

For personal use only

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

---

**DIRECTORS, EMPLOYEES AND CONSULTANTS OPTION PLAN**

---



---

**CONTENTS**

---

1. DEFINITIONS AND INTERPRETATION ..... 1

2. PURPOSE ..... 4

3. COMMENCEMENT..... 4

4. OPTION GRANTS ..... 4

5. OFFERS OF OPTIONS ..... 5

6. EXERCISE PRICE..... 6

7. WHEN OPTIONS MAY BE EXERCISED..... 6

8. MANNER OF EXERCISE OF OPTIONS..... 9

9. RESTRICTION ON DISPOSAL OF SHARES ..... 10

10. NOTICE OF ADJUSTMENTS AND CUMULATION OF ADJUSTMENTS..... 11

11. NEW ISSUES AND ADJUSTMENTS FOR RIGHTS ISSUES ..... 11

12. OVERRIDING RESTRICTIONS ON ISSUE AND EXERCISE..... 12

13. AMENDMENT OF RULES ..... 12

14. TRIGGER EVENT ..... 12

15. ADMINISTRATION OF PLAN..... 13

16. RIGHTS OF ELIGIBLE PARTICIPANTS..... 13

17. ATTORNEY..... 13

18. ASIC RELIEF..... 14

19. NOTICES ..... 14

20. NON-EXCLUSIVITY..... 14

21. GOVERNING LAW ..... 14

For personal use only

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

---

**DIRECTORS, EMPLOYEES AND CONSULTANTS OPTION PLAN**

---

The Directors are empowered to operate The Directors, Employees and Consultants Option Plan (the "**Plan**") on the following terms and in accordance with the Listing Rules of ASX (where applicable):

---

**1. DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

For the purposes of the Plan, the following words have the following meanings:

**Associate** has the meaning given to that term in Section 318 of the Income Tax Assessment Act 1936.

**Associated Body Corporate** means:

- (a) a related body corporate (as defined in the Corporations Act) of the Company;
- (b) a body corporate which has an entitlement to not less than 20% of the voting Shares of the Company; and
- (c) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.

**ASX** means ASX Ltd, or the Australian Securities Exchange, as the context requires.

**Board** means the board of directors of the Company.

**Business Day** means those days other than a Saturday, Sunday, New Year's Day, Australia Day, Good Friday, Easter Monday, Anzac Day, Christmas Day, Boxing Day and any other day which the ASX shall declare and publish is not a business day.

**Ceasing Date** has the meaning given in Rule 7.5.

**Ceasing Event** has the meaning given in Rule 7.6.

**Class Order** means ASIC Class Order 03/184 (or any amendment to or replacement of that Class Order).

**Company** means St George Mining Limited (ACN 139 308 973).

**Corporations Act** means the *Corporations Act 2001* (Cth), as amended from time to time.

**Directors** means the directors of the Company.

**Eligible Participant** means a person who is a:

- (a) a Director of;

(b) an employee of; or

(c) a consultant to,

the Company or an Associated Body Corporate and, in the case of consultants, includes bodies corporate;

**Exercise Condition** means in respect of an Option, any condition set out in the Offer which must be satisfied before a vested Option can be exercised or any other restriction on exercise of that Option specified in the Offer or in these Rules.

**Group** means the Company or an Associated Body Corporate.

**Lapsing Date** means, in respect of an Option, the date which the Board determines in its discretion with respect to that Option (at the time of the grant of that Option) that an unexercised Option will lapse.

**Listing Rules** means the official listing rules of ASX as amended from time to time.

**Marketable Parcel** has the meaning given to that term in the Listing Rules.

**Nominee** means a nominee of an Eligible Participant being a permitted Nominee under Rule 5.4.

**Offer** means an offer made to an Eligible Participant to subscribe for one or more Options under the Plan as set out in an Offer Document.

**Offer Document** means an offer document in substantially the same form as set out in Schedule 2, or such other form as prescribed by the Corporations Act or the Class Order.

