

19 June 2020

Dear Shareholders,

IMPACT OF COVID-19 RESTRICTIONS ON THE COMPANY'S EXTRAORDINARY GENERAL MEETING

A general meeting of shareholders is scheduled to be held in Perth on 17 July 2020 at 10:00am (AWST) (**Meeting**). However, depending on the status of the evolving COVID-19 situation and Government restrictions on public gatherings in place at the time of the Meeting, the Directors may make a decision prior to the Meeting that Shareholders will not be able to attend the Meeting in person.

Accordingly, the Directors **strongly encourage all shareholders to lodge a directed proxy form prior to the Meeting.**

The Australian government is implementing a wide range of measures to contain or delay the spread of COVID-19. If it becomes necessary or appropriate to make alternative arrangements to those set out in the Company's Notice of Meeting, the Company will notify Shareholders accordingly via the Company's website at www.stgm.com.au and the ASX Company's Announcement Platform at asx.com.au (ASX: SGQ).

Any Shareholders who plan to physically attend the Meeting should closely monitor these platforms for any updates from the Company in regard to attending the Meeting in person and alternative arrangements.

Any shareholders wishing to physically attend the Meeting will need to contact the Company before the meeting to complete a questionnaire to ensure the safety of all persons attending. If persons wishing to attend have not completed the questionnaire, the Company may not be able to allow attendance at the meeting due to the potential risk to fellow attendees.

If Shareholders are not able to attend the Meeting in person, Shareholders will be able to participate in the Meeting by:

- (a) voting their Shares prior to the Meeting by lodging the proxy form attached to the Notice by no later 10:00am on 15 July 2020; and/or
- (b) emailing any questions in advance of the meeting to sarah.shipway@stgm.com.au by no later than 10 July 2020.

This announcement is authorised for market release by the Board of St George Mining Limited.

Sincerely,

John Prineas
Executive Chairman
St George Mining Limited

ST GEORGE MINING LIMITED**ACN 139 308 973****NOTICE OF GENERAL MEETING**

Notice is given that the Meeting will be held at:

TIME: 10:00am
DATE: Friday, 17 July 2020
PLACE: The Melbourne Hotel
33 Milligan Street
Perth WA 6000

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001(Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00pm (WST) on 15 July 2020.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES – OCTOBER 2019 PLACEMENT

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 38,633,333 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SHARES - SHARES ISSUED TO EXTINGUISH CORPORATE LOAN FACILITY

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 5,666,667 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and

- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES – LISTING RULE 7.1

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 8,446,688 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF SHARES – LISTING RULE 7.1A

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 36,831,126 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

5. RESOLUTION 5 – ISSUE OF DIRECTOR PERFORMANCE RIGHTS TO MR JOHN PRINEAS

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 26 Director Performance Rights to Mr John Prineas (or his nominee) under the Incentive Performance Rights Plan on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by a person who is referred to in rule 10.4.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement:

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 5 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 5 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 5 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

6. RESOLUTION 6 – ISSUE OF DIRECTOR PERFORMANCE RIGHTS TO MR JOHN DAWSON

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, approval is

given for the Company to issue up to 16 Director Performance Rights to Mr John Dawson (or his nominee) under the Incentive Performance Rights Plan on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by a person who is referred to in rule 10.4.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement:

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 6 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 6 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 6 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

7. RESOLUTION 7 – ISSUE OF DIRECTOR PERFORMANCE RIGHTS TO MS SARAH SHIPWAY

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 16 Director Performance Rights to Ms Sarah Shipway (or her nominee) under the Incentive Performance Rights Plan on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by a person who is referred to in rule 10.4.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement:

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 7 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 7 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Dated: 15 June 2020

By order of the Board

**Ms Sarah Shipway
Non-Executive Director/Company Secretary
St George Mining Limited**

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 437 220 697.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES – OCTOBER 2019 PLACEMENT SHARES

1.1 General

On 31 October 2019, the Company issued 38,633,333 Shares to professional and sophisticated investors at an issue price of \$0.15 per Share to raise \$5,795,000. (**2019 Placement Shares**). The Company is seeking shareholder approval to ratify the issue of these 2019 Placement Shares.

