

**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 members of St George Mining Limited will be held at Pan Pacific Perth, 207 Adelaide Terrace, Perth at 10:00am on 23 November 2016 to conduct the following business and to consider, and if thought fit, pass the following resolutions.

---

**AGENDA**

**ORDINARY BUSINESS**

**FINANCIAL & OTHER REPORTS**

To receive and consider the financial report for the year ended 30 June 2016 and 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 2016, 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.

**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.”*

**SPECIAL BUSINESS**

**RESOLUTION 3 – AUTHORISE CREATION OF PERFORMANCE SHARES**

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

*“That for the purposes of clause 3.7 of the Constitution and Section 246B of the Corporations Act and for all other purposes, the Company be authorised to create two*

*new classes of shares, namely the Class A Performance Shares and the Class B Performance Shares, on the terms and conditions described in the Explanatory Memorandum accompanying this Notice."*

#### **RESOLUTION 4 – ISSUE OF PERFORMANCE SHARES TO MR JOHN PRINEAS**

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

*"That, subject to the due passage of Resolutions 5, 6 and 7 and for the purposes of Listing Rule 10.11 and Section 208 of the Corporations Act, approval be and is hereby given to the issue of:*

- (a) 20 Class A Performance Shares and*
- (b) 20 Class B Performance Shares*

*to Mr John Prineas, a director of the Company, or his nominee on the terms and conditions set out in the Explanatory Memorandum."*

#### **RESOLUTION 5 - ISSUE OF PERFORMANCE SHARES TO MR TIM HRONSKY**

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

*"That, subject to the due passage of Resolutions 4, 6 and 7 and for the purposes of Listing Rule 10.11 and Section 208 of the Corporations Act, approval be and is hereby given to the issue of:*

- (a) 15 Class A Performance Shares and*
- (b) 15 Class B Performance Shares*

*to Mr Tim Hronsky, a director of the Company, or his nominee on the terms and conditions set out in the Explanatory Memorandum."*

#### **RESOLUTION 6 - ISSUE OF PERFORMANCE SHARES TO MS SARAH SHIPWAY**

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

*"That, subject to the due passage of Resolutions 4, 5 and 7 and for the purposes of Listing Rule 10.11 and Section 208 of the Corporations Act, approval be and is hereby given to the issue of:*

- (a) 5 Class A Performance Shares; and*
- (b) 5 Class B Performance Shares*

*to Ms Sarah Shipway, a director of the Company, or her nominee on the terms and conditions set out in the Explanatory Memorandum."*

#### **RESOLUTION 7 – ISSUE OF PERFORMANCE SHARES TO MR MATTHEW McCARTHY**

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

*"That subject to the due passage of Resolutions 4, 5 and 6 and for the purposes of Listing Rule 7.1 and for all other purposes, approval be and is hereby given to the issue of:*

- (a) 10 Class A Performance Shares; and ‘*

(b) 10 Class B Performance Shares

to Mr Matthew McCarthy, the Exploration Manager of the Company, or his nominee on the terms and conditions set out in the Explanatory Memorandum.”

## **RESOLUTION 8 - 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 the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.”*

### **Voting exclusion statements:**

#### **Resolution 1**

In relation to voting on or after 1 August 2011, whether the resolution relates to a time before, on or after that date, Section 250BD of the Corporations Act will prevent key management personnel within the corporate group and their closely related parties from voting undirected proxies on a resolution connected with key management personnel remuneration.

Pursuant to Subsections 250R(4), (7), (8), (9) and (10) of the Corporations Act, subject to Subsection 250R(5), members of key management personnel (and their closely related parties) will be prohibited from voting – either personally or by undirected proxy - on Resolution 1 at the annual general meeting.

Subsection 250R(5) of the Corporations Act provides that a member of the key management personnel details of whose remuneration are included in the remuneration report (and their closely related parties) (“**the voter**”) may cast a vote on Resolution 1 at the annual general meeting as a proxy if the vote is not cast on behalf of such a member of the key management personnel (or their closely related party) and either:

- The voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- The voter is the chair of the meeting and the appointment of the chair as proxy does not specify the way the proxy is to vote on the resolution and expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the company, or, if the company is part of a consolidated entity, for the entity.

If you appoint the Chairman of the AGM as your proxy, and you do not direct your proxy how to vote on Resolution 1 on the proxy form, you will be expressly authorising the Chairman of the AGM to exercise your proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chairman of the AGM.

The Chairman of the AGM intends to vote undirected proxies in favour of Resolution 1.

#### **Resolution 4**

For the purposes of the Listing Rules, the Company will disregard any votes cast on this Resolution by Mr John Prineas and any Associates of Mr John Prineas and, for the purposes of Section 224 of the Corporations Act the Company will disregard any votes cast by or on behalf of Mr John Prineas or his Associates.