**Option** means an option granted pursuant to these Rules to subscribe for one Share upon and subject to the terms of these Rules and the terms of the Offer.

**Option Exercise Price** means the exercise price of an Option, as determined in accordance with Rule 6.1.

**Plan** means the plan established in accordance with these Rules.

**Participant** means an Eligible Participant to whom Options have been granted under the Plan, or if Rule 5.4 applies, a Nominee of the Eligible Participant to whom Options have been granted under the Plan.

**Permanently Disabled** means where a Participant has a condition the effect of which is, in the opinion of the Board, to prevent the Participant from continuing to be an Eligible Participant engaged in a similar capacity as they held prior to the condition being acquired or in any occupation with the Group for which he or she is reasonably qualified by education, training and experience.

**Redundancy** means where a Participant's position is made redundant, there is no acceptable alternative position available within the Group, and the Participant's employment is terminated by a member of the Group by reason of redundancy.

**Relevant Person** means:

(a) in respect of an Eligible Participant, that person; and

For personal use only

- (b) in respect of a Nominee of an Eligible Participant being a permitted Nominee under Rule 5.4, that Eligible Participant.

**Retirement** means where a Participant intends to permanently cease all gainful employment in circumstances where the Participant provides, in good faith, a written statutory declaration to the Board to that effect.

**Rules** means the rules of the Plan set out in this document.

**Share** means a fully paid ordinary share in the Company.

**Shareholder** means a holder of Shares.

**Trigger Event** means:

- (a) the despatch of a notice of meeting to consider a scheme of arrangement between the Company and its creditors or members or any class thereof pursuant to section 411 of the Corporations Act;
- (b) the announcement of a takeover bid or receipt by the Company of a bidder's statement in respect of the Company; or
- (c) the date upon which a person or a group of associated persons becomes entitled, subsequent to the date of grant of the Option, to sufficient Shares to give it or them the ability, in general meeting, to replace all or allow a majority of the Board in circumstances where such ability was not already held by a person associated with such person or group of associated persons.

**Vesting Conditions** means in respect of an Option, any time-based or performance-based criteria, requirements or conditions set out in the Offer which must be satisfied before that Option has vested in a Participant.

## 1.2 Interpretation

In this Plan unless the context otherwise requires:

- (a) headings are for convenience only and do not affect its interpretation;
- (b) an obligation or liability assumed by, or a right conferred on, 2 or more Parties binds or benefits all of them jointly and each of them severally;
- (c) the expression **person** includes an individual, the estate of an individual, a corporation, an authority, an association or joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (d) a reference to any party includes that party's executors, administrators, successors and permitted assigns, including any person taking by way of novation;
- (e) a reference to any document (including this Plan) is to that document as varied, novated, ratified or replaced from time to time;
- (f) a reference to any statute or to any statutory provision includes any statutory modification or re-enactment of it or any statutory provision substituted for it, and all ordinances, by-laws, regulations, rules and statutory instruments (however described) issued under it;

- (g) words importing the singular include the plural (and vice versa) and words indicating a gender include every other gender;
- (h) reference to parties, clauses, schedules, exhibits or annexures are references to parties, clauses, schedules, exhibits and annexures to or of this Plan and a reference to this Plan includes any schedule, exhibit or annexure to this Plan;
- (i) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning; and
- (j) a reference to **\$** or **dollar** is to Australian currency.

---

## **2. PURPOSE**

The purpose of the Plan is to:

- (a) encourage participation by Eligible Participants in the Company through Share ownership; and
- (b) attract, motivate and retain Eligible Participants.

---

## **3. COMMENCEMENT**

This Plan will commence on the date determined by the Board.

---

## **4. OPTION GRANTS**

### **4.1 Entitlements**

The formula by which the entitlements of Eligible Participants under the Plan shall be determined shall be at the absolute discretion of the Directors and shall take into account skills, experience, length of service with the Company, remuneration level and such other criteria as the Directors consider appropriate in the circumstances.

