For personal use only

ASX Release

12 February 2025

Intention to separate Atlantic Gold Operations

Highlights

- St Barbara Limited plans to separate its Atlantic Gold Operations (which include the 15-Mile, Beaver Dam, and Cochrane Hill projects in Nova Scotia, Canada) from the Company
- The separation decision follows a portfolio review, concluding that this initiative would maximise shareholder value by advancing Atlantic through development and permitting proposals under a Canadian company with a local leadership team
- The Atlantic Gold Operations have 1.4 Moz in Ore Reserves and 2.0 Moz in Mineral Resources, with significant potential due to production-ready infrastructure and exploration opportunities
- The Company today separately announced that it had identified the potential to expand the processing capacity at 15-Mile to 3.0 Mtpa from the 2.1 Mtpa currently contemplated in the 15-Mile and Beaver Dam Pre-Feasibility Study to enable Cochrane Hill ore to be added to the proposed ore feed schedule
- Options for the separation include sale, vend-in, or demerger, subject to any required approvals from shareholders, ASX and regulators
- Post-separation of Atlantic, St Barbara will focus on the Simberi Gold Operations in Papua New Guinea, and the development of the Simberi Sulphide Expansion Project (5.0 Moz in Mineral Resources)

St Barbara Limited ("**St Barbara**" or the "**Company**") (ASX: SBM) announces that it intends to separate the Atlantic Gold Operations in Nova Scotia, Canada ("**Atlantic**" or the "**Project**") from St Barbara. Atlantic includes the 15-Mile, Beaver Dam and Cochrane Hill projects (together the "**Assets**"), which in total have 1.4 Moz in Ore Reserves and 2.0 Moz in Mineral Resources, as well as the Touquoy processing plant (equipment currently on care and maintenance).

The decision follows a review of the St Barbara portfolio, which considered a number of different options and concluded that a separation of Atlantic from the broader St Barbara business has the potential to maximise value for shareholders as well as being optimal for the respective project development timelines. This is expected to be achieved by attracting capital specific to Atlantic and advancing the Project with a Canadian listed company with local leadership which is proximate to key stakeholders and local regulators.

The Company sees significant value in Atlantic's existing resource base, production-ready infrastructure and extensive exploration position in Nova Scotia. Additionally, the different risk-return characteristics and development stage of Atlantic would likely appeal to different types of investors, presenting an opportunity for an appropiate capitalisation of the business and the introduction of new investors.

As such, St Barbara is considering a number of options for the separation of Atlantic, including by way of sale, vend-in or demerger into a separate Canadian listed company which would, in each case, be conditional on all necessary approvals having been obtained including any shareholder, ASX and regulatory approvals.

Following the separation of Atlantic, St Barbara will become a dedicated Papua New Guinea gold producer, enabling the Company to focus its capital allocation priorities and management attention on the remaining key project, the Simberi Gold Operations in New Ireland, Papa New Guinea ("**Simberi**"); in particular, the development of the 5.0 Moz Simberi Sulphide Expansion Project.

Managing Director and CEO Andrew Strelein said *"The decision to separate Atlantic from St Barbara is underpinned by the opportunity to unlock the full value potential of the Atlantic projects under a Canadian listed company with a*

local leadership team, to focus on delivering upcoming project milestones and benefit from being closer to regulators and key stakeholders. Atlantic is a highly attractive and financially robust project and has the potential to be in production within 12 months from permitting approval. The separation of Atlantic enables St Barbara to focus solely on the Simberi Sulphide Expansion Project."

Atlantic Gold Operations

The existing Atlantic Gold Operations are located approximately 80km northeast of Halifax in Nova Scotia, Canada proximal to key transportation infrastructure. Atlantic has total Mineral Resources of 2.0 Moz and Ore Reserves of 1.4 Moz.

The Atlantic Gold Operations include:

- **15-Mile:** Four simple open pits (Egerton-Maclean, Plenty, Hudson and 149 with Ore Reserves of 620 koz of gold) to provide an initial baseline feed to the processing plant, which is to be relocated from Touquoy;
- **Beaver Dam:** Low capital, satellite deposit introduced in approximately year 5 of the mine plan, leveraging shared equipment and processing with 15-Mile; and
- **Cochrane Hill:** Ongoing evaluation work highlights the opportunity to add ore feed from Cochrane Hill through a low-capital cost increase of the 15-Mile processing plant to 3.0 Mtpa from the currently proposed 2.1 Mtpa[1], with the aim of designing a project that supports annual gold production of 100koz per annum or more.

