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

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Notice is given that the Meeting will be held at:

**TIME:** 10:30am  
**DATE:** 21 November 2019  
**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 4:00pm (AWST) on 19 November 2019.***

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

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

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

*"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2019."*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

**Voting Prohibition Statement:**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (**Voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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#### 3. RESOLUTION 2 – ELECTION OF DIRECTOR – MR JOHN DAWSON

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

*"That, for the purpose of clause 14.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr John Dawson, a Director who was appointed as an additional Director on 2 January 2019, retires, and being eligible, is elected as a Director."*

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#### 4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MS SARAH SHIPWAY

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

*"That, for the purpose of clause 14.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Ms Sarah Shipway, a Director, retires by rotation, and being eligible, is re-elected as a Director."*

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## 5. RESOLUTION 4 – ADOPTION OF EMPLOYEE OPTION PLAN

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

*“That, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled “Employee Option Plan” and for the issue of securities under that Plan, on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of any Director except one who is ineligible to participate in any employee incentive scheme in relation to the Company, or any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

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. However, 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.

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## 6. RESOLUTION 5 – NON-EXECUTIVE DIRECTOR’S REMUNERATION

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

*“That, for the purposes of clause 14.8 of the Constitution, ASX Listing Rule 10.17 and for all other purposes, Shareholders approve an increase of the maximum total aggregate amount of fees payable to non-executive Directors from \$250,000 per annum to \$500,000 per annum in accordance with the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of a Director or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement**

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. However, 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.

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**7. RESOLUTION 6 – ISSUE OF RELATED PARTY PERFORMANCE RIGHTS TO MR JOHN DAWSON PURSUANT TO PERFORMANCE RIGHTS PLAN**

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

*“That, subject to the passing of Resolution 2, for the purposes of ASX Listing Rule 10.14, and for all other purposes, approval is given for the Company to issue up to 20 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:** The Company will disregard any votes cast in favour of the Resolution by or on behalf any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, or any associates of those Directors (**Resolution 6 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 6 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

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:
- (c) the proxy is the Chair; and
- (d) 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.

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**8. RESOLUTION 7 – AMENDMENT OF CONSTITUTION**

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to amend its existing Constitution with the amendments set out in the Explanatory Statement and in the form as signed by the chairman of the Meeting for identification purposes.”*

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**9. RESOLUTION 8 – APPROVAL OF 10% PLACEMENT CAPACITY**

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing*

*Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**Dated: 15 October 2019**

**By order of the Board**

**Sarah Shipway**  
**Non-Executive Director/Company Secretary**

#### **Voting in person**

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

#### **Voting by proxy**

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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.

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9322 6600.***

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## EXPLANATORY STATEMENT

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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.

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at <https://stgm.com.au/>.

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

#### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

#### 2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

#### 2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

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### **3. RESOLUTION 2 – ELECTION OF DIRECTOR – MR JOHN DAWSON**

#### **3.1 General**

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Dawson, having been appointed by the other Directors on 2 January 2019, in accordance with the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

#### **3.2 Qualifications and other material directorships**

Mr Dawson has over 30 years' experience in the finance and mining sectors where he occupied very senior roles with global investment banks including Goldman Sachs and Dresdner Kleinwort Wasserstein. At Goldman Sachs, Mr Dawson was a Managing Director of FICC (Fixed Income, Currency and Commodities) for Australia. At Dresdner Kleinwort Wasserstein, Mr Dawson was Global Head of Commodities as well as the Country Head for Australia.

#### **3.3 Independence**

Mr Dawson has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company and its security holders generally.

If elected the Board does not consider Mr John Dawson will be an independent director.

#### **3.4 Board recommendation**

The Board supports the election of Mr Dawson and recommends that Shareholders vote in favour of Resolution 2.

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### **4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MS SARAH SHIPWAY**

#### **4.1 General**

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Pursuant to clause 14.2 of the Constitution, at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director except a Managing Director shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots. A retiring Director is eligible for re-election. An election of Directors shall take place each year.

In determining the number of Directors to retire, no account is to be taken of:

- (a) a Director who only holds office until the next annual general meeting pursuant to clause 14.4 of the Constitution; and
- (b) a Managing Director.

Sarah Shipway, who has served as a Director since 11 June 2015 and was last re-elected on 20 November 2018, retires by rotation and seeks re-election.

