by payment of the exercise price.
- (l) The Options are not transferable.
- (m) Shares will be allotted and issued pursuant to the exercise of Options following receipt of a properly executed notice of exercise of the Options and payment of the requisite application monies.
- (n) Shares issued upon exercise of the Options will rank equally in all respects with the other quoted Shares then on issue. The Company will apply for official quotation by ASX of all Shares issued upon exercise of the Options, subject to the requirements of the Listing Rules.
- (o) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered or made to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes for determining entitlements to any such issue, the record date will be the date as is prescribed by the Listing Rules. This will give optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (p) In the event of any new or bonus issues, there are no rights to a change in the exercise price or the number of underlying securities over which the Options can be exercised.
- (q) In the event of any re-organisation (including a consolidation, sub-division, reduction or return) of the issued capital of the Company on or prior to the expiry date, the rights of the optionholder will be changed to the extent necessary to comply with the applicable Listing Rules at the time of re-organisation.
- (r) The Company will as required by the Listing Rules send notice to the optionholders stating the name of the optionholder, the number of the Options held and the number of Shares to be issued on exercise of the Options, the exercise price, the due date for payment, and the consequence of non-payment.

### SCHEDULE 3 – TERMS AND CONDITIONS OF BROKER OPTIONS

A summary of the terms and conditions of the Broker Options are set out below (for the purpose of this Schedule the Broker Options shall be referred to as “Options”):

The following are the terms and conditions of the Options:

- (a) each Option entitles the holder to subscribe for one Share upon payment of \$0.20 (Exercise Price);
- (b) the Options are exercisable on or before 30 June 2017 at any time;
- (c) the Options will expire on 30 June 2017. Options not exercised on the expiry date will automatically lapse;
- (d) the Options may be exercised in whole or in part, by notice in writing to the Company;
- (e) holders of Options will be permitted to participate in new issues of securities only following the prior exercise of the Option, in which case the record date must be at least seven (7) Business Days, or such lesser number of days as is permitted under the ASX Listing Rules, after announcement of the new issue, to allow exercise of the Options;
- (f) Shares issued on the exercise of the Options will be issued not more than fourteen (14) days after receipt of a properly executed “form of exercise of Options” and the specified option exercise date;
- (g) Shares issued pursuant to the exercise of an Option will rank equally with the then issued Shares;
- (h) a Option does not confer the right to a change in Exercise Price or a change in the number of Shares over which the Option can be exercised; and
- (i) in the event of any reconstruction (including consolidation, subdivision, reduction or returns) of the issued capital of the Company, the number of Options or Exercise Price or both shall be reconstructed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.



**ST GEORGE**  
MINING LIMITED

ABN 21 139 308 973



┌ 000001 000 SGQ  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

**Lodge your vote:**



**By Mail:**

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

**For all enquiries call:**

(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

**Proxy Form**

**XX**

**For your vote to be effective it must be received by 9am (WST) Wednesday, 25 November 2015**

**How to Vote on Items of Business**

All your securities will be voted in accordance with your directions.

**Appointment of Proxy**

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

**Signing Instructions**

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

**Attending the Meeting**

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**Turn over to complete the form →**



View the annual report, 24 hours a day, 7 days a week:

**[www.stgm.com.au](http://www.stgm.com.au)**

Review and update your securityholding:

**[www.investorcentre.com](http://www.investorcentre.com)**

**Your secure access information is:**

**SRN/HIN: I9999999999**



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE  
 FLAT 123  
 123 SAMPLE STREET  
 THE SAMPLE HILL  
 SAMPLE ESTATE  
 SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

# Proxy Form

Please mark  to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of St George Mining Limited hereby appoint

the Chairman of the Meeting OR

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of St George Mining Limited to be held at The Boulevard Centre, 99 The Boulevard, Floreat, Western Australia on Friday, 27 November 2015 at 9am (WST) and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 5 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 5 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 5 by marking the appropriate box in step 2 below.

## STEP 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Ms Sarah Shipway as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Mr Tim Hronsky as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of grant of Incentive Options to Mr Tim Hronsky	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Ratification of prior issue of Broker Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name \_\_\_\_\_

Contact Daytime Telephone \_\_\_\_\_

Date / / \_\_\_\_\_

SGQ

999999A

Computershare +