Investment highlights from the PFS and recent evaluation work include:

- Outstanding financial metrics including an $NPV_{5\%}$ of C$411 million and a 37% IRR, at a long-term gold price of US$2,000/oz and an exchange rate of C$1.00 = US$0.78;
- Average annual production of 74 koz over an 11 year mine life with a life of mine All-In Sustaining Cost of US$1,025/oz;
- St Barbara anticipates that expansion to 3.0 Mtpa and the incorporation of Cochrane Hill in the schedule will be integral features of an optimised project that aims to support annual gold production 100koz per annum or more;
- Enhanced environmental design minimises project footprint from efficient infrastructure layout;
- De-risked development case leveraging existing milling infrastructure for expedited one-year construction period[2];
- Significant exploration potential from extensive regional position; and
- Opportunity for regional consolidation and synergies from an emerging gold province.

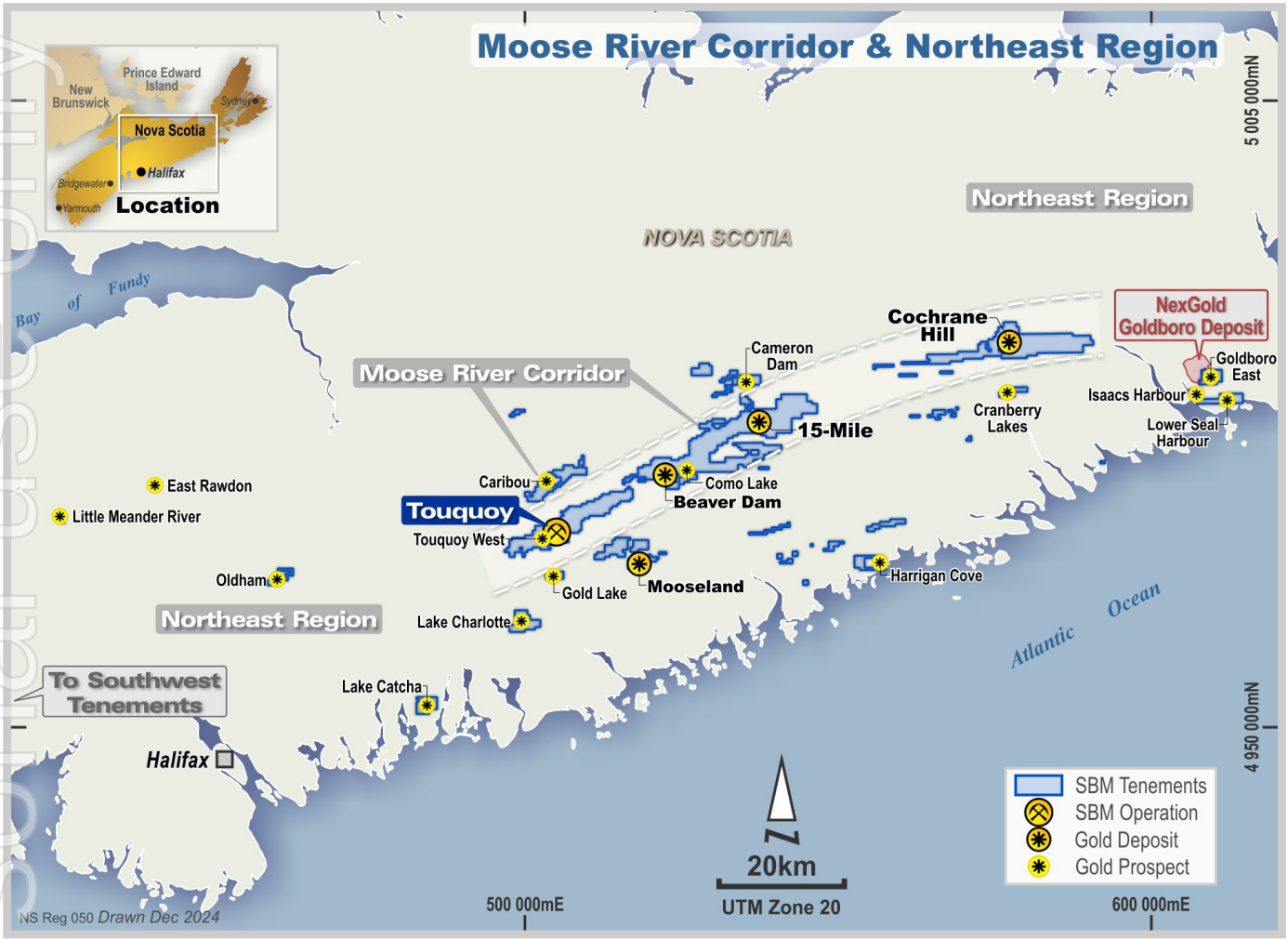
[1] Refer to ASX release on 12 February 2025 titled "*Expanded 15-Mile mill throughput shows potential pathway to higher annual gold production*"

