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20 August 2021

## Non-cash impairment of Atlantic Operations expected in FY21 preliminary unaudited results

St Barbara Limited (ASX: SBM) (the “Company” or “St Barbara”) today announces that following the annual review of the carrying value of its assets and in accordance with relevant accounting standards, the Company expects to incur a non-cash impairment in the range of A\$250 million to A\$300 million in its financial results for the year ended 30 June 2021 due for release on 26 August 2021.

The non-cash impairment relates to the Atlantic Operations and is expected to reduce the carrying value of Atlantic Operations to align with current market consensus estimates. The assessment of carrying values is in progress and includes estimates of the quantities of recoverable gold, future production rates, operating costs, capital requirements and economic assumptions used in valuations.

The impairment largely relates to the delay in commencement of mining due to permitting issues. It reflects an assessment based on best effort estimates relying on an incomplete Beaver Dam Feasibility Study for capital estimates and best effort estimates on the timing of permits required for each of the three satellite operations; Beaver Dam, Fifteen Mile Stream and Cochrane Hill.

As highlighted in the Q4 June FY21 quarterly report presentation and subsequent investor briefing call, there has been a delay in the issuing of permits by the Nova Scotia provincial government regulators and Canadian federal government regulators for all three satellite operations. This is the primary driver of the delay in first production from these future operations.

The incomplete Beaver Dam Feasibility Study also indicates that capital costs will be higher. More details will be provided in St Barbara’s FY21 financial results due for release on 26 August 2021, which remain subject to completion of the external audit and Board review and approval.

### ***Update on permitting delays***

As highlighted in the Q4 June FY21 quarterly report, a revised Environmental Impact Statement (EIS) for Beaver Dam is currently in progress with the Canadian federal government regulators and is expected to be approved by Q4 June FY22. In parallel, the Mining Licence approval process is underway and is expected to be completed by end of Q3 March FY22. After the EIS is approved St Barbara will apply for the Nova Scotian provincial government Industrial Approval, which will allow commencement of construction and mining in Q2 December FY23. First ore is expected to be delivered from Beaver Dam in the first half of FY24. Prior expectations were for first ore to be produced in Q2 December FY23.

The EIS for Fifteen Mile Stream is expected to be completed in Q1 September FY23, with first production expected to be pushed out from Q4 June FY24 to later in FY25.

Initial production from Cochrane Hill was expected to commence in Q3 January FY23. The delays in the permitting process for Beaver Dam and Fifteen Mile Stream, coupled with the pending decision on the suitability of Archibald Lake as a suitable water course, has resulted in first production from Cochrane Hill now expected in FY28.

### ***Work on improving permitting process***

St Barbara is committed to working with the Nova Scotian provincial and Canadian federal government regulators to expedite the permit approval process. Whilst we understand the wide and varied impacts of the COVID-19 pandemic around the world has effected the permitting process, it is expected that those impacts will reduce over the coming months. In addition, St Barbara has reviewed the organisational structure and has promoted Meryl Jones, St Barbara’s Head of Business Development, to the role of President Americas to lead efforts in North America to accelerate permitting and construction of future operations. Meryl will be relocating to Nova Scotia in the near future.



## For more information

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