However, subject to the provisions hereunder, the Company will not disregard a vote if:

- (a) 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
- (b) 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.

In accordance with Section 250BD of the Corporations Act, a proxy vote on this Resolution must not be cast by or on behalf of a member of the Key Management Personnel, or a Closely Related Party of such a member.

A vote may be cast by such a person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) The person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) The person is the Chairman and appointment of the Chairman as proxy does not specify the way the proxy is to vote on the Resolution, but expressly authorises the Chairman to exercise the proxy even if the resolution is connected with the remuneration of a member of Key Management Personnel.

As permitted, the Chairman of the AGM intends to vote undirected proxies in favour of Resolution 4.

#### **Resolution 5**

For the purposes of the Listing Rules, the Company will disregard any votes cast on this Resolution by Mr Tim Hronsky and any Associates of Mr Tim Hronsky and, for the purposes of Section 224 of the Corporations Act the Company will disregard any votes cast by or on behalf of Mr Tim Hronsky or his Associates.

However, subject to the provisions hereunder, the Company will not disregard a vote if:

- (a) 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
- (b) 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.

In accordance with Section 250BD of the Corporations Act, a proxy vote on this Resolution must not be cast by or on behalf of a member of the Key Management Personnel, or a Closely Related Party of such a member.

A vote may be cast by such a person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) The person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) The person is the Chairman and appointment of the Chairman as proxy does not specify the way the proxy is to vote on the Resolution, but expressly authorises the Chairman to exercise the proxy even if the resolution is connected with the remuneration of a member of Key Management Personnel.

As permitted, the Chairman of the AGM intends to vote undirected proxies in favour of Resolution 5.

### **Resolution 6**

For the purposes of the Listing Rules, the Company will disregard any votes cast on this Resolution by Ms Sarah Shipway and any Associates of Ms Sarah Shipway and, for the purposes of Section 224 of the Corporations Act the Company will disregard any votes cast by or on behalf of Ms Sarah Shipway or her Associates.

However, subject to the provisions hereunder, the Company will not disregard a vote if:

- (a) 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
- (b) 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.

In accordance with Section 250BD of the Corporations Act, a proxy vote on this Resolution must not be cast by or on behalf of a member of the Key Management Personnel, or a Closely Related Party of such a member.

A vote may be cast by such a person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) The person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) The person is the Chairman and appointment of the Chairman as proxy does not specify the way the proxy is to vote on the Resolution, but expressly authorises the Chairman to exercise the proxy even if the resolution is connected with the remuneration of a member of Key Management Personnel.

As permitted, the Chairman of the AGM intends to vote undirected proxies in favour of Resolution 6.

### **Resolution 7**

For the purposes of the Listing Rules, the Company will disregard any votes cast on this Resolution by Mr Matthew McCarthy and any Associates of Mr Matthew McCarthy and by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed.

However, subject to the provisions hereunder, the Company will not disregard a vote if:

- (a) 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

- (b) 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.

In accordance with Section 250BD of the Corporations Act, a proxy vote on this Resolution must not be cast by or on behalf of a member of the Key Management Personnel, or a Closely Related Party of such a member.

A vote may be cast by such a person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) The person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) The person is the Chairman and appointment of the Chairman as proxy does not specify the way the proxy is to vote on the Resolution, but expressly authorises the Chairman to exercise the proxy even if the resolution is connected with the remuneration of a member of Key Management Personnel.

As permitted, the Chairman of the AGM intends to vote undirected proxies in favour of Resolution 7.

### **Resolution 8**

The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and any person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any associates of any such person.

However, the Company will not disregard a vote 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 cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

### **By Order of the Board**

**Sarah Shipway**  
**Company Secretary**

5 October 2016

## VOTING BY PROXY

- (a) Each shareholder has the right to appoint a proxy to attend and vote for the shareholder at this meeting.
- (b) To enable a shareholder to divide their voting rights, a shareholder may appoint two proxies. Where two proxies are appointed, the Proxy Form should specify the proportion, or the number of votes that each proxy may exercise, and if it does not do so each proxy may exercise half of the votes.
- (c) A shareholder can appoint any other person to be their proxy. A proxy need not be a shareholder of the company. The proxy appointed can be described in the Proxy Form by an office held, for example “the Chair of the Meeting”.
- (d) In the case of shareholders who are individuals, the Proxy Form must be signed or otherwise authenticated in a manner prescribed by the Corporations Regulations:-
  - i. if the shares are held by one individual, by that shareholder;
  - ii. if the shares are held in joint names, by any one of them.
- (e) In the case of shareholders who are companies, the Proxy Form must be signed or authenticated:-
  - i. if it has a sole director who is also a sole company secretary, by that director (and stating that fact next to, or under, the signature on the Proxy Form);
  - ii. in the case of any other company, by either two directors or a director and company secretary.

