
31 May 2023

Atlantic Reclamation Plan Update and Reclamation Security Estimate Submission

Atlantic Reclamation Security Estimate increases to C\$80 million

St Barbara Limited (“**St Barbara**”) (ASX: SBM) advises that it has submitted, on the due date, an updated Reclamation Plan and Reclamation Security Estimate (“**Submission**”) for the Touquoy Mine, part of the Atlantic Operations (“**Atlantic**”), to the Nova Scotia Department of Environment and Climate Change (“**NSECC**”) and Department of Natural Resources and Renewables (“**DNRR**”).

As stated in St Barbara’s announcement on 17 April 2023 regarding the sale of St Barbara’s Leonora Assets to Genesis Minerals¹, St Barbara currently has a C\$41 million Reclamation Security Bond (“**Bond**”) at Atlantic, which is supported by Letters of Credit from syndicate banks. In the announcement, St Barbara identified potential for the quantum of the Bond to increase materially to approximately C\$70 million, with the face value of the Bond likely needing to be cash backed.

The Submission has now been completed by an external consultant, in line with NSECC and DNRR requirements, and submitted on schedule on 30 May 2023. The revised Bond is calculated to be C\$80 million (an increase of ~C\$39 million). St Barbara anticipates that NSECC and DNRR will now review the Submission with discussions to follow.

Should NSECC and DNRR accept the Reclamation Security Estimate, St Barbara will be required to provide a bank guarantee, or bank guarantees, for the additional Bond of ~C\$39 million. As a result, St Barbara will be required to source an additional ~A\$43 million² (C\$39 million) to provide cash backing for the bank guarantees. As discussed in St Barbara’s announcement of 17 April 2023³, the increased funding requirements arising from this increased Bond and the Gwalia underperformance, together with the expected breach of St Barbara’s existing banking covenants (interest cover ratio) at 30 June 2023, meant that it was likely that St Barbara would have been required to pay down a significant portion of its senior debt facilities.

The agreement announced with Genesis Minerals Limited (“**Genesis**”) (ASX:GMD) on 17 April 2023 in respect of the sale of St Barbara’s Leonora Assets will however enable St Barbara to extinguish all senior debt and lease liabilities and is expected to provide a pro-forma cash balance of \$197 million. St Barbara intends that the pro-forma cash balance of \$197 million will be, in part, applied to provide cash backing for the full C\$80 million Bond proposed in the Submission.

Authorised by

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¹ Refer to the announcement lodged by St Barbara with ASX on 17 April 2023, titled “*St Barbara agrees to sale of Leonora Assets to Genesis Minerals for total consideration of \$600 million*” for further information.

² Based on an AUD/CAD exchange rate of 0.90.

³ Refer to the announcement lodged by St Barbara with ASX on 17 April 2023, titled “*St Barbara agrees to sale of Leonora Assets to Genesis Minerals for total consideration of \$600 million*” for further information.