The Company engaged the services of Argonaut Securities Pty Limited (ACN 108 330 650) (**Argonaut**) (AFSL 274 099) and Bell Potter Securities Limited (ACN 006 390 772) (**Bell Potter**) (AFSL 243 480) to act as joint lead managers to the issue of the 2019 Placement Shares. The Company paid Argonaut and Bell Potter an aggregate fee of \$345,000 (being, 6% of the amount raised under the issue of the 2019 Placement Shares) for their services.

1.2 Listing Rules 7.1 and 7.4

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

As the issue of the 2019 Placement Shares has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval over the 12 month period following the date of issue of the 2019 Placement Shares.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the 2019 Placement Shares, the subject of Resolution 1.

Resolution 1 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the 2019 Placement Shares.

1.3 Technical information required by Listing Rule 14.1A

If Resolution 1 is passed, the 2019 Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue without Shareholder

approval over the 12 month period following the date of issue of the 2019 Placement Shares.

If Resolution 1 is not passed, the 2019 Placement Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the 2019 Placement Shares.

1.4 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 1:

- (a) the 2019 Placement Shares were issued to professional and sophisticated investors. The recipients were identified through a bookbuild process, which involved Argonaut and Bell Potter seeking expressions of interest to participate in the capital raising from non-related parties of the Company. None of the recipients are related parties of the Company.
- (b) 38,633,333 2019 Placement Shares were issued and these are all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (c) the 2019 Placement Shares were issued on 31 October 2019, the issue price was \$0.15 per 2019 Placement Share. The Company has not and will not receive any other consideration for the issue of the 2019 Placement Shares.
- (d) the purpose of the issue of the 2019 Placement Shares was to raise \$5,795,000, which was applied towards funding of exploration programmes at its flagship project at Mt Alexander located in the north-eastern Goldfields of Western Australia and general working capital.
- (e) the 2019 Placement Shares were not issued under an agreement; and
- (f) a voting exclusion statement is included in Resolution 1 of the Notice.

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SHARES – SHARES ISSUED TO EXTINGUISH CORPORATE LOAN FACILITY (LISTING RULE 7.1)

2.1 General

On 25 January 2019 the Company entered into a loan facility with an existing shareholder and non-related party of the Company, Mr Paul Lee, pursuant to which the Company was provided a loan facility of \$1,000,000 (**Loan Facility**). The first draw down of funds under the Loan Facility was made on 14 March 2019.

The Loan Facility was unsecured and had the following key terms:

- (a) loan facility amount of \$1,000,000, which reduced to \$850,000 by the repayment of \$150,000 by the Company on 27 June 2019;
- (b) establishment fee of 5%;

- (c) 12-month repayment term, being 29 January 2020;
- (d) interest rate of 15%;
- (e) 100% of the interest is capitalised and repayable on loan maturity; and
- (f) there were no loan covenants.

The establishment fee and interest were paid by the Company in cash.

The Loan Facility was entered into in January 2019 and the Company announced the Loan Facility on 30 April 2019. At the time of entry into the Loan Facility, the Company did not consider the Loan Facility to be material on the basis that the Company had other funding possibilities available to it and it was not known whether the Loan Facility would be drawn down at all. At the time of the announcement of the Loan Facility, the Company had drawn down \$180,000.

On 31 October 2019, the Company issued 5,666,667 Shares to fully repay the amount outstanding under the Loan Facility (**Loan Facility Shares**).

A summary of ASX Listing Rule 7.4 is set out in Section 1.2 above.

Resolution 2 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Loan Facility Shares.

2.2 Technical information required by Listing Rule 14.1A

If Resolution 2 is passed, the Loan Facility Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue with Shareholder approval over the 12 month period following the date of issue of the Loan Facility Shares.

If Resolution 2 is not passed, the Loan Facility Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Loan Facility Shares.

2.3 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 2:

- (a) the Loan Facility Shares were issued to Mr Paul Lee, an existing shareholder who is not a related party of the Company;
- (b) 5,666,667 Loan Facility Shares were issued and the Loan Facility Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (c) the Loan Facility Shares were issued on 31 October 2019;
- (d) the Loan Facility Shares were issued at a deemed issue price of \$0.15, to fully repay the amount owing by the Company under the Loan Facility and to extinguish the Loan Facility. The Company has not and will not receive any other consideration for the issue of the Loan Facility Shares;

- (e) the purpose of the issue of the Loan Facility Shares was to repay the loan facility draw down and satisfy the terms of the Loan Facility;
- (f) the Loan Facility Shares were issued in relation to a Loan Facility between the Company and Mr Paul Lee, an existing shareholder who is a non-related party of the Company. A summary of the material terms of the Loan Facility are set out in Section 2.1 of this Explanatory Statement; and
- (g) a voting exclusion statement is included in Resolution 2 of the Notice.