### **4.2 Number of Options**

Subject to Rule 4.4, the number of Options (if any) to be offered to an Eligible Participant from time to time will be determined by the Board in its discretion and in accordance with the Rules and applicable law.

### **4.3 No Consideration**

Options issued under the Plan will be issued for nil cash consideration.

### **4.4 Limitation of Offers**

If the Company makes an Offer where:

- (a) the total number of Shares to be received on exercise of Options the subject of that Offer, any other Options issued under the Plan, the number of Shares which would be issued were each outstanding offer with respect to Shares, units of Shares and options to acquire unissued Shares under this Plan were accepted or exercised, and the number of

Shares issued during the previous 5 years pursuant to any employee share scheme, exceeds the limit set out in the Class Order; or

- (b) the Offer does not otherwise comply with the terms and conditions set out in the Class Order,

the Company must comply with Chapter 6D of the Corporations Act at the time of that Offer.

---

## **5. OFFERS OF OPTIONS**

### **5.1 Determination by the Board**

The Board, acting in its absolute discretion, may:

- (a) offer Options to any Eligible Participant from time to time as determined by the Board and in exercising that discretion, may have regard to some or all of the following:
  - (i) the Eligible Participant's length of service with the Group;
  - (ii) the contribution made by the Eligible Participant to the Group;
  - (iii) the potential contribution of the Eligible Participant to the Group; or
  - (iv) any other matter the Board considers relevant;
- (b) impose Vesting Conditions and Exercise Conditions on the right of a Participant to exercise any Option granted; and
- (c) determine that any Shares issued or transferred to a Participant on exercise of an Option should be subject to disposal restrictions in accordance with Rule 9.

### **5.2 Offer Document**

An Offer must be made using an Offer Document.

### **5.3 Personal Offer**

Subject to Rule 5.4, an Offer is personal and is not assignable.

### **5.4 Renunciation**

Upon receipt of an Offer, an Eligible Participant may, by notice in writing to the Board, nominate an Associate of that Eligible Participant (**Nominee**) in whose favour the Eligible Participant wishes to renounce the Offer. The Board may, in its discretion, resolve not to allow a renunciation of an Offer in favour of a Nominee without giving any reason for that decision. If the Board resolves to allow a renunciation of an Offer in favour of a Nominee, the Eligible Participant will procure that the permitted Nominee accepts the Offer made to that Eligible Participant and that both the Eligible Participant and the Nominee agree to be bound by the Rules.

## 5.5 Time Period

An Eligible Participant (or permitted Nominee) may only accept an Offer within the time period specified in the Offer Document.

---

## 6. EXERCISE PRICE

### 6.1 Option exercise price

Subject to Rule 6.2, in respect of any proposed Offer made, the Board may determine the Option Exercise Price (if any) for that Offer in its absolute discretion.

### 6.2 Minimum Exercise Price

To the extent the Listing Rules specify or require a minimum price, the Option Exercise Price in respect of an Offer made must not be less than any minimum price specified in the Listing Rules.

---

## 7. WHEN OPTIONS MAY BE EXERCISED

### 7.1 Exercise

- (a) Subject to Rules 7.1(b), 7.4 and 7.5, a Participant will be entitled to exercise Options granted as a result of an Offer in respect of which all Vesting Conditions and Exercise Conditions have been satisfied and which are otherwise capable of exercise in accordance with the terms of the relevant Offer and the Rules.
- (b) An Option may not be exercised if it was issued in accordance with the Class Order and the Class Order prohibits the exercise of the Option.
- (c) Once an Option is capable of exercise in accordance with this Rule 7.1, it may be exercised at any time up until 5.00pm Australian Western Standard Time on the Lapsing Date.

### 7.2 One or Several Parcels

Subject to Rule 7.1, Options may be exercised in one or more parcels of any size, provided that the number of Shares issued or transferred upon exercise of the number of Options in any parcel is not less than a Marketable Parcel.

