

5 August 2011

Dear Shareholder

### **PRO RATA NON-RENOUNCEABLE ENTITLEMENTS ISSUE**

St George Mining Limited (“St George” or the “Company”) announced on 2 August 2011 that it will launch a pro rata non-renounceable entitlements issue of one (1) new share for every five (5) shares held at an issue price of \$0.15 per new share together with three (3) free attaching options for every two (2) new shares successfully subscribed for (the “Entitlements Issue”). Each new option shall have an exercise price of \$0.20 and an expiry date of 30 November 2014.

The Entitlements Issue will result in the issue of 10,500,000 new shares in the Company and 15,750,000 new options.

### **PROSPECTUS AND OFFER DETAILS**

The Company lodged a Prospectus in respect to the Entitlements Issue with the Australian Securities and Investments Commission (“ASIC”) and the Australian Securities Exchange (“ASX”) on 5 August 2011. Full details of the Entitlements Issue are contained in the Prospectus which is available on the ASX website at [www.asx.com.au](http://www.asx.com.au). The Prospectus will be dispatched to shareholders in accordance with the timetable outlined below.

The offer under the Entitlements Issue is non-renounceable, which means that rights to participate in the Entitlements Issue cannot be sold. Therefore, to the extent that shareholders entitled to participate do not take up their entitlements, they will not receive any value for that part of the entitlement not taken up.

The new shares offered are fully paid ordinary shares and will rank equally with the Company’s existing ordinary shares.

The Company will apply to ASX for quotation of the new shares offered under the Entitlements Issue. In addition, subject to meeting the requirements of the ASX Listing Rules, the Company will make an application to the ASX to quote the new options that are issued pursuant to the Entitlements Issue.

The purpose of the Entitlements Issue is to:

- (a) raise approximately \$1,575,000 (before expenses); and
- (b) accelerate exploration activities at the Company’s East Laverton and Pine Creek projects.

### **RECORD DATE**

The time for determining the entitlements of shareholders under the Entitlements Issue shall be 5.00pm (WST) on 16 August 2011.

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

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## APPLICATIONS

Shareholders of the Company eligible to participate in the Entitlements Issue will need to complete an entitlement and acceptance form that will be included in the Prospectus.

In calculating entitlements under the Entitlements Issue, fractions will be rounded up to the nearest whole number.

## TIMETABLE

The indicative timetable for the Entitlements Issue is as follows:

Announcement of Entitlements Issue	2 August 2011
Lodgement of Entitlements Prospectus with ASIC	5 August 2011
Notice sent to Shareholders	8 August 2011
Ex Date for Entitlements Issue	10 August 2011
Record Date for determining Shareholder entitlements	16 August 2011
Entitlements Prospectus dispatched to Shareholders and announcement that dispatch has been completed	17 August 2011
Closing Date of Offer	5:00pm (WST) on 31 August 2011
Securities quoted on a deferred settlement basis	1 September 2011
Notify ASX of under-subscriptions	2 September 2011
Dispatch of Holding Statements	7 September 2011
Trading of New Shares and Free Attaching Options issued pursuant to the Entitlements Issue expected to commence on ASX	8 September 2011

These dates are indicative only and subject to change. The Company reserves the right, subject to the Corporations Act, the ASX Listing Rules and other applicable laws, to vary the dates of the Entitlements Issue, including but not limited to, extending the Closing Date or accepting late applications, either generally or in particular cases, without notifying you. You are encouraged to submit your application as soon as possible. Any extension of the Closing Date will have a consequential effect on the date of the issue of the new shares and options. The Entitlements Issue does not require the approval of Shareholders.

All shareholders are encouraged to consider the terms of the Entitlements Issue and, if eligible, to participate.

Yours faithfully

A handwritten signature in blue ink that reads "John Prineas".

John Prineas  
Executive Chairman  
**St George Mining Limited**

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