3. RESOLUTIONS 3 AND 4 – RATIFICATION OF PRIOR ISSUE OF SHARES – LISTING RULES 7.1 AND 7.1A

3.1 General

On 15 May 2020, the Company issued 45,277,814 Shares at an issue price of \$0.08 per Share to raise \$3,622,225 (**2020 Placement Shares**).

8,446,688 Shares were issued pursuant to the Company's capacity under Listing Rule 7.1 (being, the subject of Resolution 3) and 36,831,126 Shares were issued pursuant to the Company's 7.1A mandate which was approved by Shareholders at the annual general meeting held on 21 November 2019.

The Company engaged the services of:

- (a) Argonaut Securities Pty Ltd (ACN 108 330 650) (AFSL 274 099) (**Argonaut**);
- (b) Bell Potter Securities Limited (ACN 006 390 772) (AFSL 243 480) (**Bell Potter**); and
- (c) Canaccord Genuity (Australia) Limited (ACN 075 071 466) (AFSL 234 666) (**Canaccord**),

(together, the **Joint Lead Managers**) to manage the issue of the 2020 Placement Shares. The Company agreed to pay the Joint Lead Managers:

- (a) a management fee of \$108,666.75 each (being, 3% of the amount raised under the issue of the 2020 Placement Shares) for an aggregate management fee of 3% of the amount raised under the issue of the 2020 Placement Shares; and
- (b) an aggregate selling fee of \$108,666.75 (being, 3% of the amount raised under the issue of the 2020 Placement Shares) allocated in equal proportion amongst the Joint Lead Managers.

As such, each JLM received a fee totalling \$72,444.50 (excluding GST).

3.2 Listing Rules 7.1 and 7.1A

As summarised in Section 1.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

Under Listing Rule 7.1A however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 21 November 2019.

The issue of the 2020 Placement Shares does not fit within any of these exceptions and, as it has not yet been approved by Shareholders, it effectively uses up part of the 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rules 7.1 for the 12 month period following the date of issue of the 2020 Placement Shares.

3.3 Listing Rule 7.4

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the 2020 Placement Shares.

Resolutions 3 and 4 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the 2020 Placement Shares.

3.4 Technical information required by Listing Rule 14.1A

If Resolutions 3 and 4 are passed, the 2020 Placement Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the 2020 Placement Shares.

If Resolutions 3 and 4 are not passed, the 2020 Placement Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the 2020 Placement Shares.

3.5 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolutions 3 and 4:

- (a) the 2020 Placement Shares were issued to professional and sophisticated investors. The recipients were identified through a bookbuild process, which involved the Joint Lead Managers seeking expressions of interest to participate in the capital raising from non-related parties of the Company. None of the recipients are related parties of the Company.
- (b) The 2020 Placement Shares were issued on the following basis:
 - (i) 8,446,688 Shares issued pursuant to Listing Rule 7.1 (ratification of which is sought under Resolution 3); and

- (ii) 36,831,126 Shares issued pursuant to Listing Rule 7.1A (ratification of which is sought under Resolution 4);
- (c) the 2020 Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares
- (d) the 2020 Placement Shares were issued on 15 May 2020;
- (e) the issue price was \$0.08 per 2020 Placement Share under both the issue of Shares pursuant to Listing Rule 7.1 and Listing Rule 7.1A. The Company has not and will not receive any other consideration for the issue of the 2020 Placement Shares;
- (f) the purpose of the issue of the 2020 Placement Shares was to raise \$3,622,225, which will be applied towards the exploration programmes at the Company's flagship Mt Alexander Project and general working capital;
- (g) the 2020 Placement Shares were not issued under an agreement; and
- (h) a voting exclusion statement is included in Resolutions 3 and 4 of the Notice.