### 7.3 Adjustment to Terms of Exercise

- (a) The Board will have the power to make adjustments to or vary the terms of exercise of an Option. Any proposed variation or adjustment will be subject to any requirements of the Listing Rules.
- (b) No adjustment or variation of the terms of exercise of an Option will be made without the consent of the Participant who holds the relevant Option if such adjustment or variation would have a materially prejudicial effect upon the Participant (in respect of his or her outstanding Options), other than an adjustment or variation introduced primarily:
  - (i) for the purpose of complying with or conforming to present or future State, Territory or Commonwealth legislation governing or

regulating the maintenance or operation of the Plan or like plans;

- (ii) to correct any manifest error or mistake;
- (iii) to allow the implementation of a trust arrangement in relation to the holding of Shares which are granted under the Plan as contemplated under Rule 8.7;
- (iv) to enable a member of the Group to comply with the Corporations Act, the Listing Rules, applicable foreign law, or a requirement, policy or practice of the ASIC or other foreign or Australian regulatory body; or
- (v) to take into consideration possible adverse taxation implications in respect of the Plan including changes to applicable taxation legislation or the interpretation of that legislation by a court of competent jurisdiction or any rulings from taxation authorities administering such legislation.

#### **7.4 Lapsing of Options**

Subject to the terms of the Offer made to a Participant and unless Rule 7.6 or 7.7 applies, a Participant's Options will lapse immediately and all rights in respect of those Options will thereupon be lost if, in respect of a Participant or an Offer:

- (a) the Relevant Person ceases to be an employee or Director of, or to render services to, a member of the Group for any reason whatsoever (including without limitation resignation or termination for cause) and the Vesting Conditions and Exercise Conditions have not been met;
- (b) the Vesting Conditions and/or Exercise Conditions are unable to be met;
- (c) the Lapsing Date has passed; or
- (d) the deadline provided for in Rule 7.5 has passed,

whichever is earlier.

#### **7.5 Cessation of Employment where Vesting Conditions and Exercise Conditions met**

Where a Relevant Person ceases to be an employee or a director of, or to render services to, a member of the Group for any reason whatsoever (including without limitation resignation or termination for cause) prior to the Lapsing Date in relation to the Options granted under an Offer (**Ceasing Date**) and the Vesting Conditions and Exercise Conditions have been met, the Participant will be entitled to exercise Options granted as a result of an Offer in accordance with the terms of the Offer and the Rules, for a period of up to three (3) months after the Ceasing Date, after which the Participant's Options will lapse immediately and all rights in respect of those Options will be lost.

#### **7.6 Death, Permanent Disability, Retirement or Redundancy**

If in respect of a Participant, the Relevant Person:

- (a) Dies;
- (b) becomes Permanently Disabled;

- (c) ceases employment on the basis of Retirement; or
- (d) ceases employment with the relevant member of the Group due to Redundancy,

prior to the Lapsing Date of any Options granted to that Participant (**Ceasing Event**), then:

- (a) the Participant or the Participant's legal personal representative, where relevant, may exercise those Options which at that date:
  - (i) have become exercisable;
  - (ii) have not already been exercised; and
  - (iii) have not lapsed,in accordance with Rule 7.6(c);
- (b) at the absolute discretion of the Board, the Board may resolve that the Participant, or the Participant's legal personal representative, where relevant, may exercise those Options which at that date:
  - (i) have not become exercisable; and
  - (ii) have not lapsed,in accordance with Rule 7.6(c) and, if the Board exercises that discretion, those unexercisable Options will not lapse other than as provided in Rule 7.6(c);
- (c)
  - (i) The Participant or the Participant's legal personal representative (as the case may be) must exercise the Options referred to in Rule 7.6(a) and, where permitted, Rule 7.6(b), no later than the first to occur of:
    - (A) the Lapsing Date of the Options in question; and
    - (B) the date which is six (6) months after the Ceasing Event provided that in the case of Options referred to in Rule 7.6(b), all Vesting Conditions and Exercise Conditions have been met at that time (unless the Board decides to waive any relevant Vesting Conditions and Exercise Conditions, in its absolute discretion).
  - (ii) Options which have not been exercised by the end of the period specified in Rule 7.6(c) lapse immediately at the end of that period and all rights in respect of those Options will thereupon be lost.