The use of the common seal of the company, in addition to those required signatures, is optional.
- (f) If the person signing or otherwise authenticating the Proxy Form is doing so under power of attorney, or is an officer of a company outside of (e) above but authorised to sign or authenticate the Proxy Form, the power of attorney or other authorisation (or a certified copy of it) as well as the Proxy Form, must be received by the company by the time and at the place in (i) below.
- (g) Section 250BB of the Corporations Act restricts voting on a particular resolution at the meeting by the Chair or other holder of a directed proxy as follows:
  - (i) A proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote as directed;
  - (ii) If the proxy has two or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
  - (iii) If the proxy is the chair of the meeting, the proxy must vote on a poll and must vote as directed; and
  - (iv) If the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote as directed.

If a proxy is also a member the above provisions do not affect the way that the person can cast any votes they hold as a member.

- (h) Section 250BC of the Corporations Act deems the Chair to have been appointed proxy in the following circumstances in respect of votes on a resolution at the meeting:

If:

- (i) An appointment of a proxy specifies the way the proxy is to vote on a particular resolution; and
- (ii) The appointed proxy is not the chair of the meeting; and
- (iii) At the meeting a poll is duly demanded on the resolution; and

(iv) Either:

- A. If a record of attendance is made for the meeting – the proxy is not recorded as attending;
- B. The proxy does not vote on the resolution;

The chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution.

- (i) A Proxy Form accompanies this notice. To be effective Proxy Forms (duly completed and signed) may be lodged:

Computershare Investor Services Pty Limited:

- At GPO Box 242, Melbourne VIC 3001; or
- On facsimile number 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)

no later than 48 hours before the time of the holding of the meeting.

## **SHAREHOLDERS WHO ARE ENTITLED TO VOTE**

In accordance with regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001, the directors have determined that a person's entitlement to vote at the meeting will be the entitlement of that person set out in the register of members as at 5.00pm Perth time (8.00pm Sydney time) on 21 November 2016.

The vote on the Resolutions will be by a show of hands, unless a poll is demanded. On a show of hands each shareholder present in person or by proxy has one vote. On a poll each shareholder present in person or by proxy has one vote for each share in St George Mining Limited.

The attached Explanatory Memorandum forms part of the Notice of meeting. The memorandum is provided to assist shareholders in understanding the background to and the legal and other implications of the Notice and the reason for the resolutions proposed.

## EXPLANATORY MEMORANDUM

This Explanatory Memorandum forms part of a Notice convening the Annual General Meeting of Shareholders of the company to be held at Pan Pacific Perth, 207 Adelaide Terrace, Perth at 10am (WST) on 23 November 2016. 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 this Explanatory Memorandum are defined in Section 7.

### 1. FINANCIAL AND OTHER REPORTS

As required by Section 317 of the Corporations Act 2001, the financial statements for the year ended 30<sup>th</sup> June 2016 and the accompanying directors' report, directors' declaration and auditor's report will be laid before the meeting. The financial statements and reports are contained in the St George Mining Limited 2016 Annual Report. *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 AGM.*

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

Shareholders are asked to adopt the Company's remuneration report. The remuneration report is set out in the directors' report in the 2016 Annual Report which has been sent to Shareholders (except those who have made an election not to receive the Annual Report). Copies of the 2016 Annual Report are available by contacting the Company's Share Registry or visiting the Company's website ([www.stgm.com.au](http://www.stgm.com.au)). 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.
- Remuneration details for each executive and non-executive directors and Key Management Personnel.

A reasonable opportunity for discussion of the remuneration report will be provided at the annual general meeting. The vote on this resolution is advisory only, and does not bind the directors or the Company.

Under the Corporations Act if:

- (a) At an Annual General Meeting ("**the later AGM**") at least 25% of the votes cast on a Resolution that the remuneration report be adopted are against the adoption of the Remuneration Report; and
- (b) At least 25% of the votes cast at the immediately preceding Annual General Meeting ("**the earlier AGM**") on a resolution that the remuneration report be adopted under Sub-section 250R(2) of the Corporations Act were against the adoption of the Report;

(c) No “spill resolution” was put at the earlier AGM;

Then a “Board Spill” resolution must be put at the later AGM. The “Board Spill” resolution must be that:

- A specially convened general meeting (“**the Spill Meeting**”) be held within 90 days; and
- All Directors who:
  - Were directors of the company when the resolution by the Directors to make the Directors’ report considered at the later AGM was passed; and
  - Are not a managing director of the company who may continue to hold office indefinitely without being re-elected to the office in accordance with the ASX Listing Rules;cease to hold office immediately before the end of the Spill Meeting; and
- Resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting must be put to the vote at the Spill Meeting.

At the Company’s AGM held on 27 November 2015, less than 25% of the votes cast in respect of the remuneration report were against the adoption of the remuneration report.

