

30 October 2014

Dear Option Holder,

**NOTICE TO OPTIONHOLDER**

**QUOTED OPTIONS TO ACQUIRE ST GEORGE MINING LIMITED SHARES AT \$0.20 PER SHARE EXPIRING ON 28 NOVEMBER 2014 (ASX: SGQO)**

We are writing to you as a registered holder of options in ST GEORGE MINING LIMITED (Company) to remind you that the options will expire at 5:00pm (WST) on 28 November 2014.

Your option holding may be exercised whole or in part by payment of \$0.20 for each quoted option to convert into one ordinary share by no later than 28 November 2014. If payment is not received by 5:00pm (WST) on 28 November 2014 the options will expire and all rights under the options will cease at that time.

Some of the courses of action available to you as a holder of these soon to expire options are:

- (a) Exercise the options on or before 28 November 2014.
- (b) Do nothing, and allow your options to expire. If you do not exercise your quoted options they will expire on 28 November 2014 and your right to subscribe for ordinary shares in ST GEORGE MINING LIMITED at \$0.20 per share will lapse.

There is no obligation on option holders to exercise their options. The information in this notice is provided to option holders under the requirements of paragraph 6.1 of Appendix 6A of the Australian Securities Exchange (ASX) Listing Rules.

The Company has 48,508,000 of quoted options (ASX: SGQO) on issue which each convert into one ordinary share upon payment of the exercise price of \$0.20. Quotation of the options on ASX will end on 24 November 2014.

The latest available market price of ordinary shares in ST GEORGE MINING LIMITED being the securities underlying the options on ASX was \$0.09 on 29 October 2014, being the last trading day prior to the date of this notice.

During the three (3) months preceding the date of this notice;

- the highest market sale price of ordinary shares on ASX was \$0.135 between 17 September 2014 and 23 September 2014 and on 12 September 2014;
- the lowest market sale price of ordinary shares on ASX was \$0.085 between 17 October 2014 and 20 October 2014;
- the highest market sale price of the options on ASX was \$0.01 between 16 September 2014 and 30 September 2014; and
- the lowest market sale price of the options on ASX was \$0.003 between 8 October 2014 and 24 October 2014.

If you wish to exercise your quoted options then you must complete your "Notice of Exercise of Options" form on the reverse of this notice and forward it together with payment of \$0.20 per option exercised to be received no later than 5:00pm (WST) on **28 November 2014** to the Company's share registry, Computershare Investor Services Pty Limited on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) from 8:30am to 5:00pm (Perth time) Monday to Friday.

Cheques should be made payable to "ST GEORGE MINING LIMITED" in Australian dollars only and should be crossed "Not Negotiable". If you have any further questions please do not hesitate to contact our Registry on telephone.

Yours faithfully

Sarah Shipway  
Company Secretary  
**St George Mining Limited**  
+61 8 9322 6600

<Registered Name & Address 1>  
 <Registered Name & Address 2>  
 <Registered Name & Address 3 >  
 <Registered Name & Address 4>  
 <Registered Name & Address 5>  
 <Registered Name & Address 6>  
 Number of Options Held: <BALANCE>

**Application Form on Exercise of Options Expiring 5:00pm (WST) 28 November 2014**

To the Directors, St George Mining Limited,

I/We hereby exercise  option(s) and hand you herewith a cheque for

being \$0.20 per share on application for  Ordinary shares in the capital of the Company.

I/We request that you allot me that number of shares and I/we agree to accept that number of shares on the terms below and in accordance with the Constitution of the Company, and I/we authorise you to place my/our name on the register.

My/Our SRN/HIN (as shown on my/our Issuer Sponsored holding statement or CHES holdings statement) is

**Sign Here – This section must be signed for your instructions to be executed**

I/We authorise you to act in accordance with my/our instructions set out above.

**Individual or Securityholder 1**

**Director**

**Securityholder 2**

**Director/Company Secretary**

**Securityholder 3**

**Sole Director and  
Sole Company Secretary**

*Note: when signed under Power of Attorney, the attorney states that they have not received a notice of revocation. Computershare Investor Services Pty Limited needs to sight a certified copy of the Power of Attorney.*

**Day/Date    Month    Year**

**TERMS AND CONDITIONS OF OPTIONS EXPIRING 28 NOVEMBER 2014 AT \$0.20**

The terms and conditions of the Options are as follows:

- (a) Each Option entitles the Optionholder the right to subscribe for one (1) Share.
- (b) The exercise price payable upon exercise of each Option is 20 cents (**Exercise Price**).
- (c) The Options have an expiry date of 5:00pm (WST) on 28 November 2014 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) All or part of the Options may be exercised at any time prior to the Expiry Date, from time to time.
- (e) A Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
  - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
  - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised, (**Exercise Notice**)
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 5 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of the Options specified in the Exercise Notice.
- (h) All Shares allotted upon the exercise of Options will, upon allotment, rank pari passu in all respects with other Shares.
- (i) The Company will apply for quotation by ASX of all Shares allotted pursuant to the exercise of the Options within 10 Business Days after the date of allotment of those Shares.
- (j) In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company before the expiry of any options, the number of Options or both will be reconstructed (as appropriate) in accordance with the Listing Rules.
- (k) The Options do not confer the right to a change in exercise price or a change in the number of underlying securities over which the Options can be exercised.
- (l) There are no participating rights or entitlements inherent on the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of the proposed issue, notice of the new issue will be given to Optionholders at least seven (7) business days before the record date. This will give the Optionholders the opportunity to exercise their options prior to the date for determining entitlements to participate in any such issue.

**LODGEMENT INSTRUCTIONS**

Cheques shall be in Australian currency made payable to St George Mining Limited and crossed "Not Negotiable". The application for shares on exercise of the options with the appropriate remittance should be lodged at the Company's Registry, Computershare Investor Services Pty Limited, GPO Box D182, Perth WA 6840.