



# Bardoc Gold Limited

ACN 125 578 743

## Scheme Booklet

for a scheme of arrangement in relation to the proposed acquisition  
of all your fully paid ordinary shares  
in Bardoc Gold Limited by St Barbara Limited

**Your Bardoc Directors unanimously recommend<sup>1</sup> that,  
in the absence of a Superior Proposal,  
you VOTE IN FAVOUR of the Scheme of Arrangement**

The Independent Expert has concluded that,  
in the absence of a Superior Proposal,  
the Scheme is fair and reasonable and therefore in the best interests  
of Bardoc Scheme Shareholders.

This is an important document and requires your prompt attention. You should read it in its entirety before you decide how to vote on the Scheme. If you are in doubt as to what you should do, you should consult your legal, financial or other professional adviser.

Legal Adviser to Bardoc



Financial Adviser to Bardoc



Legal Adviser to St Barbara



Financial Adviser to St Barbara



<sup>1</sup> In respect of the recommendations of the Bardoc Directors, Bardoc Shareholders should have regard to the fact that, if the Scheme is implemented, the Bardoc Directors will each receive various personal benefits as further detailed in the Section titled "Important Information Regarding Directors' Recommendation" on page III of this Scheme Booklet.

## Important Information

### **This Scheme Booklet contains important information**

The purpose of this Scheme Booklet is to explain the terms of the Scheme, the manner in which the Scheme will be considered and implemented (if the Scheme Conditions are satisfied), and to provide such information as is prescribed or otherwise material for Bardoc Scheme Shareholders when deciding whether or not to vote in favour of the Scheme. This document includes the explanatory statement required by section 412(1) of the Corporations Act in relation to the Scheme. You should read this document in its entirety before making a decision on whether or not to vote in favour of the Scheme.

### **Investment decisions**

This Scheme Booklet is for Bardoc Scheme Shareholders collectively and does not take into account an individual's investment objectives, financial situation, taxation position or other particular needs.

This Scheme Booklet should not be relied upon as the sole basis for any investment decision in relation to the Scheme, Bardoc Shares or New St Barbara Shares. If you are in any doubt about what you should do, you should seek independent legal, financial or other professional advice before making any investment decision in relation to the Scheme.

### **Responsibility for information**

The information concerning the Bardoc Group contained in this Scheme Booklet, including financial information and information as to the views and recommendations of the Bardoc Directors, has been provided by Bardoc and is the responsibility of Bardoc. Neither St Barbara, nor its advisers, nor the advisers of Bardoc assume any responsibility for the accuracy or completeness of that information.

The St Barbara Information has been provided by St Barbara and is the responsibility of St Barbara. Neither Bardoc, nor its advisers, nor the advisers of St Barbara assume any responsibility for the accuracy or completeness of that information.

RSM Corporate Australia Pty Ltd has prepared the Independent Expert's Report set out in Annexure A of this Scheme Booklet and takes responsibility for that report. St Barbara, Bardoc and their respective advisers do not assume any responsibility for the accuracy or completeness of the Independent Expert's Report.

### **Role of ASIC, ASX, and the Court**

A copy of this Scheme Booklet has been examined by ASIC pursuant to section 411(2)(b) of the Corporations Act and lodged with, and registered by, ASIC under section 412(6) of the Corporations Act. Bardoc has requested ASIC provides statements, in accordance with section 411(17)(b) of the

Corporations Act, that ASIC has no objection to the Scheme. If ASIC provides those statements, they will be produced to the Court on the Second Court Date.

A copy of this Scheme Booklet has been lodged with ASX.

Neither ASIC, ASX nor any of their officers takes any responsibility for the contents of this Scheme Booklet.

The Court is not responsible for the contents of this Scheme Booklet and, the fact that under section 411(1) of the Corporations Act the Court ordered on 22 February 2022 that a meeting of Bardoc Scheme Shareholders be convened by Bardoc to consider and vote on the Scheme and has approved the Scheme Booklet does not mean that the Court:

- (a) has formed any view as to the merits of the proposed Scheme or as to how Bardoc Scheme Shareholders should vote (on this matter, Bardoc Scheme Shareholders must reach their own decision); and
- (b) has prepared, or is responsible for, the content of this Scheme Booklet.

### **Forward-looking statements**

This Scheme Booklet contains both historical and forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. The statements contained in this Scheme Booklet about the advantages and disadvantages expected to result from the Scheme are forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of Bardoc, St Barbara and/or the Combined Group to be materially different from future results, performance or achievements expressed or implied by such statements. The operations and financial performance of Bardoc, St Barbara and/or the Combined Group, and the disposal of Participating Bardoc Shares in exchange for New St Barbara Shares are subject to various risks that are summarised in Section 10 of this Scheme Booklet and that may be beyond the control of Bardoc, St Barbara and/or the Combined Group.

As a result, Bardoc's actual results of operations and earnings and those of St Barbara and the Combined Group following implementation of the Scheme, as well as the actual advantages and disadvantages of the Scheme, may differ significantly from those that are anticipated in respect of timing, amount or nature and may never be achieved.

The forward-looking statements included in this Scheme Booklet reflect views only as of the date of this Scheme Booklet. None of Bardoc, St Barbara, the Bardoc Directors, the St Barbara Directors or any other person gives any representation, assurance or guarantee that the occurrence of the events

expressed or implied in any forward-looking statements in this Scheme Booklet will actually occur and you are cautioned not to place undue reliance on such forward-looking statements.

All written and oral forward-looking statements attributable to Bardoc, St Barbara or any person acting on their behalf are qualified by this cautionary statement. Subject to any continuing obligations under the ASX Listing Rules or the Corporations Act, neither Bardoc nor St Barbara give any undertaking to update or revise any such statements after the date of this Scheme Booklet to reflect any change in expectations in relation thereto or any change in events, conditions or circumstances on which any such statement is based.

### **New Zealand Shareholders**

This Scheme Booklet is not a New Zealand disclosure document and has not been registered, filed with or approved by any New Zealand Regulatory Authority under or in accordance with the Financial Markets Conduct Act 2013 (or any other relevant New Zealand law). In offering New St Barbara Shares under the Scheme in New Zealand, St Barbara is relying on an exemption contained in the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 and accordingly, this Scheme Booklet may not contain all the information that a disclosure document is required to contain under New Zealand law. New Zealand investors should seek their own advice and satisfy themselves as to the Australian and New Zealand tax implications of participating in the Scheme.