#### **4.2 Qualifications and other material directorships**

Sarah Shipway was appointed Non-Executive Director on 11 June 2015 and was appointed Company Secretary of St George Mining on 22 March 2012. Ms Shipway has a Bachelor of Commerce from the Murdoch University and is a member of the Institute of Chartered Accountants.

During the past four years, Ms Shipway has also served as a director of Beacon Minerals Limited.

#### **4.3 Independence**

If re-elected the Board does not consider Sarah Shipway will be an independent Director.

#### **4.4 Board recommendation**

The Board supports the election of Sarah Shipway and recommends that Shareholders vote in favour of Resolution 3.

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### **5. RESOLUTION 4 – APPROVAL OF EMPLOYEE OPTION PLAN**

Resolution 4 seeks Shareholders approval for the adoption of the employee incentive scheme titled Employee Option Plan (**Option Plan**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

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. ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 4 is passed, the Company will be able to issue Shares under the Option Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

Shareholders should note that no Options, have previously been issued under the Option Plan.



The objective of the Option Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Option Plan and the future issue of Shares under the Option Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

Any future issues of Shares under the Option Plan to a related party or a person whose relation with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

A summary of the key terms and conditions of the Option Plan is set out in Schedule 1. In addition, a copy of the Option Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Option Plan can also be sent to Shareholders upon request to the Company Secretary (Sarah Shipway). Shareholders are invited to contact the Company if they have any queries or concerns.

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## **6. RESOLUTION 5 – NON-EXECUTIVE DIRECTORS' REMUNERATION**

ASX Listing Rule 10.17 provides that an entity must not increase the total aggregate amount of directors' fees payable to all of its non-executive directors without the approval of holders of its ordinary securities.

Clause 14.7 of the Constitution also requires that remuneration payable to the non-executive Directors will not exceed the sum initially set by the Constitution and subsequently increase by ordinary resolution of Shareholders in general meeting.

The maximum aggregate amount of fees payable to all of the non-executive Directors is currently set at \$250,000. Resolution 5 seeks Shareholder approval to increase this figure to \$500,000.

This amount includes superannuation contributions made by the Company for the benefit of non-executive Directors and any fees which a non-executive Director agrees to sacrifice for other benefits. It does not include reimbursement of genuine out of pocket expenses, genuine "special exertion" fees paid in accordance with the Constitution, or securities issued to a non-executive Director under ASX Listing Rule 10.11 or 10.14 with approval of Shareholders.

The maximum aggregate amount of fees proposed to be paid to the non-executive Directors per annum has been determined after reviewing similar companies listed on ASX and the Directors believe that this level of remuneration is in line with corporate remuneration of similar companies.

Whilst it is not envisaged that the maximum amount sought will be utilised immediately, the proposed limit is requested to ensure that the Company:

- (a) maintains its capacity to remunerate both existing and any new non-executive directors joining the Board;
- (b) remunerates its non-executive Directors appropriately for the expectations placed upon them both by the Company and the regulatory environment in which it operates; and
- (c) has the ability to attract and retain non-executive directors whose skills and qualifications are appropriate for a company of the size and nature of the Company.

In the past 3 years, the Company has issued non-executive Directors an aggregate of 30 performance rights, which will convert into 1,500,000 Shares upon achievement of the relevant milestone, with prior Shareholder approval under ASX Listing Rules 10.11 and 10.14.

Given the interest of the non-executive Directors in this Resolution, the Board makes no recommendation to Shareholders regarding this Resolution.

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## **7. RESOLUTION 6 – ISSUE OF RELATED PARTY PERFORMANCE RIGHTS TO MR JOHN DAWSON**

### **7.1 General**

The Company has agreed, subject to obtaining Shareholder approval, to issue a total of 20 Performance Rights (**Related Party Performance Rights**) to Mr John Dawson (or his nominee) (**Related Party**) pursuant to the Incentive Performance Rights Plan (**Performance Rights Plan**) and on the terms and conditions set out below. The Related Party 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.

Each Performance Right will convert into 50,000 Shares upon achievement of the relevant milestone. If all milestones are achieved, a total of 1,000,000 Shares will be issued to Mr Dawson.

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 grant of the Related Party Performance Rights constitutes giving a financial benefit and Mr John Dawson is a related party of the Company by virtue of being a Director.