4. RESOLUTIONS 5, 6 AND 7 – ISSUE OF PERFORMANCE RIGHTS TO DIRECTORS

4.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue a total of 58 Performance Rights (**Director Performance Rights**) to Mr John Prineas, Mr John Dawson and Ms Sarah Shipway (or their nominees) (**Directors**) pursuant to the Incentive Performance Rights Plan (**Performance Rights Plan**) and on the terms and conditions set out below. The Director Performance Rights are to be issued under the Performance Rights Plan which was approved by Shareholders at the Company's annual general meeting held on 22 November 2017.

The purpose of the issue of the Director Performance Rights to the Directors (or their nominees) is to further motivate and reward their performance as Directors in achieving specified performance milestones within a specified performance period. The Board considers the granting of the Director Performance Rights to be a cost-effective reward for the Company to appropriately incentivise the continued performance of the Directors and is consistent with the strategic goals and targets of the Company.

Resolutions 5 to 7 seek Shareholder approval for the issue of the Director Performance Rights to the Directors.

4.2 Summary of material terms of the Performance Rights

Each Performance Right will convert into 50,000 Shares upon achievement of the relevant milestone and vesting conditions which are set out in Schedule 1. In the event that the applicable milestones and vesting conditions are not met, the Performance Rights will not vest and as a result, no new Shares will be issued. There is nil consideration payable upon the granting of a Performance Right and the vesting of a Performance Right to a Share. If all milestones are achieved, a total of 2,900,000 Shares will be issued to the Directors.

4.3 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Director Performance Rights to the Directors (or their nominees) constitutes giving a financial benefit and each Director is a related party of the Company by virtue of being a Director.

As the Director Performance Rights are proposed to be issued to all of the Directors, the Directors are unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to the issue of the Director Performance Rights. Accordingly, Shareholder approval for the issue of Director Performance Rights to the Directors is sought in accordance with Chapter 2E of the Corporations Act.

4.4 Listing Rule 10.14

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

10.14.1 a director of the entity;

10.14.2 an associate of a director of the entity; or

10.14.3 a person whose relationship with the entity or a person referred to in Listing Rules 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders.

The issue of Director Performance Rights to the Directors falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolutions 5 to 7 seek the required Shareholder approval for the issue of the Director Performance Rights under and for the purposes of Listing Rule 10.14 and Chapter 2E of the Corporations Act.

4.5 Technical information required by Listing Rule 14.1A

If Resolutions 5 to 7 are passed, the Company will be able to proceed with the issue of the Director Performance Rights to the Directors under the Performance Rights Plan within three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Director Performance Rights (because approval is being obtained under Listing Rule 10.14), the issue of the Director Performance Rights will not use up any of the Company's 15% annual placement capacity.

If Resolutions 5 to 7 are not passed, the Company will not be able to proceed with the issue of the Director Performance Rights to the Directors under the Performance Rights Plan.

4.6 Technical information required by Listing Rule 10.15 and section 219 of the Corporations Act

Pursuant to and in accordance with the requirements of Listing Rule 10.15 and section 219 of the Corporations Act, the following information is provided in relation to Resolutions 5 to 7:

- (a) the Director Performance Rights will be issued to the following persons:
 - (i) Mr John Prineas (or his nominee) pursuant to Resolution 5;
 - (ii) Mr John Dawson (or his nominee) pursuant to Resolution 6; and
 - (iii) Ms Sarah Shipway (or her nominee) pursuant to Resolution 7,each of whom falls within the category set out in Listing Rule 10.14.1 by virtue of being a Director;
- (b) the maximum number of Director Performance Rights to be issued to the Directors (or their nominees) under Resolutions 5 to 7 is 58, set out as follows:
 - (i) 26 Director Performance Rights to Mr John Prineas (or his nominee), comprising:
 - (A) 8 Class D Director Performance Rights which will convert into 400,000 Shares upon achievement of the relevant milestones;
 - (B) 8 Class E Director Performance Rights which will convert into 400,000 Shares upon achievement of the relevant milestones;
 - (C) 10 Class F Director Performance Rights which will convert into 500,000 Shares upon achievement of the relevant milestones; and
 - (ii) 16 Director Performance Rights to Mr John Dawson (or his nominee), comprising:
 - (A) 5 Class D Director Performance Rights which will convert into 250,000 Shares upon achievement of the relevant milestones;
 - (B) 5 Class E Director Performance Rights which will convert into 250,000 Shares upon achievement of the relevant milestones;
 - (C) 6 Class F Director Performance Rights which will convert into 300,000 Shares upon achievement of the relevant milestones; and
 - (iii) 16 Director Performance Rights to Ms Sarah Shipway (or her nominee), comprising:

- (A) 5 Class D Director Performance Rights which will convert into 250,000 Shares upon achievement of the relevant milestones;
- (B) 5 Class E Director Performance Rights which will convert into 250,000 Shares upon achievement of the relevant milestones;
- (C) 6 Class F Director Performance Rights which will convert into 300,000 Shares upon achievement of the relevant milestones; and
- (c) the total remuneration package for each of the Related Parties for the previous financial year and the proposed total remuneration package for the current financial year are set out below :

Related Party	Current Financial Year	Previous Financial Year
John Prineas ¹	\$564,258	\$564,258
John Dawson ²	\$104,850	\$34,197
Sarah Shipway ³	\$192,451	\$192,451

Notes:

1. Comprising Directors' fees of \$350,000, a superannuation payment of \$33,250, annual leave and long service leave entitlements \$71,634 and share-based payments of \$109,374 (there has been no increase for the Director Performance Rights as they are expected to be issued in the next financial year).
2. Comprising Directors' salary of \$62,460 (2019: \$31,230, as Mr Dawson was appointed on 2 January 2019), a superannuation payment of \$5,932 (2019: \$2,967) and share-based payments of \$36,458 (2018: Nil) there has been no increase for the Director Performance Rights as they are expected to be issued in the next financial year).
3. Comprising Directors'/Company Secretary salary of \$142,459, a superannuation payment of \$13,534 and share-based payments of \$36,458 there has been no increase for the Director Performance Rights as they are expected to be issued in the next financial year).

- (d) the relevant interests of the Directors in securities of the Company as at the date of this Notice are set out below:

Related Party	Shares ¹	Options ²	Performance Rights ³
John Prineas	12,588,178	1,021,422	60
John Dawson	14,895,242	1,459,494	20
Sarah Shipway	649,479	-	20

Notes:

1. Fully paid ordinary shares in the capital of the Company (ASX: SGQ).
2. Quoted Options exercisable at \$0.20 each on or before 30 September 2020 (ASX: SGQOB).
3. Please see Section 4.6(e) for further details.

- (e) since it was adopted by Shareholders at the Company's annual general meeting on 22 November 2017, Mr John Prineas has received 60 Performance Rights (which will convert into 3,000,000 Shares upon achievement of the relevant milestones), Mr John Dawson has received 20 Performance Rights (which will convert into 1,000,000 Shares upon achievement of the relevant milestones) and Ms Sarah Shipway has received 20 Performance Rights (which will convert into 1,000,000 Shares upon achievement of the relevant milestones) under the Performance Rights Plan. All previously issued Performance Rights have been issued with nil issue price;
- (f) a summary of the material terms and conditions of the Director Performance Rights including the vesting conditions is set out in Schedule 1;
- (g) a summary of the Performance Rights Plan is set out in Schedule 2;
- (h) the Director Performance Rights are unquoted Performance Rights. The Company has chosen to grant the Director Performance Rights to the Directors for the following reasons:
 - (i) the Director Performance Rights are unquoted, therefore the grant of the Director Performance Rights has no immediate dilutionary impact on Shareholders;
 - (ii) the issue of Director Performance Rights to the Directors will align the interests of the Directors with those of Shareholders;
 - (iii) the issue of the Director Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Directors;
 - (iv) the issue of the Directors Performance Rights are subject to Subdivision 83A-C of the Income Tax Assessment Act 1997; and
 - (v) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Director Performance Rights on the terms proposed.
- (i) the value of the Director Performance Rights and the pricing methodology is set out in Schedule 3;
- (j) if the milestones for the Director Performance Rights issued to the Directors are met, a total of 2,900,000 Shares would be issued. This will increase the number of Shares on issue from 502,889,079 (being the total number of Shares on issue as at the date of this Notice) to 505,789,079 (assuming that no Shares are issued and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 0.58%, comprising 0.26% by John Prineas, 0.16% by John Dawson and 0.16% by Sarah Shipway;
- (k) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$0.245	9 September 2019
Lowest	\$0.06	30 March 2020
Last	\$0.11	15 June 2020