### **Ineligible Foreign Shareholders**

This Scheme Booklet has been prepared having regard to Australian disclosure requirements. Other countries may have different legislative and regulatory requirements.

Neither this Scheme Booklet nor the Scheme constitute, or are intended to constitute, an offer of securities in any place in which or to any person to whom, the making of such an offer would not be lawful under the laws of any jurisdiction outside Australia and its external territories and New Zealand. Bardoc Scheme Shareholders who are not residents of Australia and its external territories or New Zealand should refer to Sections 5.7 and 5.8 of this Scheme Booklet for further information.

### **Privacy and Entitlement to inspect Bardoc Registers**

Personal information may be collected by Bardoc and St Barbara in the process of implementing the Scheme. This information may include the name, contact details, security holding details of Bardoc Shareholders, and the names of individuals appointed to act as proxy, attorney or corporate representative by a Bardoc Scheme Shareholder at the Scheme Meeting. The primary purpose for collecting this personal information is to assist Bardoc and St Barbara to conduct the Scheme Meeting and implement the Scheme.

Any personal information collected may be disclosed to Bardoc's and St Barbara's respective share registries, advisers, print and mail service providers and related bodies to the extent necessary to effect the Scheme. Bardoc Shareholders are entitled under section 173 of the Corporations Act to inspect and obtain copies of personal information collected. Bardoc Shareholders should contact Computershare in the first instance if they wish to access their personal information.

### **Defined terms**

Capitalised terms and certain other terms used in this Scheme Booklet are defined in the Glossary of defined terms in Section 15.

The Independent Expert's Report set out in Annexure A has its own defined terms and those terms are sometimes different to the defined terms in the Glossary.

### **Currency**

All references in this Scheme Booklet to "\$", "AUD", "A\$" or "dollar" are references to Australian currency unless otherwise indicated.

### **Effect of rounding**

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet are subject to the effect of rounding. Accordingly, their actual calculation may differ from the calculations set out in this Scheme Booklet.

### **Reference to time**

All references in this document to time relate to the time in Perth, Western Australia, unless otherwise specified.

### **Date of this document**

This document is dated 22 February 2022.

## IMPORTANT INFORMATION REGARDING DIRECTOR'S RECOMMENDATIONS

Bardoc notes that Mr Tony Leibowitz (Bardoc's Non-Executive Chairman) has a Relevant Interest in 5,882,849 Bardoc Shares (being an interest of 1.91%) and 166,666 Bardoc Class G Performance Rights (comprising 4,716,183 Bardoc Shares and 166,666 Class G Performance Rights held by Kalonda Pty Ltd <Leibowitz Super Fund A/C>, 333,333 Bardoc Shares held by Kalonda Pty Ltd <Leibowitz Family A/C> and 833,333 Bardoc Shares held by Floreat Investments Pty Ltd, each being an entity of which Mr Leibowitz is a director and is controlled by Mr Leibowitz). If the Scheme is approved by the Court on the Second Court Date, in addition to his entitlement as a Bardoc Shareholder, Mr Leibowitz's 166,666 Bardoc Class G Performance Rights will be deemed to have vested and converted, which will result in 166,666 Bardoc Shares being issued to Mr Leibowitz. Accordingly, in such circumstances, Mr Leibowitz will hold a total of 6,049,515 Bardoc Shares (being an interest of 2.03% in Bardoc immediately prior to implementation of the Scheme), all of which would be entitled to participate in the Scheme. Mr Leibowitz will also receive an additional \$50,000 from Bardoc for services in relation to Bardoc's previous strategic review.

The Bardoc Board (in the absence of Mr Leibowitz) and, separately, Mr Leibowitz, have determined that Mr Leibowitz can, and should, if he wishes to do so, make a recommendation on the Scheme notwithstanding the nature of the benefits (being the aggregate Scheme Consideration of 2,180,245 New St Barbara Shares, equating to approximately \$3,139,553)<sup>2</sup> which will be received by Mr Leibowitz if the Scheme is implemented.

Bardoc notes that Mr Neil Biddle (an Executive Director of Bardoc) has a Relevant Interest in 6,383,796 Bardoc Shares (being an interest of 2.21%) and 333,333 Bardoc Class G Performance Rights (comprising 733,333 Bardoc Shares held by Hatched Creek Pty Ltd <The Direction Trust> and 5,559,082 Bardoc Shares and 333,333 Class G Performance Rights held by Biddle Partners Pty Ltd <The Biddle Super Fund A/C> and 91,381 Bardoc Shares held by Biddle Partners Pty Ltd <The Biddle Family A/C> each being an entity of which Mr Biddle is a director and is controlled by Mr Biddle).

If the Scheme is approved by the Court on the Second Court Date, in addition to his entitlement as a Bardoc Shareholder, Mr Biddle's 333,333 Bardoc Class G Performance Rights will be deemed to have vested and converted, which will result in 333,333 Bardoc Shares being issued to Mr Biddle. Accordingly, in such circumstances, Mr Biddle will hold a total of 6,717,129 Bardoc Shares (being an interest of 2.25%), all of which would be entitled to participate in the Scheme.

The Bardoc Board (in the absence of Mr Biddle) and, separately, Mr Biddle, have determined that Mr Biddle can, and should, if he wishes to do so, make a recommendation on the Scheme notwithstanding the nature of the benefits (being the aggregate Scheme Consideration of 2,420,853 New St Barbara Shares, equating to approximately \$3,486,028)<sup>3</sup> which will be received by Mr Biddle by virtue of being an indirect Bardoc Shareholder if the Scheme is implemented.