The Directors (other than Mr John Dawson who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Related Party Performance Rights because the agreement to grant the Related Party Performance Rights, reached as part of the remuneration package for Mr Dawson, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

In addition, ASX Listing Rule 10.14 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

As the issue of the Related Party Performance Rights involves the issue of securities under an employee incentive scheme to a Director of the Company, Shareholder approval pursuant to ASX Listing Rule 10.14 is required unless an exception applies.

## **7.2 Technical information required by Listing Rule 10.14**

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.15, the following information is provided in relation to the proposed grant of the Related Party Performance Rights:

- (a) the related party is Mr John Dawson and he is a related party by virtue of being a Director;
- (b) the maximum number of Related Party Performance Rights (being the nature of the financial benefit being provided) to be granted to Mr Dawson is 20 Related Party Performance Rights as follows:
  - (i) 5 Class A Performance Rights which will convert into 250,000 Shares upon achievement of the relevant milestone;
  - (ii) 5 Class B Performance Rights which will convert into 250,000 shares upon achievement of the relevant milestone;
  - (iii) 10 Class C Performance Rights which will convert into 500,000 Shares upon achievement of the relevant milestone; and
- (c) the Related Party Performance Rights will be granted to Mr Dawson no later than 12 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Related Party Performance Rights will be issued on one date;
- (d) the Related Party Performance Rights will be granted for nil cash consideration, accordingly no funds will be raised;
- (e) since it was adopted by Shareholders at the Company's annual general meeting on 22 November 2017, all Directors other than Mr John Dawson (being Mr John Prineas and Ms Sarah Shipway) have received Performance Rights under the Performance Rights Plan, being 60 and 20 Performance Rights respectively, which will convert into 3,000,000 and 1,000,000 Shares respectively upon achievement of the relevant milestones;
- (f) all Directors are entitled to participate in the Performance Rights Plan; and
- (g) a summary of the terms and conditions of the Related Party Performance Rights and the pricing methodology is set out in Schedule 2.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party Performance Rights to Mr Dawson as approval is being obtained under ASX Listing Rule 10.15. Accordingly, the issue of Related Party Performance Rights to Mr Dawson will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

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## **8. RESOLUTION 7 – AMENDMENT OF CONSTITUTION**

### **8.1 General**

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 7 is a special resolution which will enable the Company to amend its existing Constitution to ensure it reflects the current provisions of the ASX Listing Rules (**Amended Constitution**).

This will incorporate amendments made to the ASX Listing Rules since the current Constitution was adopted in 2017.

A summary of the proposed material changes is set out in Section 8.2 below.

A copy of the Amended Constitution is available for review by Shareholders at the Company's website <https://stgm.com.au/> and at the office of the Company. A copy of the Amended Constitution can also be sent to Shareholders upon request to the Company Secretary (+61 8 9322 6600). Shareholders are invited to contact the Company if they have any queries or concerns.

## **8.2 Summary of material proposed changes**

### **Restricted Securities (clause 2.12)**

The Amended Constitution complies with the proposed changes to ASX Listing Rule 15.12 which is due to be finalised and released in December 2019. Under this change, ASX will require certain more significant holders of restricted securities and their controllers (such as related parties, promoters, substantial holders, service providers and their associates) to execute a formal escrow agreement in the form Appendix 9A, as is currently the case. However, for less significant holdings (such as non-related parties and non-promoters), ASX will instead permit the Company to issue restriction notices to holders of restricted securities in the form of a new Appendix 9C advising them of the restriction rather than requiring signed restriction agreements.

### **Definition of "Authorised Price" (clause 3.2)**

The definition of "Authorised Price", used in the Amended Constitution for the purpose of the sale of Minimum Shareholdings (as that term is defined in the Amended Constitution), has been changed to refer to "last closing price" of listed securities rather than "last sales price" of listed securities to ensure there is no ambiguity where sales are not made.

### **Direct Voting (clause 13, specifically clauses 13.35 – 13.40)**

The Amended Constitution includes a new provision which allows Shareholders to exercise their voting rights through direct voting (in addition to exercising their existing rights to appoint a proxy). Direct voting is a mechanism by which Shareholders can vote directly on resolutions which are to be determined by poll. Votes cast by direct vote by a Shareholder are taken to have been cast on the poll as if the Shareholder had cast the votes on the poll at the meeting. In order for direct voting to be available, Directors must elect that votes can be cast via direct vote for all or any resolutions and determine the manner appropriate for the casting of direct votes. If such a determination is made by the Directors, the notice of meeting will include information on the application of direct voting.