## **7.7 Discretionary Exercise of Options**

Where, in respect of a Participant, the Relevant Person ceases to be an employee or director of, or to render services to, a member of the Group, for any reason, prior to the date on which Options become exercisable, the Board may, in its absolute discretion, determine that some or all of the Options held by that Participant do not lapse and may be exercised by the Participant, if otherwise permitted under the Rules, within such additional time as is determined

by the Board following the Ceasing Date. Options which have not been exercised by the end of that period lapse immediately and all rights in respect of these Options will thereupon be lost.

## **7.8 Entitlement**

- (a) Each Option entitles the holder to subscribe for and/or be allotted one Share.
- (b) Shares issued or transferred to a Participant pursuant to the exercise of Options will in all respects, including bonus issues and new issues, rank equally and carry the same rights and entitlements as other Shares on issue.

---

## **8. MANNER OF EXERCISE OF OPTIONS**

### **8.1 Delivery to Company Secretary**

Options granted to a Participant may only be exercised by delivery to the Company's secretary (at a time when the Options may be exercised) of:

- (a) the certificate for the Options or, if the certificate for the Options has been lost, mutilated or destroyed, a declaration to that effect, accompanied by an indemnity in favour of the Company against any loss, costs or expenses which might be incurred by the Company as a consequence of its relying on the declaration that the certificate has been lost, mutilated or destroyed;
- (b) a notice in the form of Schedule 1 addressed to the Company and signed by the Participant:
  - (i) stating that the Participant exercises the Options and specifying the number of Options which are exercised; and
  - (ii) specifying the subregister of the Company in which the Shares referred to in Rule 8.2(a) are to be recorded; and
- (c) payment to the Company of an amount equal to the Option Exercise Price multiplied by the number of Options which are being exercised unless there is no exercise price payable in respect of the Options to be exercised.

### **8.2 Issue of Shares**

If the items specified in Rule 8.1 are delivered in accordance with that Rule, the Company will, subject to the Listing Rules (if relevant):

- (a) within 10 Business Days of delivery of the documents referred to in Rule 8.1 issue, or procure the transfer, to the Participant the Shares credited as being fully paid in respect of which the Options are exercised together with any additional Shares an entitlement to which has arisen under Rules 10 and 11 in consequence of the exercise of the Options; and
- (b) cancel the certificate delivered pursuant to Rule 8.1(a) and, if any Options which have not lapsed remain unexercised, deliver to the

Participant a replacement certificate reflecting the number of those Options which remain unexercised.

### **8.3 Death of Participant**

If a Participant has died, the Participant's legal personal representative will stand in the place of the Participant for the purposes of Rules 8.1 and 8.2 subject only to prior production to the Company of such evidence as would be required to permit the legal personal representative to become registered as a shareholder in respect of the Shares held by the Participant.

### **8.4 Beneficial Owner of Shares**

From and including the date of issue or transfer to a Participant of any Shares in accordance with these Rules, the Participant will:

- (a) be the beneficial owner of those Shares; and
- (b) subject to Rule 8.6, the Corporations Act, the Constitution and, the Listing Rules, be entitled to deal with those Shares as beneficial owner.

### **8.5 Equal Rank**

A Share acquired on exercise of an Option will rank equally in all respects with Shares already on issue on the date of exercise of the Option, except for entitlements which had a record date before the date of issue or transfer of that Share.