Bardoc notes that Mr Rowan Johnston (a Non-executive Director of Bardoc) has a Relevant Interest in 867,828 Bardoc Shares (being an interest of 0.30%) and 666,666 Bardoc Class G Performance Rights held by Mr Robert Rowan Andrew Johnston & Mrs Pia Johnston <Johnston Family A/C> being an entity controlled by Mr Johnston). If the Scheme is approved by the Court on the Second Court Date, in addition to his entitlement as a Bardoc Shareholder, Mr Johnston's 666,666 Bardoc Class G Performance Rights will be deemed to have vested and converted, which will result in 666,666 Bardoc Shares being issued to Mr Johnston. Accordingly, in such circumstances, Mr Johnston will hold a total of 1,534,494 Bardoc Shares (being an interest of 0.51%), all of which would be entitled to participate in the Scheme.

The Bardoc Board (in the absence of Mr Johnston) and, separately, Mr Johnston, have determined that Mr Johnston can, and should, if he wishes to do so, make a recommendation on the Scheme notwithstanding the nature of the benefits (being the aggregate Scheme Consideration of 553,032 New St Barbara Shares, equating to approximately \$796,366)<sup>4</sup> which will be received by Mr Johnston by virtue of being an indirect Bardoc Shareholder if the Scheme is implemented.

Bardoc notes that Mr John Young (a non-executive Director of Bardoc) holds or controls 6,666,666 Bardoc Shares (being an interest of 2.30%) and 333,333 Bardoc Class G Performance Rights (comprising 2,533,333 Bardoc Shares held by John Alexander Young & Cheryl Kaye Young <The Forever Young Super Fund A/C> and 3,400,000 Bardoc Shares held by John Alexander Young & Cheryl Kaye Young <The Forever Young Family Trust A/C> and 733,333 Bardoc Shares and 333,333 Bardoc Class G Performance Rights held by Cheryl Kaye Young, each being entities controlled by Mr Young). If the Scheme is approved by the Court on the Second Court Date, in addition to his entitlement as a Bardoc Shareholder, Mr Young's 333,333 Bardoc Class G Performance Rights will be deemed to have vested and converted, which will result in 333,333 Bardoc

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<sup>2</sup> Calculated based on the closing price of St Barbara Shares of \$1.44 as at the Last Practicable Date.

<sup>3</sup> Calculated based on the closing price of St Barbara Shares of \$1.44 as at the Last Practicable Date.

<sup>4</sup> Calculated based on the closing price of St Barbara Shares of \$1.44 as at the Last Practicable Date.



Shares being issued to Mr Young. Accordingly, in such circumstances, Mr Young will hold a total of 6,999,999 Bardoc Shares (being an interest of 2.35%), all of which would be entitled to participate in the Scheme.

The Bardoc Board (in the absence of Mr Young) and, separately, Mr Young, have determined that Mr Young can, and should, if he wishes to do so, make a recommendation on the Scheme notwithstanding the nature of the benefits (being the aggregate Scheme Consideration of 2,522,800 New St Barbara Shares, equating to approximately \$3,632,832)<sup>5</sup> which will be received by Mr Young by virtue of being an indirect Bardoc Shareholder if the Scheme is implemented.

Bardoc notes that Mr Peter Buttigieg (a non-executive Director of Bardoc) holds or controls 13,006,461 Bardoc Shares (being an interest of 4.49%), 208,333 Bardoc Class F Performance Rights and 208,333 Bardoc Class G Performance Rights (comprising 9,153,539 Bardoc Shares and 208,333 Bardoc Class F Performance Rights and 208,333 Bardoc Class G Performance Rights held by P&J Buttigieg Nominees Pty Ltd <Buttigieg Family A/C> (an entity of which Mr Buttigieg is a director) and 3,852,922 Bardoc Shares held by Peter Anthony Buttigieg and Jennifer Lynn Buttigieg <Buttigieg Super Fund A/C>. If the Scheme is approved by the Court on the Second Court Date, in addition to his entitlement as a Bardoc Shareholder, Mr Buttigieg's 208,333 Bardoc Class F Performance Rights and 208,333 Bardoc Class G Performance Rights will be deemed to have vested and converted, which will result in 416,666 Bardoc Shares being issued to Mr Buttigieg. Accordingly, in such circumstances, Mr Buttigieg will hold a total of 13,423,127 Bardoc Shares (being an interest of 4.50%), all of which would be entitled to participate in the Scheme.

The Bardoc Board (in the absence of Mr Buttigieg) and, separately, Mr Buttigieg, have determined that Mr Buttigieg can, and should, if he wishes to do so, make a recommendation on the Scheme notwithstanding the nature of the benefits (being the aggregate Scheme Consideration of 4,837,695 New St Barbara Shares, equating to approximately \$6,966,281)<sup>6</sup> which will be received by Mr Buttigieg by virtue of being an indirect Bardoc Shareholder if the Scheme is implemented.

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<sup>5</sup> Calculated based on the closing price of St Barbara Shares of \$1.44 as at the Last Practicable Date.

<sup>6</sup> Calculated based on the closing price of St Barbara Shares of \$1.44 as at the Last Practicable Date.

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## Reasons to vote in favour of or against the Scheme

### Reasons to vote in favour of the Scheme

- The Scheme will allow Bardoc Scheme Shareholders to achieve immediate value realisation at an attractive premium. The Scheme Consideration of 0.3604 New St Barbara Shares for each Participating Bardoc Share held implies a value of approximately \$0.53 per Participating Bardoc Share (based on the 30 day VWAP for St Barbara Shares up to and including 17 December 2021, being the last trading day prior to the Announcement Date) (**Implied Offer Value**), compared to:
  - the closing price on ASX of Bardoc Shares on 17 December 2021 of \$0.41, representing a premium of 29.2% to the Implied Offer Value; and
  - the 30 day VWAP on ASX of Bardoc Shares up to and including 17 December 2021 of \$0.39, representing a premium of 34.7% to the Implied Offer Value.

On the Last Practicable Date, the closing price of St Barbara Shares on ASX was \$1.44 and the closing price of Bardoc Shares on ASX was 51 cents, such that the Scheme Consideration represents a premium of 1.8% to the closing price of Bardoc Shares at that date. The implied value of the Scheme Consideration will continue to fluctuate depending upon the price at which St Barbara Shares trade on ASX.