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## **9. RESOLUTION 8 – APPROVAL OF 10% PLACEMENT CAPACITY**

### **9.1 General**

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities equal to 10%

of its issued capital (**10% Placement Capacity**) without using that entity's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$64.4m (based on the number of Shares on issue and the closing price of Shares on the ASX on 26 September 2019).

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

As at the date of this Notice, the Company currently has two classes of quoted Equity Securities on issue, being the Shares (ASX Code: SGQ) and Listed Options (ASX: SGQOA).

If Shareholders approve Resolution 8, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

Resolution 8 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 8 for it to be passed.

## **9.2 Technical information required by ASX Listing Rule 7.1A**

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 8:

### **(a) Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in Section 9.2(a)(i), the date on which the Equity Securities are issued.

(b) **Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

**(10% Placement Capacity Period).**

(c) **Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 8 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.087 50% decrease in Issue Price	\$0.175 Issue Price	\$0.26 50% increase in Issue Price
368,311,265 (Current Variable A)	Shares issued - 10% voting dilution	36,831,126 Shares	36,831,126 Shares	36,831,126 Shares
	Funds raised	\$3,204,308	\$6,445,447	\$9,576,092
552,466,897 (50% increase in Variable A)	Shares issued - 10% voting dilution	55,246,689 Shares	55,246,689 Shares	55,246,689 Shares
	Funds raised	\$4,806,462	\$9,668,170	\$14,364,139
736,622,530 (100% increase in Variable A)	Shares issued - 10% voting dilution	73,662,253 Shares	73,662,253 Shares	73,662,253 Shares
	Funds raised	\$6,408,616	\$12,890,894	\$19,152,185

\*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

**The table above uses the following assumptions:**

1. There are currently 368,311,265 Shares on issue as at the date of this Notice of Meeting;
2. The issue price set out above is the closing price of the Shares on the ASX on 26 September 2019.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1 unless otherwise disclosed.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

**(d) Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised towards:
  - (A) the acquisition of new asset or investments (including expenses associated with such an acquisition);
  - (B) continued exploration expenditure on the Company's current assets and/or new assets or investments (including conducting feasibility studies); and
  - (C) general working capital; or
- (ii) as non-cash consideration for the acquisition of new assets and investments and/or exploration expenditure on the Company's current assets and/or new assets or investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

(f) **Allocation policy under the 10% Placement Capacity**

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(g) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 20 November 2018 (**Previous Approval**).

The Company has issued 29,811,620 Shares pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being on and from 8 November 2018, the Company otherwise issued a total of 70,195,054 Shares and 2,500,000 Options which, together with the Equity



Securities issued under the Previous Approval, represents approximately 24.38% of the total diluted number of Equity Securities on issue in the Company on 8 November 2018, which was 298,116,211.

Further details of the issues of Equity Securities by the Company during the 12-month period preceding the date of the Meeting are set out in Schedule 3.

(h) **Voting exclusion statement**

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 8.

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## GLOSSARY

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**\$** means Australian dollars.

**10% Placement Capacity** has the meaning given in Section 9.1.

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

**ASIC** means the Australian Securities & Investments Commission.

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

**ASX Listing Rules** means the Listing Rules of ASX.

**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).

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

**Eligible Entity** means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Statement** means the explanatory statement accompanying 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.

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

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Proxy Form** means the proxy form accompanying the Notice.

**Relevant Executive** means persons who, from time to time, are Key Management Personnel of the Company or who, from time to time, hold a managerial or executive office in the Company or a related body corporate, in connection with the person retiring from an office or position, in the Company or a related body corporate.

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2019.

**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.

**Variable A** means "A" as set out in the formula in ASX Listing Rule 7.1A(2).

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

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## SCHEDULE 1 – SUMMARY OF EMPLOYEE OPTION PLAN

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The principle terms of the Option Plan are summarised below:

- (a) **Eligibility:** Participants in the Option Plan may be:
- (i) a director of the Company or a director of any Related Body Corporate (as that term is defined in the Corporations Act) of the Company from time to time (**Director**);
  - (ii) an individual who is considered an employee of the Company or a Related Body Corporate of the Company, an individual who works full-time for the Company or a Related Body Corporate of the Company providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source or an individual who works for the Company or a Related Body Corporate of the Company, to the extent permitted by the Class Order, on a continuing regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made and, for greater certainty, includes officers of the Company (**Employee**);
  - (iii) an individual employed by a Person providing management services to the Company or a Related Body Corporate of the Company, which are required for the ongoing successful operation of the business enterprise of the Company or a Related Body Corporate of the Company (**Management Company Employee**); and
  - (iv) in relation to the Company, an individual or Consultant Company, to the extent permitted by ASIC Class Order 14/1000 (or any amendment to or replacement of that Class Order) (**Class Order**), other than an Employee or a Director of the Company, that:
    - (A) is engaged to provide, on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to a Related Body Corporate of the Company, other than services provided in relation to a distribution;
    - (B) provides the services under a written contract between the Company or a Related Body Corporate of the Company and the individual or the Consultant Company;
    - (C) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or a Related Body Corporate of the Company; and
    - (D) has a relationship with the Company or a Related Body Corporate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company(each, an **Eligible Person**).

- (b) **Offer:** Options may be offered from time to time by the Board, within the limits set forth in the Option Plan, to any Eligible Persons.
- (c) **Share limits:** The maximum number of Shares which may be reserved for issuance under the Option Plan less the number of Shares subject to outstanding options under the employee option plan shall not exceed five percent (5%) of the total issued and outstanding Shares from time to time (calculated on a non-diluted basis). The Company shall at all times while the Option Plan is in force reserve such number of Shares as will be sufficient to satisfy the requirements of the Option Plan. The maximum number of Shares which may be reserved for issuance to any individual who is a Director and who is not otherwise a full-time or part-time employee of the Company or a Related Body Corporate of the Company (**Non-Employee Directors**), at any time, under the Option Plan shall not exceed one percent (1%) of the total issued and outstanding Shares from time to time.
- (d) **Vesting Conditions:** An Option may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Options (**Vesting Conditions**).
- (e) **Exercise Price:** The exercise price for any Options shall be determined from time to time by the Board, in compliance with all the rules and requirements respecting the pricing of Options imposed by any Exchange on which the Shares of the Company are then listed. Options do not confer the right to a change in exercise price or in the number of underlying Shares for which the Options can be exercised. For the avoidance of doubt, the exercise price for any Options may be zero.
- (f) **Terms and date of exercise:**
- (i) Subject to the requirements set out in the Option Plan and any accelerated termination as provided for in the Option Plan, the Board shall determine exercise period of all Options and the time or times that Options are exercisable; provided, however, that the exercise period shall not exceed ten (10) years from the applicable effective date. Subject to (ii) below, Options shall be exercisable in whole or in part during the exercise period in accordance with such vesting provisions, conditions or limitations as are contained in the Option Plan or as the Board may from time to time impose, or as may be required by the ASX or any other stock exchange on which the Shares are then listed for trading as applicable (**Exchange**) or under applicable securities law.
  - (ii) Notwithstanding the foregoing, if the term of any Options expires during or within ten (10) Business Days of a blackout period expiry date applicable to such holder, then the term of such Options or the unexercised portion thereof, as applicable, shall be extended to the close of business on the tenth Business Day following the blackout period expiry date.
  - (iii) Options shall expire immediately, and all vested Options granted shall expire within ninety (90) days after the holder ceases to be an Eligible Person except in the case of a holder whose employment or term of office is terminated for lawful cause, then any Options held by such holder, whether or not such Options are exercisable at the time of termination, immediately expire and are cancelled on the termination date at a time determined by the Board, at its discretion. Notwithstanding the foregoing provisions, the Board may, in its discretion, at any time prior to or following the events contemplated above, permit the exercise of any or all Options held by the Optionee in the manner and on terms

authorised by the Board, provided that, subject to an extension pursuant to the rules of the Option Plan, the Board will not, in any case, authorise the exercise of Options pursuant to this section beyond a period of one year from the date on which such holder ceases to be an Eligible Person.