### **8.6 Official Quotation**

The Company will make application for Shares which are issued pursuant to Rule 8.2 to be quoted in accordance with the Listing Rules.

### **8.7 Trust**

The Board may in its sole and absolute discretion use an employee share trust or other mechanism for the purposes of holding Shares for Participants under the Plan and/or delivering Shares provided to Participants upon exercise of the Options.

---

## **9. RESTRICTION ON DISPOSAL OF SHARES**

### **9.1 Restriction period**

Where the Board makes an offer of Options to an Eligible Participant, the Board may, in its discretion, determine that a restriction period will apply to some or all of the Shares issued or transferred to a Participant, following exercise of their Options (**Restricted Shares**), up to a maximum of seven (7) years from the date of grant of the Options (**Restriction Period**).

### **9.2 Waiver of restriction period**

The Board may, in its sole discretion, having regard to the circumstances at the time, waive a Restriction Period determined pursuant to Rule 9.1.

### **9.3 No disposal of Shares while restricted**

A Participant must not dispose of or otherwise deal with any Shares issued or transferred to them under the Plan while they are Restricted Shares.

### **9.4 Enforcement of Restriction Period**

The Company may implement any procedure it considers appropriate to restrict a Participant from dealing with any Restricted Shares for as long as those Shares are Restricted Shares.

### **9.5 Lapse of restrictions attaching to Shares**

When a Share ceases to be a Restricted Share, all restrictions on disposing of or otherwise dealing or purporting to deal with that Share provided in or under these Rules will cease.

---

## **10. NOTICE OF ADJUSTMENTS AND CUMULATION OF ADJUSTMENTS**

### **10.1 Cumulation of Adjustments**

Effect will be given to Rule 11 in such manner that the effect of the successive applications of them is cumulative, with the intention being that the adjustments they progressively effect will reflect previous adjustments.

### **10.2 Notice of Adjustments**

Whenever the number of Shares comprised in an Option and/or the Option Exercise Price is adjusted pursuant to these Rules, the Company will give notice of the adjustment to the Participant and ASX together with calculations on which the adjustment is based.

---

## **11. NEW ISSUES AND ADJUSTMENTS FOR RIGHTS ISSUES**

### **11.1 Participation generally**

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 to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least seven (7) Business Days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

### **11.2 Rights Issues**

A holder of Options under the Plan shall only be permitted to participate in a pro rata issue to the holders of Shares on the prior exercise of the Option (and provided the Vesting Conditions and Exercise Conditions are satisfied or have been waived in accordance with these Rules). The Company must notify the holder of an Option of the proposed issue at least seven (7) business days before the record date to determine entitlements to the pro rata issue.

### **11.3 Bonus issues**

If the Company makes a bonus issue, the number of Shares over which an Option is exercisable will not be increased by the number of Shares which the

holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.

#### **11.4 Quotation**

The Company will apply to ASX for official quotation of the Options granted under the Plan, unless the Board determines in its absolute discretion that Options granted under the Plan will not be quoted on ASX.

#### **11.5 Applications**

An application to be issued Options may be made by persons invited to participate in the Plan in such form and upon such terms and conditions concerning the closing date for applications as are approved by the Directors from time to time.

#### **11.6 Reorganisation**

The terms upon which Options will be granted will not prevent the Options being reorganised as required by the Listing Rules on the reorganisation of the capital of the Company.

---

### **12. OVERRIDING RESTRICTIONS ON ISSUE AND EXERCISE**

Notwithstanding the Rules or the terms of any Option, no Option may be offered, granted or exercised and no Share may be issued or transferred to a Participant under the Plan if to do so:

- (a) would contravene the Corporations Act, the Listing Rules or any other applicable law; or
- (b) would contravene the local laws or customs of an Eligible Participant's country of residence or in the opinion of the Board would require actions to comply with those local laws or customs which are impractical.

