

24 July 2025

Nova Scotia Business Update

Highlights

- **15-Mile Processing Hub Prefeasibility Study on track for completion in Q3 March FY26:**
 - Study is evaluating the integration of Cochrane Hill into the previously proposed combination of 15-Mile and Beaver Dam, but at higher throughput¹
- **Continuing improvement in Nova Scotia resource development and permitting environment:**
 - Nova Scotia has now included gold on its list of Provincial Strategic Minerals
 - 15-Mile Processing Hub socio-economic assessment estimates a 1% boost to Nova Scotia's annual GDP (approximately half of the Province's 2% GDP growth target from a single capital efficient project)
 - Regulator's new Large Industrial File Team is operational for resource projects
- **Closure and reclamation activities and engineering studies over FY25 have delivered strong results:**
 - FY25 gold sales, recovered from decommissioning the Touquoy processing plant, totalled A\$14 million
 - Reclamation works in FY25 of A\$12 million, brings total work completed to A\$18 million since closure
 - Research work completed in FY25 is anticipated to reduce the reclamation cost estimate by a further approximately A\$7 million
- **Pumped Hydro Open Pit Energy Storage and Solar Facility development opportunity at Touquoy progressing:**
 - Engagement on pricing of energy storage capability to the Nova Scotia grid is underway, after a conceptual design developed by GEMTEC during FY25 established the project is likely to be technically feasible (subject to further work)
- **Nova Scotia subsidiaries have been restructured resulting in a non-cash adjustment to be made to reduce the carrying value of exploration tenements:**
 - The 15-Mile, Beaver Dam, Cochrane Hill projects, regional exploration portfolio (outside of Touquoy's immediate vicinity) and Touquoy Mill have been transferred to a new subsidiary focused on future gold developments
 - The existing subsidiary will focus on the Touquoy mine reclamation and on advancing the Pumped Hydro Open Pit Energy Storage and Solar Facility, together with renewables-focused investors
 - Carrying value of exploration tenements and freehold land portfolio in Nova Scotia has been reduced, with a non-cash adjustment of C\$33.7 million (approx. A\$37.8 million) to be made in the FY25 financial results following updated freehold land valuations and an assessment of precedent exploration tenement transactions in Nova Scotia (unaudited)
- **Separation of Nova Scotia operations advancing:**
 - St Barbara continues to assess its options regarding the separation of the Atlantic Gold Operations and is in the final stages of receiving proposals
 - Potential divestment will be weighed against alternative separation options in Q1 FY26

¹ Refer to ASX release on 29 May 2025 titled "Positive 15-Mile Processing Hub Concept Study"



St Barbara Limited (“**St Barbara**” or the “**Company**”) (ASX: SBM) advises that third party non-binding indicative proposals for Atlantic Operations are due this month, in response to the separation process announced on 12 February 2025.¹ During Q1 FY26, St Barbara will assess the merits of a potential divestment of the Nova Scotia assets relative to alternative separation options and will update the market accordingly. The Company continues to see significant value in Atlantic’s existing resource base, production-ready infrastructure and extensive exploration positioning Nova Scotia.

In parallel, significant progress has been made with the Prefeasibility Study for the 15-Mile Processing Hub project, on closure and reclamation engineering works and research studies, and on the Pumped Hydro Open Pit Energy Storage and Solar Facility development at Touquoy.

The Company also advises that the subsidiary holding structure for the Atlantic Nova Scotia assets has been reorganised with the 15-Mile, Beaver Dam, Cochrane Hill projects, regional exploration tenure (outside of the Touquoy tenements) and Touquoy Mill forming a new subsidiary focused on future gold developments. The existing subsidiary will focus on the Touquoy mine reclamation, advancing the Pumped Hydro Open Pit Energy Storage and Solar Facility development opportunity, and on sourcing renewables-focused investors to take that opportunity forward.

In connection with the transfer of the tenements and freehold land as part of the reorganisation of the subsidiaries, the Company has reviewed Nova Scotia exploration tenement transaction precedents over FY24 and FY25, as well as updated freehold land valuations in Nova Scotia, and has decided to reduce the non-cash carrying value of those asset classes by C\$31.9 million and C\$1.8 million respectively for a total non-cash carrying value reduction of C\$33.7 million (approximately A\$37.8 million) (unaudited). This non-cash carrying value adjustment will be made in the FY25 end of year financial statements.

15-Mile Processing Hub Prefeasibility Study and Improving Permitting Environment

The Company announced the positive results of the 15-Mile Processing Hub Concept Study on 29 May 2025².