- Bardoc Scheme Shareholders will receive a significant shareholding in an ASX-200 gold producer with a globally diversified asset base, strong balance sheet, enhanced trading liquidity and the potential for a future market re-rating, while retaining ongoing exposure to the Bardoc Gold Project.
- Bardoc Scheme Shareholders will be able to participate in the benefits of the Combined Group, including a clear pathway to development of the Bardoc assets under St Barbara ownership.
- The Independent Expert has concluded that, in the absence of a Superior Proposal, the Scheme is fair and reasonable and therefore in the best interests of Bardoc Scheme Shareholders.
- No Superior Proposal has emerged as at the date of this Scheme Booklet.
- Bardoc Scheme Shareholders may be eligible for CGT rollover relief.
- The Bardoc Directors have unanimously recommended<sup>7</sup> that Bardoc Scheme Shareholders vote in favour of the Scheme in the absence of a Superior Proposal.

These reasons are discussed in more detail in Section 1.

### Reasons why you may choose to vote against the Scheme

- You may disagree with the opinion of the Independent Expert and the recommendation of the Bardoc Directors.
- Your percentage interest in the Combined Group will be less than your current interest in Bardoc.
- The risk profile of the Combined Group will be different to that of Bardoc's, which you may consider to be disadvantageous to you relative to the risk profile of the current Bardoc business.

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<sup>7</sup> In respect of the recommendations of the Bardoc Directors, Bardoc Shareholders should have regard to the fact that, if the Scheme is implemented, the Bardoc Directors will each receive various personal benefits as further detailed in the Section titled "Important Information Regarding Directors' Recommendation" on page iv of this Scheme Booklet.

- You may consider that there is the potential for a Superior Proposal to emerge for Bardoc in the foreseeable future. However, since the Announcement Date and up to the date of this Scheme Booklet, no other proposal has been received, nor are the Bardoc Directors aware of any intention of a party to make such a proposal.
- The Scheme Consideration comprises New St Barbara Shares and so the value of the Scheme Consideration upon implementation of the Scheme will fluctuate and is not certain.
- The tax consequences of the Scheme may not suit your current financial position.

These reasons are discussed in more detail in Section 2.

## **Spin-Out Transaction and the South Woodie Woodie Project**

As announced on 20 December 2021, subject to Bardoc making the necessary arrangements and obtaining approval from Bardoc Shareholders and regulatory authorities, Bardoc Shareholders will retain full ownership of Bardoc's South Woodie Woodie Project in the East Pilbara region of Western Australia. Bardoc Shareholders should note that the Scheme and Spin-Out Transaction are not inter-conditional.

Prior to implementation of the Scheme, Bardoc intends to demerge the South Woodie Woodie Project by way of an in-specie distribution of all of the fully paid ordinary shares in Edge (the holder of the South Woodie Woodie Project) to Bardoc Shareholders. On completion of the Spin-Out Transaction, Bardoc Shareholders will collectively own 100% of Edge, and by extension will retain full ownership of the South Woodie Woodie Project. Bardoc Shareholders should refer to the Bardoc notice of meeting dated on or about 22 February 2022 for further information on the Spin-Out Transaction.

The Spin-Out Transaction will be subject to Bardoc Shareholder approval at a separate general meeting of Bardoc Shareholders. The Scheme is not conditional on completion of the Spin-Out Transaction, which will occur (or not occur, as the case may be) independently of and prior to the Scheme becoming Effective, and the status of the Spin-Out Transaction will not influence the timing of the Scheme transaction.

Edge will benefit from the ongoing involvement of the majority of the Bardoc Board, which has a proven track record in the development of battery metals assets including as the founders of the highly successful ASX-200 lithium producer Pilbara Minerals Limited (ASX: PLS).

## Overview of this document

### What is the proposal?

St Barbara Limited (**St Barbara**) has made a proposal to acquire all of the Shares in Bardoc Gold Limited (**Bardoc**) by way of the Scheme.

St Barbara and Bardoc have agreed to implement the Scheme proposal under a procedure set out in the Corporations Act called a scheme of arrangement. This is a Court-supervised process under which Bardoc Scheme Shareholders have the opportunity to vote for or against the proposed Scheme and if the Scheme is approved by the Court then the Scheme will be binding on Bardoc and the Bardoc Scheme Shareholders.

If the Scheme is approved by Bardoc Scheme Shareholders and by the Court, subject to satisfaction or waiver of the Scheme Conditions:

- St Barbara will acquire all of the Participating Bardoc Shares in exchange for the Scheme Consideration (0.3604 New St Barbara Shares for each Participating Bardoc Share held) to be provided to the Bardoc Scheme Shareholders, and Bardoc will become a wholly-owned subsidiary of St Barbara;
- all existing Bardoc Options will be cancelled pursuant to the Option Cancellation Deed in exchange for the following consideration:
  - \$0.0073 per Bardoc Option which is exercisable at \$1.20 each on or before 11 September 2022; and
  - \$0.051 per Bardoc Option which is exercisable at \$0.72 each on or before 27 September 2022;
- all existing Bardoc Performance Rights will convert into Bardoc Shares prior to the Record Date so that the Bardoc Shares issued on exercise will be exchanged for New St Barbara Shares under the Scheme; and
- pursuant to the Bardoc Loan Share Deeds, with effect on the Implementation Date and conditional on the Scheme becoming Effective:
  - all existing Bardoc Loan Shares held by Bardoc Loan Share Holders will be exchanged for the Bardoc Loan Share Consideration;
  - the corresponding loan made under the Bardoc Loan Plan Share Transfer Deed is forgiven by Bardoc; and
  - any holding lock placed on the Bardoc Loan Shares will be removed.

If the Scheme is not approved, Bardoc will continue to operate as a stand-alone entity, listed on the ASX.

Pursuant to the agreement between Bardoc and St Barbara in relation to the Spin-Out Transaction (**Demerger Agreement**), the Spin-Out Transaction is not conditional on implementation of the Scheme.

### What is this document for?

The Scheme is subject to the approval of Bardoc Scheme Shareholders. This Scheme Booklet contains information relevant to the Scheme and associated matters, and to the decision of Bardoc Scheme Shareholders as to whether to vote for or against the Scheme.

The Scheme Meeting to consider the Scheme will be held **virtually at 1:00pm (Perth time) on 30 March 2022**.