---

### **13. AMENDMENT OF RULES**

Subject to and in accordance with the Listing Rules (including any waiver granted under such Listing Rules), the Directors (without the necessity of obtaining the prior or subsequent consent of Shareholders of the Company in a general meeting) may from time to time amend (including the power to revoke, add to or vary) all or any provisions of the Rules in any respect whatsoever, by an instrument in writing, provided that rights or entitlements in respect of any Option granted before the date of amendment shall not be materially reduced or materially adversely affected unless prior written approval from the affected holder(s) is obtained.

---

### **14. TRIGGER EVENT**

Notwithstanding the Rules of the Plan, upon the occurrence of a Trigger Event, the Directors may determine:

- (a) that the Options may be exercised at any time from the date of such determination, and in any number until the date determined by the Directors acting bona fide so as to permit the holder to participate in

any change of control arising from a Trigger Event, provided that the Directors will forthwith advise in writing each holder of such determination. Thereafter, the Options shall lapse to the extent they have not been exercised; or

- (b) to use their reasonable endeavours to procure that an offer is made to holders of Options on like terms (having regard to the nature and value of the Options) to the terms proposed under the Trigger Event in which case the Directors shall determine an appropriate period during which the holder may elect to accept the offer and, if the holder has not so elected at the end of that period, the Options shall immediately become exercisable and if not exercised within 10 days, shall lapse.

---

**15. ADMINISTRATION OF PLAN**

- (a) The Directors may appoint for the proper administration and management of the Plan, such persons as it considers desirable and may delegate thereto such authorities as may be necessary or desirable for the administration and management of the Plan.
- (b) Subject to the provisions of the Rules, the Directors may make such regulations and establish such procedures for the administration and management of the Plan as they consider appropriate.
- (c) The decision of the Directors as to the interpretation, effect or application of the Rules will be final.

---

**16. RIGHTS OF ELIGIBLE PARTICIPANTS**

Neither participation in the Plan by the Company or an Associated Body Corporate or any Eligible Participants or Option holders or anything contained in these Rules shall in any way prejudice or affect the right of the Company or an Associated Body Corporate to dismiss any Eligible Participant or Option holder or to vary the terms of employment of any Eligible Participant or Option holder. Nor shall participation or the rights or benefits of an Eligible Participant or Option holder under the Rules be relevant to or used as grounds for granting or increasing damages in any action brought by an Eligible Participant or Option holder against the Company or an Associated Body Corporate whether in respect of any alleged wrongful dismissal or otherwise.

---

**17. ATTORNEY**

Each Participant, in consideration of an Offer:

- (a) irrevocably appoints the Company and any person nominated from time to time by the Company (each an "attorney"), severally, as the Participant's attorney to complete and execute any documents including applications for Shares and Share transfers and to do all acts or things on behalf of and in the name of the Participant which may be convenient or necessary for the purpose of giving effect to the provisions of these Rules;
- (b) covenants that the Participant will ratify and confirm any act or thing done pursuant to this power;

For personal use only

- (c) releases each member of the Group and the attorney from any liability whatsoever arising from the exercise of the powers conferred by this Rule; and
- (d) indemnifies and holds harmless each member of the Group and the attorney in respect thereof.

---

**18. ASIC RELIEF**

Notwithstanding any other provisions of the Plan, every covenant or other provision set out in an exemption or modification granted from time to time by the ASIC in respect of the Plan pursuant to its power to exempt and modify the Corporations Act and required to be included in the Plan in order for that exemption or modification to have full effect, is deemed to be contained in the Plan. To the extent that any covenant or other provision deemed by this Rule to be contained in the Plan is inconsistent with any other provision in the Plan, the deemed covenant or other provision shall prevail.

---

**19. NOTICES**

Any notice to Participants may be given in such manner as the Board determines.

---

**20. NON-EXCLUSIVITY**

**20.1 Non-exclusivity**

This Plan will not be deemed to be the exclusive method of providing incentive compensation to Participants, nor will it preclude any member of the Group from authorising or approving other forms of incentive compensation for employees of any member of the Group.