The Prefeasibility Study is progressing towards the announced target delivery date of Q3 March FY26. Ausenco Engineering Canada Inc has been appointed to lead the study and Moose Mountain Technical Services will continue with the mine design aspects of the study. Additional metallurgical testwork is underway on Cochrane Hill ore to confirm the recovery assumptions across a range of grades at the target grind size and the project layout, flowsheet and logistics are being upgraded to a Prefeasibility Study level of design basis. Additional final baseline requirements identified for this northern summer period are underway and will be incorporated into the environmental and social impact assessment work.

Updated socio-economic studies suggest that the 15-Mile Processing Hub could boost the annual GDP of Nova Scotia by approximately one percent. The project could achieve half of the Province’s recently announced target GDP growth of two percent³.

Touquoy Closure and Reclamation Progress

Good weather over FY25 has allowed the completion of A\$12 million in reclamation works at Touquoy over the financial year. The total work completed to date since closure in FY24 is now A\$18 million, and compares favourably against cost estimates included in the reclamation bond estimate for the specific works completed.

Research studies investigating aspects of final reclamation design have identified that the cost estimate for the final cover design for the tailings management facility will likely be reduced by approximately A\$7 million. The combination of the work completed to date (A\$18 million) and reductions anticipated from the further research work (A\$7 million) is anticipated to deliver an overall A\$25 million reduction to the next reclamation bond estimate submission to the Nova Scotia regulators. The submission of the next reclamation plan and cost estimate for bond calculation is due to be submitted in Q4 June FY26. The timing for the release of any bond amounts (and the consequent release of funds of restricted bank accounts) will be determined by the Nova Scotia Department of Natural Resources and Renewables.

Gold sales for FY25 from the decommissioning program of the Touquoy processing plant totalled A\$14 million.

Pumped Hydro Open Pit Energy Storage and Solar Facility Concept for Touquoy Mine

A conceptual design has been completed by GEMTEC Consulting Engineers and Scientists Limited for an 80MW closed loop Pumped Hydro Open Pit Energy Storage development at the Touquoy mine site, with an approximate generation cycle time of 6.5 hours.

¹ Refer to ASX release on 12 February 2025 titled “*Intention to Separate Atlantic*”

² Refer to ASX release on 29 May 2025 titled “*Positive 15-Mile Processing Hub Concept Study*”

³ Refer to Page 55 of the Nova Scotia Government Budget 2025-26 “*Unlocking our potential*” published 18 February 2025



Features of the conceptual design include:

- Utilisation of the open pit as the lower reservoir;
- An upper reservoir in the current area of the processing facility and administration complex, formed by a 2,430 metre long, 15 metre high perimeter closure dyke, likely able to be constructed from on-site material (with overflow spillway);
- A concrete structure for the upper reservoir intake;
- Two surface steel penstocks each 5.5 metre in diameter and approximately 280 metres long;
- A concrete gravity powerhouse located adjacent to the open pit; and
- Floating pump stations for make-up water.

Additional field investigations and studies are required to verify feasibility and to further develop the conceptual designs.

The Company's efforts with Natural Forces are now focused on the development of pricing expectations for the energy storage capability in the Nova Scotia context and on discussions with First Nations for collaboration on investment opportunities.

Previous studies by Natural Forces have established that a Touquoy Pumped Hydro Open Pit Energy Storage facility would provide a cost-effective and sustainable way to balance Nova Scotia's grid demand and supply, with a high estimated round-trip efficiency of 85% and a lifespan of approximately 40 years before refurbishment is required to extend the operating life. Capital costs are expected to be in line with other long duration storage options on a CAD/kW basis, but more competitive when the estimated life of approximately 40 years is considered relative to 15 years approximate life for lithium battery alternatives.

Nova Scotia's 2030 Clean Power Plan calls for significant deployments of grid scale storage, reaching an installed capacity of 300-400MW by 2030. In December 2023, Nova Scotia enacted regulations under section 4D of the Electricity Act which directs Nova Scotia Power to construct a lithium-ion Battery Energy Storage System (BESS) project consisting of three 50MW 4-hour duration lithium-ion grid scale batteries. Timelines for proposed BESS project are forecasted to deliver a total of 150MW installed by 2030, including two 50MW BESS operational in 2025, and a third 50MW BESS operational in 2026. These deployments do not achieve the targeted grid storage volumes and have short operational life and storage duration. Longer duration storage, such as that being proposed at Touquoy, to ensure grid stability and reliability is essential for Nova Scotia. The proposed Touquoy Pumped Hydro Open Pit Energy Storage facility has the potential to provide a large-scale and long duration storage option with lower operations and maintenance costs, a much longer operational life and favourable environmental impacts.

Work also continued, in conjunction with Natural Forces, on the studies to assess the viability of a separate solar power generation facility at the Touquoy tailings management facility and waste rock storage area. Nova Scotia is targeting more than 300MW of large scale solar power generation capacity to balance the grid and Touquoy's existing cleared areas such as waste rock storage areas and tailings management facility surfaces provides a compelling advantage.

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