- (l) the Director Performance Rights will be issued to the Directors (or their nominees) within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Director Performance Rights will be issued on one date;
- (m) the issue price of the Director Performance Rights will be nil, as such no funds will be raised from the issue of the Incentive Performance Rights;
- (n) no loan is being made to the Directors in connection with the acquisition of the Director Performance Rights;
- (o) details of any Performance Rights issued under the Performance Rights Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;
- (p) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights under the Performance Rights Plan and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14;
- (q) each Director has a material personal interest in the outcome of Resolutions 5 to 7 on the basis that all of the Directors (or their nominees) are to be issued Director Performance Rights should Resolutions 5 to 7 be passed. For this reason, the Directors do not believe that it is appropriate to make a recommendation on Resolutions 5 to 7 of this Notice;
- (r) the Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolutions 5 to 7; and
- (s) a voting exclusion statement is included in Resolutions 5 to 7 of the Notice.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ABN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

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

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Director Performance Rights means the Performance Rights granted to the current Directors of the Company under the Performance Rights Plan subject to resolutions 5 to 7 of this Notice of Meeting being approved by Shareholders.

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the Listing Rules of ASX.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Performance Right means a right to acquire a Share, subject to satisfaction of any vesting conditions.

Performance Rights Plan means the incentive performance rights plan approved by Shareholders at the Company's annual general meeting held on 22 November 2017.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – TERMS AND CONDITIONS OF DIRECTOR PERFORMANCE RIGHTS

The terms and conditions of the Director Performance Rights are set out below:

(a) **Milestones**

The Performance Rights will have the following milestones attached to them:

(i) **Class D Performance Rights**

An announcement by the Company to the Australian Securities Exchange (**ASX**) is made by 30 June 2021 stating that the Company has made a Decision to Mine at the Mt Alexander Project.

(ii) **Class E Performance Rights**

An announcement by the Company to the ASX is made by 30 June 2022 stating that the Company has commenced production at the Mt Alexander Project of Nickel that will be commercially sold under an offtake or sales agreement.

(iii) **Class F Performance Rights**

An announcement by the Company to the ASX is made by 30 June 2022 stating that the Company has defined an inferred 2012 JORC compliant resource at the Mt Alexander Project of not less than 100,000 tonnes contained nickel based on a cut-off grade of not less than 0.5%.

(each a **Milestone**).

(b) For the purpose of paragraph (a):

(i) **Decision to Mine**

Means a decision made by the Board of the Company to proceed to the development of a mining operation at the Mt Alexander Project.

(ii) **Nickel**

Means nickel minerals, nickel bearing ores, nickel bearing concentrates or other nickel product generated from material recovered at the Mt Alexander Project.

(c) **Milestone satisfaction and notification to holder**

The Company shall notify the holder in writing when a Milestone has been satisfied.

(d) **Vesting of Performance Rights**

A Performance Right will vest to the holder on the date that the Company issues a notice referred to in paragraph (c) in respect of that Performance Right.

(e) **Conversion**

Following the vesting of a Performance Right, a Performance Right may be exercised, by the holder lodging with the Board a Notice of Exercise of that Performance Right. Each Performance Right will convert into 50,000 Shares.

(f) **Share ranking**

All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other Shares.

(g) **Application to ASX**

The Performance Rights will not be quoted on ASX. The Company must apply for the official quotation of a Share issued on conversion of a Performance Right on ASX within the time period required by the ASX Listing Rules.

(h) **Transfer of Performance Rights**

The Performance Rights are not transferable.

(i) **Lapse of a Performance Right**

A Performance Right will lapse if the Milestone attached to the relevant Performance Right has not been satisfied within the time period set out in paragraph (a), or otherwise in accordance with the terms of the Plan.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Performance Rights and a holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights without exercising the Performance Right.

(k) **Reorganisation of capital**

If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules (if applicable) at the time of the reorganisation.

(l) **Adjustment for bonus issue**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of Shares or other securities which must be issued on the conversion of a Performance Right will be increased by the number of Shares or other securities which the holder would have received if the holder had converted the Performance Right before the record date for the bonus issue.

(m) **Dividend and Voting Rights**

The Performance Rights do not confer on the holder an entitlement to vote (except as otherwise required by law) or receive dividends.