### **Why should you vote?**

As a Bardoc Scheme Shareholder, you have a say in whether the Scheme is implemented or not – **this is your opportunity to play a role in deciding the future of the company in which you have a stake**.

### **Is the Scheme in the best interests of Bardoc Scheme Shareholders?**

The Independent Expert has concluded that, in the absence of a Superior Proposal, the Scheme is fair and reasonable and therefore in the best interests of Bardoc Scheme Shareholders.

The Bardoc Directors unanimously recommend<sup>8</sup> that, in the absence of a Superior Proposal and on the basis that the Independent Expert maintains its opinion that the Scheme is fair and reasonable and therefore in the best interests of Bardoc Scheme Shareholders, Bardoc Scheme Shareholders vote in favour of the Scheme.

Before making a decision about the Scheme, Bardoc Scheme Shareholders should read this Scheme Booklet in its entirety and if you are in doubt about what action you should take, contact your professional adviser. For further details regarding the recommendation of the Bardoc Directors, please refer to Section 5.4.

### **What you should do next:**

#### **Step 1: Read this document in full**

You should read and carefully consider the information included in this Scheme Booklet in full to help you make an informed decision as to how to vote in relation to the Scheme. If you have any doubt as to what action you should take, please contact your financial, legal, taxation or other professional adviser immediately.

#### **Step 2: Vote on the Scheme**

As a Bardoc Scheme Shareholder, it is your right to vote on whether the Scheme should be approved, and therefore, whether the Scheme should proceed. You should note that the Scheme is subject to the Scheme Conditions. Even if Bardoc Scheme Shareholders approve the Scheme, it is possible that the Scheme will not be implemented if the other Scheme Conditions have not been satisfied.

Bardoc Scheme Shareholders can vote at the Scheme Meeting scheduled for **1:00pm (Perth time) on 30 March 2022**, or by returning a validly completed proxy voting form by not later than **1:00pm (Perth time) on 28 March 2022**. Full details of how to vote are set out in pages 9 to 11 of this document.

### **For further information**

If you have any questions after reading this document, please call the Company Secretary of Bardoc, Mr Russell Hardwick on +61 (08) 6215 0090.

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<sup>8</sup> In respect of the recommendations of the Bardoc Directors, Bardoc Shareholders should have regard to the fact that, if the Scheme is implemented, the Bardoc Directors will each receive various personal benefits as further detailed in the Section titled "Important Information Regarding Directors' Recommendation" on page iv of this Scheme Booklet.

## Important dates and times

Key events and the expected timing in relation to the approval and implementation of the Scheme are set out in the table below.

Event	Date
Latest time and date for lodgement of completed proxy forms for the Scheme Meeting	1:00pm (Perth time) 28 March 2022
Time and date for determining eligibility to attend and vote at the Scheme Meeting	5:00pm (Perth time) 28 March 2022
Scheme Meeting to be held virtually	1:00pm (Perth time) 30 March 2022
<b>If the Scheme is approved by the Requisite Majority of Bardoc Scheme Shareholders, the expected timetable for implementing the Scheme is:</b>	
Second Court Date for approval of the Scheme	2:15pm (Perth time) 1 April 2022
Effective Date of the Scheme and last day of trading of Bardoc Shares on ASX	4 April 2022
Suspension of trading of Bardoc Shares on ASX	Close of trading on 4 April 2022
Trading in New St Barbara Shares issued as Scheme Consideration to commence on a deferred settlement basis	5 April 2022
Record Date for determining entitlements to the Scheme Consideration	5:00pm (Perth time) 6 April 2022
Implementation Date for the issue of Scheme Consideration to Bardoc Scheme Shareholders	13 April 2022
Trading in New St Barbara Shares issued as Scheme Consideration to commence on a normal (T+2) basis	13 April 2022
Termination of official quotation of Bardoc Shares on ASX	5:00pm (Perth time) on 13 April 2022 (or as otherwise determined by ASX)

The above dates and times are indicative only and, amongst other things, are subject to the time at which each Scheme Condition is satisfied and the dates on which all necessary Court and regulatory approvals are obtained. Bardoc has the right to vary any or all of these dates and times, subject to the approval of such variation by ASX, the Court and St Barbara, where required.

Any variation to the above dates and times will be announced to ASX (and accordingly, details of any variations will be available on ASX's website ([www.asx.com.au](http://www.asx.com.au))) and will be published on Bardoc's website ([www.bardocgold.com](http://www.bardocgold.com)).

## Letter from Bardoc

22 February 2022

Dear Bardoc Scheme Shareholder

On 20 December 2021, Bardoc Gold Limited (**Bardoc**) announced a proposal to merge with St Barbara Limited (**St Barbara**) by way of a scheme of arrangement under Part 5.1 of the Corporations Act pursuant to which St Barbara would acquire all of the issued shares in Bardoc. Participating Bardoc Shares will be exchanged by St Barbara at a ratio of 0.3604 New St Barbara Shares for each Participating Bardoc Share.

The implementation of the Scheme is subject to a number of conditions, including the approval of Bardoc Scheme Shareholders and the Court.

Your Directors believe that the Scheme is in the best interests of Bardoc Scheme Shareholders. The Directors unanimously recommend<sup>9</sup> that you vote in favour of the Scheme in the absence of a Superior Proposal.

The key reasons for your Directors' recommendation of the Scheme are set out in Section 1.1 of this Scheme Booklet. In particular, implementation of the Scheme provides Bardoc Scheme Shareholders:

- delivery of an immediate and significant premium to the undisturbed share price of Bardoc;
- exposure to St Barbara as an ASX-200 gold producer with a globally diversified asset base, strong balance sheet, enhanced trading liquidity and future market re-rating potential; and
- ability for Bardoc Scheme Shareholders to participate in the benefits of the combination, including a clear pathway to development of the Bardoc assets under St Barbara ownership.

Each Bardoc Director intends to vote the Participating Bardoc Shares that they own or control at the time of the Scheme Meeting (if any) and will direct any Bardoc proxies placed at their discretion in favour of the Scheme in the absence of a Superior Proposal. The Independent Expert, RSM Corporate Australia Pty Ltd, has concluded that the Scheme is **fair and reasonable** to Bardoc Scheme Shareholders and therefore is in the best interests of Bardoc Scheme Shareholders, in the absence of a Superior Proposal.

