

5 February 2018

Dear Optionholder

ST GEORGE MINING LIMITED - BONUS ISSUE OF PRIVATE SERIES OPTIONS

As announced on 29 January 2018, St George Mining Limited (ACN 139 308 973) (**SGQ**) is undertaking a bonus issue of 1 unlisted option (**New Option**) to acquire a fully paid ordinary share in the capital of the Company (**Share**) for every 20 Shares held by eligible shareholders, with the New Options to be issued for nil consideration (**Offer**). The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 5 February 2018.

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5:00pm (WST) on 12 February 2018.

Each New Option will be exercisable at \$0.25 on or before 23 April 2018. All of the Shares issued upon the future exercise of the New Options will rank equally with the Shares already on issue.

Following completion of the Offer, the Company will have issued approximately 12,524,500 New Options resulting in total Options on issue of approximately 40,561,214.

Optionholders

The terms and conditions of the options you currently hold do not entitle you to participate in the Offer unless you exercise your options in time for new shares to be issued and to be entered on the Company's register of members on or before 5:00pm (WST) 12 February 2018 (**Record Date**).

To exercise your options and thereby participate in the Offer, you will need to deliver the following to the Company:

- (a) A notice of exercise of options;
- (b) An option certificate (where the options are certificated) or a copy of a holding statement (where the options are uncertificated) in respect of those options to be exercised; and
- (c) Payment for the exercise price in respect of those options to be exercised by way of a cheque made payable to "St George Mining Limited".

To ensure that your new shares are issued prior to the Record Date, the above must be received by St George Mining Limited **no later than** 12 February 2018. If received after this date, issue of new shares prior to the Record Date cannot be assured.

Before deciding whether to exercise any or all of your options, you should read the Prospectus in its entirety.

This notice is important and requires immediate attention. If you have any queries concerning the Offer, please contact your financial adviser or Sarah Shipway, SGQ's Company Secretary on +61 8 9322 6600.

Yours sincerely

Sarah Shipway
Company Secretary
St George Mining Limited

ST GEORGE MINING LIMITED ACN 139 308 973

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