(n) **Takeover bid**

Where an offer or other proposal is made by a third party for the acquisition of 50% or more of the Company's issued ordinary shares, the Board may in its discretion determine that a Performance Right will vest immediately where that Performance Right has satisfied its respective Milestone but has not yet vested.

(o) **Change in Control**

If a company obtains control of the Company as a result of a Change of Control (as defined in the Plan), a Performance Right will vest immediately where that Performance Right has satisfied its respective Milestone but has not yet vested.

(p) **No rights to return of capital**

A Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(q) **Rights on winding up**

A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.

(r) **No other rights**

A Performance Right gives the holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

(s) **Subdivision 83A-C**

Subdivision 83A-C of the Income Tax Assessment Act 1997 applies to the Performance Rights.

SCHEDULE 2 – SUMMARY OF PERFORMANCE RIGHTS PLAN

The following is a summary of the key terms and conditions of the Company's Performance Rights Plan.

(a) **Eligibility**

Participants in the Performance Rights Plan may be:

- (i) a Director (whether executive or non-executive) of the Company and any Associated Body Corporate of the Company (each a **Group Company**);
- (ii) a full or part time employee of any Group Company;
- (iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 as amended or replaced (**Class Order**) or as otherwise permitted by the Board in its sole discretion; or
- (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs (i), (ii) or (iii) above,

who is declared by the Board to be eligible to receive grants of Performance Rights under the Performance Rights Plan (**Eligible Participants**).

(b) **Offer**

The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant (including an Eligible Participant who has previously received an offer) to apply for up to a specified number of Performance Rights, upon the terms set out in the Performance Rights Plan and upon such additional terms and conditions as the Board determines.

(c) **Plan limit**

The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Performance Rights offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.

(d) **Issue price**

Performance Rights issued under the Performance Rights Plan will be issued for nil cash consideration.

(e) **Vesting Conditions**

A Performance Right may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Performance Right.

(f) **Vesting**

The Board may in its absolute discretion (except in respect of a Change of Control occurring where Vesting Conditions are deemed to be automatically waived) by written notice to a Participant (being an Eligible Participant to whom Performance Rights have been granted under the Performance Rights Plan or their nominee where the Performance Rights have been granted to the nominee of the Eligible Participant), resolve to waive any of the Vesting Conditions applying to Performance Rights due to:

- (i) Special Circumstances arising in relation to a Relevant Person in respect of those Performance Rights; or
- (ii) a Change of Control occurring; or
- (iii) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.

(g) **Lapse of a Performance right**

A Performance Right will lapse upon the earlier to occur of:

- (i) an unauthorised dealing in the Performance Right;
- (ii) a Vesting Condition in relation to the Performance Right is not satisfied by its due date, or becomes incapable of satisfaction, unless the Board exercises its discretion to waive the Vesting Conditions and vest the Performance Right in the circumstances set out in paragraph (g) or the Board resolves, in its absolute discretion, to allow the unvested Performance Rights to remain unvested after the Relevant Person ceases to be an Eligible Participant;
- (iii) in respect of unvested Performance Rights only, an Eligible Participant ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Performance Right in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Performance Rights to remain unvested after the Relevant Person ceases to be an Eligible Participant;
- (iv) in respect of vested Performance Rights only, a relevant person ceases to be an Eligible Participant and the Performance Right granted in respect of that person is not exercised within one (1) month (or such later date as the Board determines) of the date that person ceases to be an Eligible Participant;
- (v) the Board deems that a Performance Right lapses due to fraud, dishonesty or other improper behaviour of the Eligible Participant;
- (vi) the Company undergoes a Change of Control or a winding up resolution or order is made and the Board does not exercise its discretion to vest the Performance Right;
- (vii) the expiry date of the Performance Right.

(h) **Not transferrable**

Performance Rights are only transferrable in Special Circumstances with the prior written consent of the Board (which may be withheld in its absolute discretion) or

by force of law upon death, to the Participant's legal personal representative or upon bankruptcy to the participant's trustee in bankruptcy.

(i) **Shares**

Shares resulting from the exercise of the Performance Rights shall, subject to any Sale Restrictions (refer paragraph (k)) from the date of issue, rank on equal terms with all other Shares on issue.