The full report of the Independent Expert (including a technical specialist report prepared by Valuation and Resources Management Pty Ltd) is set out in **Annexure A**.

Your Directors consider that there is a compelling rationale for the Scheme, however, there are some possible disadvantages and risks relating to the Scheme (see Section 2), specifically:

- you may disagree with the opinion of the Independent Expert and the recommendation of the Bardoc Directors;
- your percentage interest in the Combined Group will be less than your current interest in Bardoc;
- the risk profile of the Combined Group will be different to that of Bardoc's, which you may consider to be disadvantageous to you relative to the risk profile of the current Bardoc business;

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<sup>9</sup> In respect of the recommendations of the Bardoc Directors, Bardoc Shareholders should have regard to the fact that, if the Scheme is implemented, the Bardoc Directors will each receive various personal benefits as further detailed in the Section titled "Important Information Regarding Directors' Recommendation" on page iv of this Scheme Booklet.



- you may consider that there is the potential for a Superior Proposal to emerge for Bardoc in the foreseeable future. However, since the Announcement Date and up to the date of this Scheme Booklet, no other proposal has been received, nor are the Bardoc Directors aware of any such intention of a party to make such a proposal;
- the value of the Scheme Consideration upon implementation of the Scheme is not certain; and
- the tax consequences of the Scheme may not suit your current financial position.

The possible reasons not to vote for the Scheme are set out in Section 2 of this Scheme Booklet. I encourage you to read this Scheme Booklet (including the report of the Independent Expert) carefully in full and, if required, to seek your own legal, financial or other professional advice.

At the Scheme Meeting, shareholders will be asked to approve the Scheme. The Scheme Meeting will be held **virtually, on 30 March 2022 commencing at 1:00pm (Perth Time)**.

Your vote is important. I strongly encourage you to vote either by attending the scheme meeting virtually or by completing and returning the accompanying Proxy Form so that it is received at the address shown on the Proxy Form by **1:00pm (Perth Time) on 28 March 2022**.

Shareholders who have any questions relating to the Scheme should contact Bardoc on +61 (08) 6215 0090, between 9:00am and 5:00pm (Perth, Australia time) Monday to Friday.

Yours sincerely,

Tony Leibowitz  
Non-Executive Chairman  
Bardoc Gold Limited

## Letter from St Barbara

22 February 2022

Dear Bardoc Scheme Shareholder,

On behalf of the St Barbara Board, I am delighted to provide you with the opportunity to participate in the combination of Bardoc and St Barbara as a new St Barbara shareholder.

St Barbara is an ASX-200 gold producer with gold mining operations in Western Australia, Canada and Papua New Guinea. In FY21 St Barbara produced 328 koz of gold at an All-In Sustaining Cost of \$1,616 per ounce and has total gold Ore Reserves of 5.8 million ounces and Mineral Resources of 13.5 million ounces as at 31 December 2021.

The proposed combination of Bardoc and St Barbara provides an exciting opportunity to generate value for the shareholders of both companies at St Barbara's Leonora operations which currently produces approximately 190 koz of gold per annum and is located 180 kilometres, by rail, north of the Bardoc Gold Project. The potential to mine and haul gold ore from the Bardoc Gold Project, either by road or rail, to be processed at St Barbara's Leonora processing plant provides a clear pathway for development of the Bardoc Gold Project without the need to incur the significant cost of building a stand-alone processing facility.

As part of the integration of the Bardoc Gold Project, St Barbara will expedite its Pre-Feasibility Study for the expansion of the capacity of the Leonora processing plant from 1.4 Mtpa to 2.1 Mtpa together with the installation of refractory ore treatment capability. The ability to process refractory ore will be unique to the Leonora processing plant, within a 200 kilometres radius, and will provide increased flexibility and processing optionality to St Barbara, enabling St Barbara to accelerate the delivery of a multi-decade province of satellite mines feeding an upgraded mill capable of alternating between free milling and refractory ore.

In addition to our Leonora operations, we are also currently focused on delivering additional value at our two international operations – the Simberi Operations in Papua New Guinea and the Atlantic Operations located in Nova Scotia, Canada.

At the Simberi Operations, we are in the pre-investment phase for the development of the Simberi Sulphide Project with submission of the front end engineering and design study to the St Barbara Board expected in April 2022. If approved, this project would increase Simberi gold production and extend the life of the operations for at least 10 years, with first production expected in the 2024 financial year. At our Atlantic Operations we are progressing several growth projects to grow future production. These growth initiatives include the Beaver Dam and Fifteen Mile Stream projects where Feasibility Studies have been completed or are nearing completion, and also Cochrane Hill.

Importantly, St Barbara is in a strong financial position to deliver on its growth objectives with current net debt of \$55.8 million as at 31 December 2021. St Barbara has also delivered dividends to St Barbara shareholders totalling \$240 million, or \$0.40 per share, since 30 June 2017.

Following the successful implementation of the Scheme, I look forward to welcoming you as a shareholder of St Barbara as we seek to unlock the value of the Bardoc Gold Project as part of our broader Western Australian operations, as well as deliver on our international growth initiatives.

Yours sincerely,

Tim Netscher  
Independent Non-Executive Chairman  
St Barbara Limited

## Meeting details and how to vote

### Voting on Scheme

For the Scheme to be implemented, it is necessary that the Requisite Majority of Bardoc Scheme Shareholders vote in favour of passing the resolution to approve the Scheme at the Scheme Meeting.

To pass the resolution approving the Scheme, votes in favour of the Scheme must be cast by:

- more than 50% in number of Bardoc Scheme Shareholders present and voting (whether in person, by proxy, by attorney or, in the case of a corporation, by corporate representative); and
- at least 75% of the total number of votes cast on the Scheme Resolution by Bardoc Scheme Shareholders.

Voting at the Scheme Meeting will be by poll.

**The Notice of Scheme Meeting is set out in Annexure D.**

### Entitlement to vote

If you are registered as a Bardoc Scheme Shareholder on the Bardoc Share Register as at **5:00pm (Perth Time) on 28 March 2022** you will be entitled to attend the Scheme Meeting virtually and vote on the resolution to approve the Scheme. Registrable transfers or transmission applications received after this time will be disregarded in determining entitlements to vote at the Scheme Meeting.