[2] One year construction period post permitting and Final Investment Decision

For personal use only

For personal use only

Figure 1. Atlantic Gold Projects, Nova Scotia, Canada



St Barbara post separation

Following the separation of Atlantic, St Barbara would remain an Australian headquartered, Papua New Guinean focused gold producer listed on the ASX. St Barbara's primary focus will be the delivery of the Simberi Sulphide Expansion Project, which is expected to lift gold production above 200kozpa and extend Simberi's life by more than 10 years[1].

Simberi consists of an open cut mine that commenced operations in 2008. The production outlook for Simberi is positive, with the prospect of an investment in additional sulphide processing capability for the sulphide mineralisation contained below the oxide pits. The 2022 Strategic review at Simberi provided confidence that oxide life can be extended through 2025 and potentially into 2026 before further extension from the Sulphide Expansion Project. This oxide life has since been extended out through FY27.

Simberi has gold Mineral Resources of 5.0 Moz and Ore Reserves of 2.8 Moz. The Simberi open pit mine is currently transitioning from processing remnant oxides to becoming a high annual production / low-cost sulphide operation, which is expected to produce +200kozpa from Q1 September FY28 to FY34 at an AISC in the range of US$1,000/oz to US$1,200/oz[1].

St Barbara's current focus for Simberi is de-risking the project through the delivery of the Mining Lease renewal, completion of the metallurgical testwork program, optimisation of the process plant layout and upfront capital requirements, and ongoing resource definition and exploration drilling.

[1] Refer to ASX announcement on 10 May 2024 titled *"St Barbara's 10 Year Plus Outlook for Simberi"*

Separation process, structure and timeline

The separation process will consider a range of options, including the potential sale or vend-in of the assets to a third party; or demerger of Atlantic into a separate Canadian listed company.

Proceeds from a sale may take the form of shares or cash (or a mix of both) and will be considered for in-specie distribution to shareholders via a capital return and/or considered in the funding decision for the Simberi Sulphide Expansion, also due in H1 FY26.

St Barbara anticipates the divestment to be completed in H1 FY26, conditional on all necessary approvals having been obtained (including obtaining any shareholder, ASX and regulatory approvals).

St Barbara has appointed Macquarie Capital (Australia) Limited as financial adviser, with King & Wood Mallesons as legal adviser.

Authorised by

Board of Directors

For more information

Investor Relations

David Cotterell
General Manager Business Development & Investor Relations

info@stbarbara.com.au

T: +61 3 8660 1959 M: +61 447 644 648

Media Relations

Paul Ryan / Michael Weir

Sodali & Co.

M: +61 409 296 511 / +61 402 347 032

Competent Persons Statement

Mineral Resources and Ore Reserves Estimates

The information in this announcement that relates to Simberi's Mineral Resources or Ore Reserves is extracted from the announcement titled "*Simberi Ore Reserves Increase 40% to 2.8 Moz; Mineral Resource and Ore Reserve Statement as at 30 June 2024"* released to the ASX on 30 July 2024. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcement and that all material assumptions and technical parameters underpinning the estimates in the original announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the competent person's findings are presented have not been materially modified from the original announcement.

The information in this announcement that relates to Atlantic's Mineral Resources or Ore Reserves is extracted from the report titled "*Mineral Resource and Ore Reserve Statement as at 31 December 2023*" released to the ASX on 13 February 2024. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcement and that all material assumptions and technical parameters underpinning the estimates in the original announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the competent person's findings are presented have not been materially modified from the original announcement

For personal use only

Production targets and forecast financial information

Information in this announcement regarding production targets and forecast financial information derived from production targets in respect of Simberi is extracted from the announcement titled "*St Barbara's 10 Year Plus Outlook for Simberi*" released to the ASX on 10 May 2024. The Company confirms that all material assumption underpinning the production targets and forecast financial information derived from production targets in the original announcement continue to apply and have not materially changed.

Information in this announcement regarding production targets and forecast financial information based on financial targets in respect of Atlantic is extracted from the announcement titled "*Updated Pre-Feasibility for Atlantic Projects*" released to the ASX on 10 October 2024. The Company confirms that all material assumption underpinning the production targets and forecast financial information derived from production targets in the original announcement continue to apply and have not materially changed.

For personal use only