Members of key management personnel (and their closely related parties) will be prohibited from voting – either personally or by undirected proxy - on Resolution 1 at the annual general meeting.

The Chairman of the AGM intends to vote undirected proxies in favour of Resolution 1.

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

Resolution 2 deals with the re-election of Ms Sarah Shipway as a Director. Ms Shipway retires in accordance with the Company’s Constitution and Listing Rule 14.5 and being eligible, offers herself for re-election.

Details of Ms Shipway’s qualifications and experience are in the Company’s Annual Financial Report.

All the Directors other than 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 - APPROVAL FOR THE ISSUE OF PERFORMANCE SHARES**

Resolution 3 seeks approval for the Company to be authorised to issue the Class A Performance Shares and Class B Performance Shares contemplated by Resolutions 4, 5, 6 and 7, which convert into Shares on the satisfaction of certain milestones relating to the performance of the Company.

A company having a single class of shares on issue which proposes to issue a new class of shares not having the same rights as its existing shares, is taken under Section 246C(5) of the Corporations Act, to vary the rights of existing shareholders unless the constitution already provides for such an issue.

Section 246B of the Corporations Act provides that if a company has a constitution that sets out the procedure for varying or cancelling rights attached to shares in a class of shares, those rights may be varied or cancelled only in accordance with the procedure.

Under the Company's Constitution, clause 3.7, it is provided that the rights attached to any class may be varied in any way with the consent in writing of the holders of three-quarters of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

The Company currently has one class of shares on issue being fully paid ordinary shares. The terms of the Class A Performance Shares and the Class B Performance Shares are not the same as the terms of the Shares and Shareholder approval is, therefore, being sought for the Company to be authorised to issue the Performance Shares to meet the requirements of the Constitution.

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

#### **5. RESOLUTIONS 4, 5, 6 & 7**

##### **BACKGROUND**

Resolutions 4, 5, 6 and 7 seek Shareholder approval for the issue of a total of 50 Class A Performance Shares and a total of 50 Class B Performance Shares to the Directors and the Exploration Manager of the Company.

The Board is cognisant of general Shareholder opinion that long-term equity based rewards for Directors and staff should be linked to the achievement by the Company of performance conditions.

The Performance Shares that the Board proposes be issued are subject to the performance conditions outlined below. These performance conditions must be satisfied in order for the Performance Shares to vest. In addition the recipient must remain a Director (in the case of directors) or an employee of the Company (in the case of Mr McCarthy) at the time of vesting. Upon Performance Shares vesting, Shares are automatically issued.

Other material terms of the Performance Shares proposed to be issued pursuant to Resolutions 4, 5, 6 and 7 are that they are non-transferable, they carry no right to vote or receive dividends or any of the other rights of Shareholders, they will lapse if they do

not vest. Full terms and conditions of the Class A Performance Shares and Class B Performance Shares are set out in Schedules 1 and 2 respectively.

In order for the Class A Performance Shares to vest and thereby convert into Shares, the market capitalisation of the Company must exceed \$50 million within 2 years after the date of issue of the Class A Performance Shares. As at the date of this Explanatory Memorandum the market capitalisation of the Company is \$34,299,282.

In order for the Class B Performance Shares to vest and thereby convert into Shares, the market capitalisation of the Company must exceed \$75 million within 4 years after the date of issue of the Class B Performance Shares. As at the date of this Explanatory Memorandum the market capitalisation of the Company is \$34,299,282.

Market capitalisation for this purpose will be calculated based on the 30 day volume weighted average price of Shares on an undiluted basis.

Each Performance Share will convert into 50,000 Shares. Thus the 50 Class A Performance Shares will convert into a total of 2,500,000 Shares as will the 50 Class B Performance Shares.

If all Performance Shares the subject of this Notice are issued and subsequently vest, thereby converting to Shares, the number of Shares on issue will increase from approximately 250 million to approximately 255 million. An effect of this will be to dilute the shareholding of existing Shareholders by less than 2% assuming that there were no other changes to the issued capital of the Company prior to the date of issue of those 5 million Shares

## **REGULATORY REQUIREMENTS**

Shareholder approval is sought under Resolutions 4, 5 and 6 for the purposes of Listing Rule 10.11 and Chapter 2E of the Corporations Act both regulating the provision of financial benefits including the issue of securities to related parties of the Company.

Shareholder approval is sought under Resolution 7 for the purposes of Listing Rule 7.1.

### **Listing Rule 10.11**

Listing Rule 10.11 provides that, subject to various exceptions, a Company must not issue equity securities to a related party without the approval of the holders of ordinary securities.

Shareholders should note that the issue of securities pursuant to Resolutions 4, 5 and 6 will not be included in the 15% calculation for the purposes of Listing Rule 7.1 as approval is being obtained under Listing Rule 10.11.