- (g) **Not transferrable:** Options granted under the Option Plan shall be non-assignable and non-transferable by the holder (subject to specific provisions of the Option Plan) otherwise than by will or the laws of descent and distribution, and shall be exercisable, during the holder's lifetime, only by the holder. All Options granted under the Option Plan shall be exercisable by a holder's heirs or administrators for a period of one year from such holder's death.
- (h) **Shares:** Shares resulting from the exercise of the Options shall, subject to any Sale Restrictions (refer to paragraph (i)), from the date of issue, rank on equal terms with all other Shares on issue.
- (i) **Sale Restrictions:** The Board may, in its discretion, determine at any time up until exercise of Options, that a restriction period will apply to some or all of the Shares issued to an Eligible Person on exercise of those Options (**Restriction Period**). In addition, the Board may, in its sole discretion, having regard to the circumstances at the time, waive any such Restriction Period.
- (j) **No Participation Rights:** A holder shall not have any rights as a shareholder of the Company with respect to any Shares covered by any Options until such time as and to the extent that such Options have been duly exercised. 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 without exercising the Options.
- (k) **Reorganisation:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), the terms of the Options will be changed in a manner consistent with the ASX Listing Rules at the time of the reorganisation.
- (l) **Amendments:** Subject to receipt of requisite regulatory approval, where required, the Board may, in its absolute discretion, make certain amendments to the Option Plan, without obtaining the approval of shareholders of the Company.
- (m) **Cashless exercise:** Notwithstanding any other provision of the Option Plan and only if permitted by the Board and the rules of any Exchange on which the Shares are then listed, an Optionholder may elect to exercise Options held by such Optionholder in whole or in part, and in lieu of making the cash payment otherwise contemplated to be made to the Company upon such exercise in payment of the Exercise Price, by instead receiving upon such exercise the "Net Number" of Shares determined according to the following formula (**Cashless Exercise**):

$$\text{Net Number} = \frac{[A \times (B-C)]}{B}$$

Where:

A = the total number of Shares with respect to which the Options held by such Optionholder are then being exercised.

B = the price per Share computed on the basis of the closing market price of the Shares, on the ASX for Eligible Persons who are Australian residents for the most recent trading day preceding the date on which the Options are exercised; provided that, if no Shares traded in the five trading days prior to such day, the **Market Price** shall be the average of the closing bid and ask prices over the last five trading days prior to such day, or if there have not been any bid and ask prices reported, the Market Price shall be the fair market value of a Share as determined by the Board.

C = the Exercise Price of the Options.

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## SCHEDULE 2 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

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A summary of the terms and conditions of the Performance Rights to be issued to Mr John Dawson pursuant to Resolution 6 are set out below:

- (a) **(Milestones):** The Performance Rights will have the following milestones attached to them:
- (i) **Class A Performance Rights:** In the event that the Undiluted Market Capitalisation of the Company is equal to or higher than AUD\$100,000,000.00 for a minimum of 10 consecutive trading days, the vesting condition shall be deemed satisfied, subject to the milestone being achieved by 31 July 2021;
  - (ii) **Class B Performance Rights:** In the event that the Undiluted Market Capitalisation of the Company is equal to or higher than AUD\$150,000,000.00 for a minimum of 10 consecutive trading days, the vesting condition shall be deemed satisfied, subject to the milestone being achieved by 31 July 2021;
  - (iii) **Class C Performance Rights:** The Company announces an inferred 2012 JORC compliant resource at any Project of not less than:
    - (A) in regard to a gold resource, 1,000,000 ounces of Au;
    - (B) in regard to a nickel resource, 50,000t contained Ni; or
    - (C) in regard to a cobalt resource, 10,000t contained Co.,by that date which is 31 July 2021.
- (each a **Milestone**).

For the purpose of this paragraph (a), **(Project)** shall include any project in which the Company has an economic interest whether acquired prior to or subsequent to the grant of the Performance Rights. Where the Company has an economic interest of less than 100% of a Project where an inferred 2012 JORC compliant resource is announced, the proportion of that resource attributable to the Company's economic interest will be used in assessing if a performance hurdle is satisfied.

- (b) **(Notification to holder):** The Company shall notify the holder in writing when the Milestone has been satisfied.
- (c) **(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.
- (d) **(Share ranking):** All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other Shares.
- (e) **(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.
- (f) **(Transfer of Performance Rights):** The Performance Rights are not transferrable.



- (g) **(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.
- (h) **(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.
- (i) **(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.
- (j) **(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.
- (k) **(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.
- (l) **(Change in Control):** If a company (**Acquiring Company**) obtains control of the Company as a result of a Change of Control (as defined in the Plan) and both the Company, the Acquiring Company and the holder agree, a holder may, in respect of any vested Performance Rights that are exercised, be provided with shares of the Acquiring Company, or its parent, in lieu of Shares, on substantially the same terms and subject to substantially the same conditions as the Shares, but with appropriate adjustments to the number and kind of shares subject to the Performance Rights.
- (m) **(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.
- (n) **(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.
- (o) **(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.
- (p) **(Subdivision 83A-C):** Subdivision 83A-C of the Income Tax Assessment Act 1997 applied to the Performance Rights.

