

12 September 2017

Dear Optionholder

ST GEORGE MINING LIMITED - BONUS ISSUE

As announced on 29 August 2017, St George Mining Limited (ACN 139 308 973) (**SGQ**) is undertaking a bonus issue of 1 listed option (**New Option**) to acquire a fully paid ordinary share in the capital of the Company (**Share**) for every 10 Shares held by eligible shareholders, with the Options to be issued for nil consideration (**Offer**). The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 12 September 2017.

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5:00pm (WST) on 19 September 2017.

Each New Option will be exercisable at \$0.20 on or before 30 September 2020. 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 25,036,082 New Options resulting in total Options on issue of approximately 29,136,082.

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) 19 September 2017 (**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** 19 September 2017. 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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