For the purposes of Listing Rule 10.13, the following information is provided in relation to the issue of 80 Performance Shares pursuant to Resolutions 4, 5 and 6:

#### ***The names of the persons to be issued securities***

The recipients of the Performance Shares will be Mr John Prineas – 20 Class A and 20 Class B Performance Shares, Mr Tim Hronsky – 15 Class A and 15 Class B Performance Shares and Ms Sarah Shipway – 5 Class A and 5 Class B Performance Shares or their respective nominees.

#### ***The maximum number of securities to be issued***

The maximum number of Securities that may be acquired pursuant to Resolutions 4, 5 and 6 is 80 Performance Shares which might convert to a total of a maximum of 4 million Shares.

***The date on which the entity will issue the securities, which must be not more than one month after the date of the Meeting***

The Performance Shares will be issued not later than 1 month after the date of the Meeting and it is anticipated that all the Performance Shares will be issued on the same date.

***If the person is not a director, a statement of the relationship between the person and the director that requires approval to be obtained***

The proposed recipients of the Performance Shares pursuant to Resolutions 4, 5 and 6 are Directors.

***The issue price for each security and a statement of the terms of the issue***

No price will be paid for the Performance Shares upon their issue, or for the Shares issued upon vesting and conversion of the Performance Shares. The terms of the Performance Shares are described under the heading "Background" above and the Shares that will issue on conversion will be ordinary fully paid shares ranking equally in all respects with the then existing ordinary fully paid shares on issue in the Company. Full terms and conditions of the Class A Performance Shares and Class B Performance Shares are set out in Schedules 1 and 2 respectively

***A voting exclusion statement***

A voting exclusion statement with regards to Resolutions 4, 5 and 6 is included in the Notice.

***The intended use of the funds raise***

No funds will be raised on the issue or conversion of the Performance Shares.

***Listing Rule 7.1***

The Company is seeking approval for the issue of the 10 Class A Performance Shares and 10 Class B Performance Shares to Mr McCarthy pursuant to Resolution 7 for the purposes of Listing Rule 7.1 so that the Performance Shares and the potential 1 million Shares that might be issued on their conversion will be excluded from any calculations of the 15% restriction on issues of securities under Listing Rule 7.1.

For the purposes of meeting the notice requirements for approval under Listing Rule 7.1, Listing Rule 7.3 provides that the notice of meeting must include the following:

***The maximum number of securities the Company is to issue***

The maximum number is 20 Performance Shares which might convert to a maximum of 1 million Shares.

***The date by which the Company will issue the securities which must be no later than 3 months after the date of the meeting***

The 20 Performance Shares to be issued under Resolution 7 will be issued no later than one month after the date of the meeting.

***The issue price of the securities***

No price is payable on the issue of the 20 Performance Shares pursuant to Resolution 7 or in respect of any of the 1 million Shares that may be issued upon the conversion thereof.

***The names of the person to whom the Company will issue the securities***

The Performance Shares to be issued pursuant to Resolution 7 will be issued to Mr Matthew McCarthy or his nominee.

***The terms of the securities***

The terms of the Class A and Class B Performance Shares to be issued pursuant to Resolution 7 are described under the heading “Background” above. The Shares that may be issued on conversion thereof will be ordinary fully paid shares ranking equally with the Shares then on issue. Full terms and conditions of the Class A Performance Shares and Class B Performance Shares are set out in Schedules 1 and 2 respectively

***The issue date or a statement that the issue will occur progressively***

The Performance Shares to be issued pursuant to Resolution 7 will be issued simultaneously within a month of the Meeting.

***A voting exclusion statement***

A voting exclusion statement in relation to Resolution 7 is included in the Notice.

**Chapter 2E of the Corporations Act**

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. Section 208 of the Corporations Act prohibits a public company from giving a financial benefit to a related party unless one of the exceptions to Section 208 applies or shareholders have approved the giving of that benefit to the related party.

A “financial benefit” is defined in the Corporations Act in broad terms and includes a public company, issuing securities, and buying an asset from a related party.

A Director is a “related party” for the purposes of the Corporations Act. Each of Messrs Prineas and Hronsky and Ms Shipway is, accordingly, a “related party” of the Company.

The proposed issue of 80 Performance Shares pursuant to Resolutions 4, 5 and 6 involves the provision of a financial benefit to related parties of the Company.

Section 208 of the Corporations Act provides that for a public company to give a financial benefit to a related party of that company, the public company must:

- (a) obtain the approval of members in the way set out in Section 217 and 227; and
- (b) give the benefit within 15 months after the approval.

In accordance with Chapter 2E, and in particular Section 219 of the Corporations Act, the following information is provided to Shareholders to allow them to assess the proposed issue of Performance Shares as contemplated by Resolutions 4, 5 and 6.