For instructions on how to participate online please view the online meeting user guide at <http://www.computershare.com.au/virtualmeetingguide>.

### Voting exclusions

Bardoc Loan Share Holders, each of whom have agreed with St Barbara and Bardoc to transfer their Bardoc Loan Shares to St Barbara under the Bardoc Loan Share Deeds, are not entitled to vote their Bardoc Loan Shares on the Scheme on the basis that such shares are not subject to the Scheme. However, Bardoc Loan Share Holders will be permitted to vote on the Scheme with regards to any Participating Bardoc Shares held.

St Barbara is excluded from voting on the Scheme by reason of the fact that it is the proponent of the Scheme. As at the date of the Scheme Booklet, neither St Barbara nor any of its Associates hold any Bardoc Shares.

## How to vote

Bardoc Scheme Shareholders may vote at the Scheme Meeting either by attending virtually, or by proxy, attorney or, in the case of a corporation, by corporate representative.

Means of participation	Voting instructions
<b>Participating in the Scheme Meeting virtually</b>	<p>If you wish to vote at the Scheme Meeting, you may attend the virtual Scheme Meeting commencing at <b>1:00pm (Perth Time) on 30 March 2022</b>.</p> <p>Securityholders must use the Computershare Meeting Platform to attend and participate in the meeting.</p> <p>To participate in the meeting, you can log in by entering the following URL <a href="https://meetnow.global/MXQJWVY">https://meetnow.global/MXQJWVY</a> on your computer, tablet or smartphone.</p> <p>Online registration will open 30 minutes before the meeting.</p> <p>To make the registration process quicker, please have your SRN/HIN and registered postcode or country code ready. Proxyholders will need to contact Computershare prior to the meeting to obtain their login details.</p> <p>To participate in the meeting online follow the instructions below.</p> <ol style="list-style-type: none"> <li>Click on 'Join Meeting Now'.</li> <li>Enter your SRN/HIN. Proxyholders will need to contact Computershare on +61 3 9415 4024 prior to the meetings to obtain their login details.</li> <li>Enter your postcode registered to your holding if you are an Australian securityholder. If you are an overseas securityholder select the country of your registered holding from the drop down list.</li> <li>Accept the Terms and Conditions and 'Click Continue'.</li> </ol> <p>You can view the meeting live, ask questions verbally or via a live text facility and cast votes at the appropriate times while the meeting is in progress</p> <p>For instructions on how to participate online please view the online meeting user guide at <a href="http://www.computershare.com.au/virtualmeetingguide">http:// www.computershare.com.au/virtualmeetingguide</a>.</p>
<b>By Proxy</b>	<p>You may vote by proxy by completing and returning the personalised proxy form that is provided with this Scheme Booklet.</p> <p>The completed and duly executed proxy form for the Scheme Meeting (and if the proxy form is executed by an attorney, a certified copy of the power of attorney) must be received by Computershare (Bardoc's share registry) by no later than <b>1:00pm (Perth Time) on 28 March 2022</b>.</p> <p>You may lodge your proxy online by logging in to the Computershare website (<a href="http://www.investorvote.com.au">www.investorvote.com.au</a>) using the holding details as shown on the proxy form.</p> <p>To use the online lodgement facility, shareholders will need their Securityholder Reference Number (SRN) or Holder Identification Number (HIN).</p> <p>A completed proxy form must be returned to Computershare by completing it online, posting it in the reply paid envelope provided (for use in Australia) or by delivering or faxing your proxy form to the address or fax number set out on page 11 of this Scheme Booklet.</p> <p>Bardoc Scheme Shareholders who have returned a proxy form may still attend the virtual Scheme Meeting and revoke the proxy and vote at the Scheme Meeting.</p> <p>A proxy need not be a Bardoc Shareholder. A proxy may be an individual or a representative of a body corporate.</p> <p>If you are entitled to cast two or more votes, you may appoint two proxies. You may specify the proportion or the number of votes that each proxy is appointed to exercise. If numbers or proportions of votes are not specified, each proxy may exercise half of the votes you are entitled to cast. Fractions of votes will be disregarded.</p>

Means of participation	Voting instructions
<b>By Power of Attorney</b>	<p>Your vote may be cast by a duly authorised attorney. An attorney need not be a Bardoc Shareholder.</p> <p>Bardoc Scheme Shareholders intending to vote at the Scheme Meeting by providing a power of attorney must provide a certified copy of the power of attorney to Computershare by no later than <b>1:00pm (Perth Time) on 28 March 2022</b>.</p> <p>The power of attorney must be delivered by posting it in the reply paid envelope provided (for use in Australia) or by faxing it to the address or fax number provided on page 11.</p>
<b>By Corporate Representative</b>	<p>A Bardoc Scheme Shareholder that is a body corporate may appoint an individual to act as its representative at the Scheme Meeting.</p> <p>To vote by corporate representative at the Scheme Meeting, a corporate Bardoc Scheme Shareholder should obtain an "Appointment of Corporate Representative" form from Computershare and complete that form in accordance with its instructions.</p> <p>Corporate representative appointment forms should be provided to Computershare by no later than <b>1:00pm (Perth Time) on 28 March 2022</b>.</p> <p>Corporate representative appointment forms must be delivered by posting it in the reply paid envelope provided (for use in Australia) or by faxing it to the address or fax number provided on page 11.</p>

### Address for return of voting forms

Bardoc Scheme Shareholders should mail or fax their proxy forms, power of attorney or corporate representative forms to Computershare (Bardoc's share registry) at the following address or fax number:

**By Mail:** Computershare Investor Services Pty Limited  
GPO Box 1282  
Melbourne Victoria 3001  
AUSTRALIA.

**Online** [www.investorvote.com.au](http://www.investorvote.com.au)

**Fax:** 1800 783 447(within Australia)  
+61 (03) 9473 2555 (outside Australia).

Proxy forms, power of attorney forms and corporate representative forms must be received by **1:00pm (Perth Time) on 28 March 2022**.