(j) **Quotation of Shares**

If Shares of the same class as those issued upon exercise of Performance Rights issued under the Performance Rights Plan are quoted on the ASX, the Company will, subject to the ASX Listing Rules, apply to the ASX for those Shares to be quoted on ASX within 10 business days of the later of the date the Shares are issued and the date any restriction period applying to the disposal of Shares ends.

(k) **Sale Restrictions**

The Board may, in its discretion, determine at any time up until exercise of Performance Rights, that a restriction period will apply to some or all of the Shares issued to an Eligible Participant (or their eligible nominee) on exercise of those Performance Rights up to a maximum of seven (7) years from the grant date of the Performance Rights. In addition, the Board may, in its sole discretion, having regard to the circumstances at the time, waive any such restriction period determined.

(l) **No Participation Rights**

There are no participating rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.

(m) **Change in exercise price of number of underlying securities**

Unless specified in the offer of the Performance Rights and subject to compliance with the ASX Listing Rules, a Performance Right does not confer the right to a change in exercise price or in the number of underlying Shares over which the Performance Right can be exercised.

(n) **Reorganisation**

If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of a Performance Right are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

(o) **Amendments**

Subject to express restrictions set out in the Performance Rights Plan and complying with the Corporations Act, ASX Listing Rules and any other applicable law, the Board may at any time by resolution amend or add to all or any of the provisions of the Performance Rights Plan, or the terms or conditions of any Performance Right granted under the Performance Rights Plan including giving any amendment retrospective effect.

(p) **Trust**

The Board may, at any time, establish a trust for the sole purpose of acquiring and holding Shares in respect of which a Participant may exercise, or has exercised, vested Performance Rights, including for the purpose of enforcing the disposal restrictions and appoint a trustee to act as trustee of the trust. The trustee will hold the Shares as trustee for and on behalf of a Participant as beneficial owner upon the terms of the trust. The Board may at any time amend all of any of the provisions of the Performance Rights Plan to effect the establishment of such a trust and the appointment of such a trustee.

SCHEDULE 3 – VALUATION OF DIRECTOR PERFORMANCE RIGHTS

The Director Performance Rights to be issued pursuant to Resolutions 5 to 7 have been valued by internal management.

Using the Black & Scholes option pricing model and based on the assumptions set out below, the Director Performance Rights were ascribed the following value range:

Assumptions:			
Valuation date	3 June 2020		
Market price of Shares	11 cents		
Exercise price	Nil		
Expiry date (length of time from issue)	3 years from the date of issue		
Risk free interest rate	0.26%		
Volatility	87.32%	87.32%	87.32%
Indicative value per Director Performance Right	10.9 cents	10.9 cents	10.9 cents
Total Value of Director Performance Rights	\$98,100	\$98,100	\$119,900
John Prineas (Resolution 5)	\$43,600	\$43,600	\$54,500
John Dawson (Resolution 6)	\$27,250	\$27,250	\$32,700
Sarah Shipway (Resolution 7)	\$27,250	\$27,250	\$32,700

Note: The valuation ranges noted above are not necessarily the market prices that Director Performance Rights could be traded at and they are not automatically the market prices for taxation purposes.



STGEORGE
MINING LIMITED

ABN 21 139 308 973



SGQ

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

Need assistance?



Phone:

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



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (WST)**
Wednesday, 15 July 2020

Proxy Form

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

If you are attending in person, please bring this form with you to assist registration.

Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

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

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



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

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

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



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

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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 General Meeting of St George Mining Limited to be held at The Melbourne Hotel, 33 Milligan Street, Perth, Western Australia on Friday, 17 July 2020 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 5 - 7 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 5 - 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 5 - 7 by marking the appropriate box in step 2.

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
1 Ratification of Prior Issue of Shares - October 2019 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Ratification of Prior Issue of Shares - Shares issued to extinguish corporate loan facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Ratification of Prior Issue of Shares - Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Ratification of Prior Issue of Shares - Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Issue of Director Performance Rights to Mr John Prineas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Issue of Director Performance Rights to Mr John Dawson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Issue of Director Performance Rights to Ms Sarah Shipway	<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.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 Securityholder 2 Securityholder 3 / /
 Sole Director & Sole Company Secretary Director Director/Company Secretary Date

Update your communication details (Optional)

Mobile Number Email Address
 By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

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