***The related parties to whom the resolutions would permit the financial benefit to be given***

The related parties are:

Mr John Prineas – 20 Class A and 20 Class B Performance Shares  
Mr Tim Hronsky – 15 Class A and 15 Class B Performance Shares; and  
Ms Sarah Shipway – 5 Class A and 5 Class B Performance Shares.

***The nature of the financial benefit***

The financial benefit proposed to be given is the granting of the Performance Shares (and ultimately the issue of Shares if the Performance Shares vest and convert to the Related Parties as detailed above for no issue price). The Board wishes to issue Performance Shares to the Directors, to provide an incentive which will align them with the interests of all Shareholders

and which will assist in preserving the Company's cash by limiting the cash remuneration that would otherwise be payable to those Directors.

***Directors' recommendation and basis of recommendation***

The Directors make no recommendations in relation to Resolutions 4, 5 and 6 as they are potential beneficiaries of the resolutions that relate to them. They note, however, that they consider that the terms and conditions of the Performance Shares that are proposed to be issued reflect the objectives as outlined above and that the number of Performance Shares proposed are commensurate with the respective roles and responsibilities of the respective Director of the Company, their respective potential impact on the Company's performance and having had regard to relevant market remuneration data. The Directors are not aware of any information other than as is contained in this Notice that might be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 4, 5 and 6. The Directors have agreed to put the matter to Shareholders for the purposes of Section 195 of the Corporations Act.

***Directors' interest in the outcome***

The Directors' interest in the outcome of Resolutions 4, 5 and 6 is that they will be issued Performance Shares as detailed above for no payment.

***Directors' remuneration package***

In the last financial year the Directors received the following remuneration from the Company: \$487,745 as set out on page 15 of the 2016 Annual Report.

***Related party's existing interests***

Each of the Directors has the following interests in securities of the Company as at the date of this Notice:

<b>Name</b>	<b>Ordinary Shares</b>	<b>Listed Options</b>	<b>Class D Unlisted Options</b>	<b>Class E Unlisted Options</b>
John Prineas	10,214,221	1,021,422	-	-
Tim Hronsky	1,062,500	106,250	300,000	300,000
Sarah Shipway	-	-	-	-

***Dilution***

An effect of the issue of the 80 Performance Shares to the Directors will, if all of the 80 Performance Shares were to vest resulting in the issue of 4 million Shares, be to dilute the shareholding of existing Shareholders by approximately 1.59% assuming that there were no other changes to the issued capital of the Company prior to the date of issue of those 4 million Shares.

***Trading history***

The last trading price of Shares on ASX prior to the date of this Notice was \$0.137 per Share.

***Valuation of financial benefit***

The financial benefit which is being provided by the Company to the Directors under Resolutions 4, 5 and 6 is the issue of 80 Performance Shares. The value of the 4 million Shares that might be issued if the Performance Shares vest and convert, with a nil issue price, based on the closing price of the Company's Shares on 4 October 2016 of \$0.137 per Share would be

\$548,000. However, it should be noted that the relevant Shares will not be issued until some uncertain time in the future and the exact Share price at that time is very difficult to predict.

As permitted, the Chairman of the Meeting intends to vote all undirected proxies in favour of Resolutions 4, 5, 6 and 7.

## **6. RESOLUTION 8 – APPROVAL OF 10% PLACEMENT FACILITY**

### **6.1 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 6.2(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 8 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

### **6.2 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 250,359,725 Shares and has a capacity to issue:

- (i) 37,553,958 Equity Securities under Listing Rule 7.1; and
- (ii) 25,035,972 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 6.1 (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**”).

### **6.3 Listing Rule 7.1A**

The effect of Resolution 8 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 8 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).

### **6.4 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 8 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		
		\$0.065 50% decrease in issue price	\$0.13 Issue price	\$0.26 100% increase in issue price
Current Variable "A" 250,359,725 Shares	10% voting dilution	25,035,972 Shares	25,035,972 Shares	25,035,972 Shares
	Funds raised	\$1,627,338	\$3,254,676	\$6,509,352
50% Increase in current Variable "A" 375,539,587 Shares	10% voting dilution	37,553,958 Shares	37,553,958 Shares	37,553,958 Shares
	Funds raised	\$2,441,007	\$4,882,014	\$9,764,029
100% Increase in current Variable "A" 500,719,450 Shares	10% voting dilution	50,071,945 Shares	50,071,945 Shares	50,071,945 Shares
	Funds raised	\$3,254,676	\$6,509,352	\$13,018,705

**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 \$0.13, being an intra-day price of Shares on ASX on 5 October 2016.
- (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.
- (ix) 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 250,359,725 .

(c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 8 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, 2014 and 2015 Annual General Meetings.