**20.2 Relationship to other share plans**

Participation in this Plan will not affect or be affected by any participation in any other employee equity plan operated by any member of the Group, except as specifically provided in the terms of that other plan.

---

**21. GOVERNING LAW**

This Plan is governed by and shall be construed and take effect in accordance with the laws of Western Australia.

---

## SCHEDULE 1 – NOTICE OF EXERCISE OF OPTIONS

---

To: The Directors  
St George Mining Limited (ACN 139 308 973)

I/ We \_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_ being registered holder(s) of the options to acquire fully paid ordinary shares in the Company set out on the certificate annexed to this notice, hereby exercise \_\_\_\_\_ of the abovementioned options. I/We enclose my/our cheque for \$ \_\_\_\_\_ in payment of the option exercise price due in respect of those shares calculated on the basis of \$ \_\_\_\_\_ per share.

I/ We authorise and direct the Company to register me/us as the holder(s) of the shares to be allotted to me/us and I/we agree to accept such shares subject to the provisions of the Constitution of the Company.

Dated the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
**Signature of Holder(s)**

Note:

1. Each holder must sign.
2. An application by a company must be executed in accordance with section 127 of the Corporations Act 2001 (Cth) and if signing for a company as a sole director/secretary – ensure “sole director” and “sole secretary” is written beside the signature.
3. Cheques should be made payable to St George Mining Limited.

---

## SCHEDULE 2 – OFFER DOCUMENT

---

(Name and address of employee)

Dear (Insert)

### Directors, Employees and Consultants Option Plan

The board of directors of St George Mining Limited (**Company**) is please to make an offer to you of (Insert) options pursuant to its **Directors, Employees and Consultants Option Plan (Plan)**.

In accordance with ASIC Class Order 03/184, the Company informs you of the following:

- (a) accompanying this letter is a full copy of the terms of the Plan;
- (b) this offer remains open for acceptance by you for 14 days from the date of this letter (**Offer Period**);
- (c) the options under the Plan will be granted to you for nil consideration;
- (d) the exercise price of each of the options is \$(Insert) and the expiry date is (Insert);
- (e) the Company undertakes that during the period commencing on the date of this letter and expiring at the end of the Offer Period, it will within a reasonable period of you so requesting, make available to you the current market price of the underlying shares to which the options relate;
- (f) that, unless at the time of the exercise of the options the shares the subject of those options will be in the same class as securities which have been quoted on the financial market operated by ASX Limited (**ASX**) or an approved foreign market throughout the 12 month period immediately preceding the exercise date of the options without suspension for more than a total of 5 trading days during that period, the Company will have a prospectus available in relation to the shares the subject of the options which complies with the requirements of the Corporations Act; and
- (g) options being offered cannot be exercised unless either a current prospectus is made available or the shares the subject of the options are in the same class as securities which have been quoted on the financial market operated by ASX or an approved foreign market throughout the 12 month period immediately preceding the exercise date of the options without suspension for more than a total of 5 trading days during that period.

This letter and all other documents provided to you at the time of this offer contain general advice only and you should consider obtaining your own financial product advice from an independent person who is licensed by the Australian Securities and Investments Commission to give such advice.

Could you please confirm your acceptance of the offer set out in this letter by signing in the appropriate place below and returning it to the Company on facsimile number (+618) 9322 6610.

Yours faithfully

**(Insert)**

For and on behalf of  
**St George Mining Limited**

Encl.

---

I agree to the terms and conditions set out above and accept the offer of options as contained in the letter set out above.

\_\_\_\_\_  
Name: \_\_\_\_\_

Date: \_\_\_\_\_

\*Note: The Company does not have to include the information set out in paragraphs (f) and (g) above if its Shares have been quoted on the financial market operated by ASX or an approved foreign market throughout the 12 month period immediately before the offer of Options without suspension for more than a total of 5 trading days during that period.

For personal use only