### SCHEDULE 3 – ISSUES OF EQUITY SECURITIES SINCE 21 NOVEMBER 2018

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) <sup>1</sup>	Form of consideration
Issue – 17 December 2018 Appendix 3B – 17 December 2018	8	Class A Performance Rights <sup>(5)</sup>	Issued to Employees/Consultants to the Company	No issue price (non-cash consideration)	Consideration: issued for nil consideration as incentive remuneration Current value <sup>(2)</sup> = \$68,000
	8	Class B Performance Rights <sup>(5)</sup>	Issued to Employees/Consultants to the Company	No issue price (non-cash consideration)	Consideration: issued for nil consideration as incentive remuneration Current value <sup>(2)</sup> = \$68,000
	16	Class C Performance Rights <sup>(5)</sup>	Issued to Employees/Consultants to the Company	No issue price (non-cash consideration)	Consideration: issued for nil consideration as incentive remuneration Current value <sup>(2)</sup> = \$136,000
1 August 2019	2,500,000	Unlisted Options <sup>(4)</sup>	Issued as consideration for services rendered to the Company	\$0.00001	Consideration: Issued as non-cash consideration for services rendered to the Company. Current value <sup>(2)</sup> = \$275,000
Issue – 26 July 2019 Appendix 3B – 29 July 2019	33,000,000	Shares <sup>(3)</sup>	Sophisticated investors	\$0.10 (discount to Market Price of 13%)	Consideration: cash Amount raised = \$3,300,000 Amount spent = \$3,300,000 Use of funds = Applied towards the exploration programme of the Company's Mt Alexander Project, working capital purposes and corporate expenses. Amount remaining = \$0

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) <sup>1</sup>	Form of consideration
Issue – 27 June 2019 Appendix 3B – 27 June 2019	37,191,454	Shares <sup>(3)</sup>	Sophisticated investors	\$0.11 (discount to Market Price of 4%)	Consideration: cash Amount raised = \$4,091,059 Amount spent = \$1,800,000 Use of funds = Applied towards the exploration programme of the Company's Mt Alexander Project, working capital purposes and corporate expenses Amount remaining = \$2,291,059 Proposed use of remaining funds <sup>(4)</sup> = To be applied towards the exploration programme of the Company's Mt Alexander Project, working capital purposes and corporate expenses

**Notes:**

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. In respect of quoted Equity Securities the value is based on the closing price of the Shares \$0.175 on the ASX on 26 September 2019. In respect of unquoted Equity Securities, the value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market-based performance conditions (i.e. conditions linked to the price of Shares).
3. Fully paid ordinary shares in the capital of the Company, ASX Code: SGQ (terms are set out in the Constitution).
4. Unquoted Options, exercisable at \$0.15 each, on or before 31 July 2022.
5. Terms and conditions set out in Schedule 2 of the Company's notice of general meeting dated 18 June 2018. Upon vesting, each Performance Right will convert into 50,000 Shares. Therefore, the 8 Class A Performance Rights will convert into 400,000 Shares, the 8 Class B Performance Rights will convert into 400,000 Shares and the 16 Class C Performance Rights will convert into 800,000 Shares.
6. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.



**STGEORGE**  
MINING LIMITED

ABN 21 139 308 973



SGQ

MR SAM SAMPLE  
FLAT 123  
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## Need assistance?



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## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:30am (WST)** Tuesday, 19 November 2019

# 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](http://www.investorcentre.com) under the help tab, "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://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**

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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.



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I ND

# Proxy Form

Please mark  to indicate your directions

## Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of St George Mining Limited hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of St George Mining Limited to be held at The Melbourne Hotel, 33 Milligan Street, Perth, Western Australia on Thursday, 21 November 2019 at 10:30am (WST) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 4 to 6 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1 and 4 to 6 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 4 to 6 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 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Election of Director - Mr John Dawson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Director - Ms Sarah Shipway	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Adoption of Employee Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Non-Executive Director's Remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Issue of Related Party Performance Rights to Mr John Dawson pursuant to Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Amendment to Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Approval of 10% Placement Capacity	<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