The Company issued 50,811,532 Equity Securities under Listing Rule 7.1A during the preceding 12 months. During the preceding 12 month period a total of 140,663,103 Equity Securities (being 112,964,499 Shares, 26,498,604 Listed Options and 1,200,000 Unlisted Options) were issued, which based on the number of Equity Securities on issue at the commencement of that period comprises approximately 88% 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

					<b>consideration</b>
18 November 2015	(a) 22,630,631 (b) 11,315,316	(a) Shares (b) Options exercisable for \$0.20 on or before 30 June 2017	Those persons who participated in placement.	Issue price for the Shares was \$0.08 and the Options were free attaching Options. The market price of the Shares on the issue date was \$0.086 and the market price of the Options on the issue date was \$0.025.	The funds (\$1,810,450) were applied towards exploration of the Company's WA projects.
28 January 2016	3,500,000	Shares	Western Areas	Issue price was nil as the Shares were issued in connection with the Mt Alexander Project. The market price of the Shares on the issue date was \$0.09.	No funds were raised because the Shares were issued in connection with the Mt Alexander Project.
4 February 2016	2,000,000	Options exercisable for \$0.20 on or before 30 June 2017	Issued in consideration of advisory services provided.	Issue price was nil as the Shares were issued in consideration of advisory services provided. The market price of the Options on the issue date was \$0.02.	No funds were raised because the Shares were issued in consideration of advisory services provided.
24 March 2016	27,169,591	Shares	Those persons who participated in placement.	Issue price was \$0.085. The market price of the Shares on the issue date was \$0.088.	The funds (\$2.3 million) were applied towards exploration of the Company's WA projects.
1 April 2016	4,550,194	Options exercisable for \$0.20 on or before 30 June 2017	Issued in consideration of advisory services provided.	Issue price was nil as the Shares were issued in consideration of advisory services provided. The market price of the Shares on the issue date was \$0.025.	No funds were raised because the Shares were issued in consideration of advisory services provided.
22 April 2016	(a) 16,380,000 (b) 117,647	(a) Shares (b) Shares	(a) Issued pursuant to the SPP dated 1 April 2016 (b) Placement to sophisticated investors.	(a) & (b) Issue price was \$0.085. The market price of the Shares on the issue date was \$0.125.	The funds (\$1.4 million) were applied towards exploration of the Company's WA projects.
27 May 2016	1,160	Shares	Exercise of Options	\$0.20 each. The market price of the Shares on the issue date was \$0.17.	Nominal funds were raised.

19 August 2016	(a) 43,165,470 (b) 8,633,094	(a) Shares (b) Options exercisable for \$0.20 on or before 30 June 2017	Those persons who participated in placement.	Issue price for the Shares was \$0.15 and the Options were free attaching Options. The market price of the Shares on the issue date was \$0.16 and the market price of the Options on the issue date was \$0.057.	The funds (\$6.47 million) will be applied towards exploration of the Company's WA projects.
----------------	---------------------------------	--	--	--	---

(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 8.

The Chairman intends to vote all available proxies in favour of Resolution 8.

## 7. INTERPRETATION

In this Explanatory Memorandum:

**"10% Placement Facility"** has the meaning given to it in Section 6.1;

**"10% Placement Period"** has the meaning given to it in Section 6.2(f);

**"Associates"** has the meaning given in Section 10 to 15 of the Corporations Act;

**"ASX"** means ASX Limited ACN 008 624 691;

**"Chairman"** means the chairman of the Meeting;

**"Class A Performance Share"** means a Performance Share which may convert into 50,000 Shares and is subject to the performance criteria relating to Class A Performance Shares described in this Explanatory Memorandum;

**"Class B Performance Share"** means a Performance Share which may convert into 50,000 Shares and is subject to the performance criteria relating to Class B Performance Shares described in this Explanatory Memorandum;

**"Closely Related Parties"** has the meaning ascribed to it in Section 9 of the Corporations Act;

**"Company"** means St George Mining Limited ACN 139 308 973;

**"Constitution"** means the constitution of the Company as amended from time to time;

**“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;

**“Key Management Personnel”** has the meaning ascribed to it in Section 9 of the Corporations Act;

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

**“Meeting”** means the meeting of Shareholders convened by this Notice;

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

**“Performance Share”** means a right to be issued a Share granted on the terms and conditions that are set out in the Explanatory Memorandum;

**“Related Party”** has the meaning ascribed to it in Section 228 of the Corporations Act;

**“Resolution”** means a resolution set out in this Notice and **“Resolutions”** has a corresponding meaning;

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

**“Securities”** has the meaning ascribed to it in the Listing Rules and includes Performance Shares;

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

## SCHEDULE 1 – TERMS OF CLASS A PERFORMANCE SHARES

The terms and conditions of the Class A Performance Shares are:

- (a) Each Class A Performance Share is a share in the capital of the Company.
- (b) Class A Performance Shares shall confer on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to shareholders. Holders have the right to attend general meetings of shareholders of the Company.
- (c) The Class A Performance Shares do not entitle the Holder to vote on any resolutions proposed at a general meeting of shareholders of the Company.
- (d) The Class A Performance Shares do not entitle the Holder to any dividends.
- (e) The Class A Performance Shares are not transferable.
- (f) If at any time the issued capital of the Company is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the applicable Listing Rules at the time of reorganisation.
- (g) The Class A Performance Shares will not be quoted on ASX. However, upon conversion of the Class A Performance Shares into Shares, the Company must within seven (7) days after the conversion, apply for the official quotation of the Shares arising from the conversion on ASX.
- (h) The Class A Performance Shares give the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be required by the ASX.
- (i) The Shares into which the Class A Performance Shares will convert will rank pari passu in all respects with the other Shares on issue.

### Conversion of Class A Performance Shares

- (j) Each Class A Performance Share will convert into 50,000 Shares upon satisfaction of the following performance hurdle to the reasonable satisfaction of the Company by no later than 2 years from the date of issue of the Class A Performance Share:
  - (i) The market capitalisation of the Company reaching at least \$50 million on an undiluted basis determined by reference to the preceding 30 day VWAP; and
  - (ii) The Holder remaining a Director (in the case of a Director) or an employee of the Company (in the case of an employee) on the date on which (i) is satisfied.
- (k) The Company will issue the Holder with new holding statements for the Shares as soon as practicable following the conversion of the Class A Performance Shares into Shares.
- (l) Each Class A Performance Share will automatically convert into one Share if the performance hurdle set out in (j) is not satisfied within the timeframe therein.

## SCHEDULE 2 – TERMS OF CLASS B PERFORMANCE SHARES

The terms and conditions of the Class B Performance Shares are:

- (a) Each Class B Performance Share is a share in the capital of the Company.
- (b) Class B Performance Shares shall confer on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to shareholders. Holders have the right to attend general meetings of shareholders of the Company.
- (c) The Class B Performance Shares do not entitle the Holder to vote on any resolutions proposed at a general meeting of shareholders of the Company.
- (d) The Class B Performance Shares do not entitle the Holder to any dividends.
- (e) The Class B Performance Shares are not transferable.
- (f) If at any time the issued capital of the Company is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the applicable Listing Rules at the time of reorganisation.
- (g) The Class B Performance Shares will not be quoted on ASX. However, upon conversion of the Class B Performance Shares into Shares, the Company must within seven (7) days after the conversion, apply for the official quotation of the Shares arising from the conversion on ASX.
- (h) The Class B Performance Shares give the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be required by the ASX.
- (i) The Shares into which the Class B Performance Shares will convert will rank *pari passu* in all respects with the other Shares on issue.

### Conversion of Class B Performance Shares

- (j) Each Class B Performance Share will convert into 50,000 Shares upon satisfaction of the following performance hurdle to the reasonable satisfaction of the Company by no later than 4 years from the date of issue of the Class B Performance Share:
  - (i) The market capitalisation of the Company reaching at least \$75 million on an undiluted basis determined by reference to the preceding 30 day VWAP; and
  - (ii) The Holder remaining a Director (in the case of a Director) or an employee of the Company (in the case of an employee) on the date on which (i) is satisfied.
- (k) The Company will issue the Holder with new holding statements for the Shares as soon as practicable following the conversion of the Class B Performance Shares into Shares.
- (l) Each Class B Performance Share will automatically convert into one Share if the performance hurdle set out in (j) is not satisfied within the timeframe therein.



**ST GEORGE**  
MINING LIMITED

ABN 21 139 308 973

SGQ

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



**Lodge your vote:**

**Online:**  
www.investorvote.com.au

**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

**For all enquiries call:**  
(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

**Proxy Form**

**XX**



**Vote and view the annual report online**

- Go to [www.investorvote.com.au](http://www.investorvote.com.au) or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.



**Your access information that you will need to vote:**

**Control Number: 999999**

**SRN/HIN: I9999999999 PIN: 99999**

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

**For your vote to be effective it must be received by 10:00am (WST) Monday, 21 November 2016**

**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 for Postal Forms**

**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.

**GO ONLINE TO VOTE,  
or turn over to complete the form** ➔

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 Pan Pacific Perth, 207 Adelaide Terrace, Perth, Western Australia on Wednesday, 23 November 2016 at 10:00am (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 4 - 7 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 4 - 7 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 4 - 7 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	Authorise Creation of Performance Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of Performance Shares to Mr John Prineas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Performance Shares to Mr Tim Hronsky	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Issue of Performance Shares to Ms Sarah Shipway	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Issue of Performance Shares to Mr Matthew McCarthy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval of 10% Placement Facility	<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 / /