Alternatively, Bardoc Scheme Shareholders can vote using one of the following methods by **1:00pm (Perth Time) on 30 March 2022**:

Online: at [www.investorvote.com.au](http://www.investorvote.com.au)

By Mobile: Scan the QR Code on your Proxy form and follow the prompts.

Custodian Voting: For Intermediary Online subscribers only (custodians) please visit [www.intermediaryonline.com](http://www.intermediaryonline.com) to submit your voting intentions.

### Questions on this Scheme Booklet

Bardoc Shareholders with any questions in relation to the Scheme, should call the Company Secretary of Bardoc on +61 (08) 6215 0090 between 9:00am and 5:00pm, Monday to Friday, or consult their legal, financial or other professional adviser.

## 1. Key reasons to vote in favour of the Scheme<sup>10</sup>

This Section summarises the key reasons why the Bardoc Directors recommend that Bardoc Scheme Shareholders vote in favour of the Scheme.

This Section should be read in conjunction with Sections 2, 3 and 10, which describe the disadvantages and risks associated with the Scheme; implications if the Scheme does not proceed; and risk factors associated with an investment in New St Barbara Shares.

### 1.1 The Bardoc Directors unanimously recommend that Bardoc Scheme Shareholders vote in favour of the Scheme in the absence of a Superior Proposal

Before agreeing to implement the Scheme in accordance with the Scheme Implementation Deed between St Barbara and Bardoc, the Bardoc Directors considered:

- Delivery of an immediate and significant premium to the undisturbed share price of Bardoc.
- Bardoc Scheme Shareholders will receive a significant shareholding in a leading ASX-200 gold producer with a globally diversified asset base, strong balance sheet, enhanced trading liquidity and the potential for future market re-rating, while retaining ongoing exposure to the Bardoc Gold Project.
- Bardoc Scheme Shareholders will be able to participate in the benefits of the Combined Group, including a clear pathway to development of the Bardoc assets under St Barbara ownership.
- No Superior Proposal has emerged as at the date of this Scheme Booklet.
- Bardoc Scheme Shareholders may be eligible for CGT rollover relief.
- The potential for a Superior Proposal to arise after the announcement of the Scheme. No Superior Proposal has emerged as at the Date of this Scheme Booklet.

The Bardoc Directors consider that the reasons to vote in favour of the Scheme outweigh the potential disadvantages and reasons to vote against the Scheme. Therefore, the Bardoc Directors unanimously recommend that, in the absence of a Superior Proposal, Bardoc Scheme Shareholders vote in favour of the Scheme.

As per Bardoc's announcement dated 20 December 2021, all Bardoc Directors, representing a combined voting interest of 11.2% (as at the date of the announcement) intend to vote their respective Bardoc Shares (noted in the announcement) in favour of the Scheme, in the absence of a Superior Proposal.

The decision of the Bardoc Directors to recommend the Scheme follows an assessment of strategic options for Bardoc in regard to various corporate, asset and financial options available to Bardoc to enhance value for Bardoc Shareholders. The Bardoc Directors consider that the Scheme will deliver greater benefits to Bardoc Scheme Shareholders than any other alternative currently available, including Bardoc continuing as a standalone entity.

Now that the Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of Bardoc Scheme Shareholders, each Bardoc Director intends, in the absence of a Superior Proposal, to vote to approve the Scheme in respect of any Bardoc Shares they own or control.

## 1.2 Delivery of an immediate and significant premium

The Scheme Consideration of 0.3604 New St Barbara Shares for every 1 Participating Bardoc Share held implies a value of approximately \$0.53 per Participating Bardoc Share (based on the closing price on ASX of St Barbara Shares on 17 December 2021, being the last trading day prior to the Announcement Date), compared to:

- the closing price on ASX of Bardoc Shares on 17 December 2021 of \$0.41, representing a premium of 29.2% to the Implied Offer Value; and
- the 30 day VWAP on ASX of Bardoc Shares up to and including 17 December 2021 of \$0.39, representing a premium of 34.7% to the Implied Offer Value.

On the Last Practicable Date, the closing price of St Barbara Shares on ASX was \$1.44 and the closing price of Bardoc Shares on ASX was 51 cents, such that the Scheme Consideration represents a premium of 1.8% to the closing price of Bardoc Shares at that date. The implied value of the Scheme Consideration will continue to fluctuate depending upon the price at which St Barbara Shares trade on ASX.

## 1.3 The Scheme allows Bardoc Scheme Shareholders to receive a significant shareholding in a leading ASX-200 gold producer with a clear pathway to development of the Bardoc assets under St Barbara ownership

Bardoc Scheme Shareholders will receive a significant shareholding in a leading ASX-200 gold producer with a globally diversified asset base, strong balance sheet, enhanced trading liquidity and the potential for future market re-rating, while retaining ongoing exposure to the Bardoc Gold Project. Bardoc Scheme Shareholders will collectively hold approximately 13% of the Combined Group immediately following the successful implementation of the Scheme.<sup>11</sup>

The Scheme provides Bardoc with an immediate transition from an explorer to gold producer whilst retaining meaningful exposure to ongoing exploration success at the Bardoc Gold Project. In addition, the Scheme enables the Combined Group to accelerate and de-risk the potential future development of the Bardoc Gold Project, subject to mining studies and approvals, through the utilisation of St Barbara's established infrastructure and operational expertise.

If the Scheme proceeds, Bardoc Scheme Shareholders will benefit by receiving shares in the Combined Group, that are expected to be substantially more liquid than Bardoc Shares on a stand-alone basis.

The Scheme will leverage St Barbara's processing infrastructure and operations in the Eastern Goldfields. This will strengthen the financial position of the Combined Group and allow Bardoc Scheme Shareholders to share in the realisation of significant capital expenditure synergies.

The Combined Group will have the following key operations:

- **Bardoc Gold Project**

Bardoc's 100%-owned Bardoc Gold Project is located in the Eastern Goldfields region of Western Australia. Bardoc has grown its Mineral Resource position through a combination of strategic exploration and mergers and acquisitions at an opportune time for the Australian Gold sector.

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<sup>11</sup> Assuming there are no Ineligible Foreign Shareholders and Relevant Unmarketable Parcel Shareholders and that St Barbara does not acquire any Bardoc Shares outside of the Scheme.

The Bardoc Gold Project hosts a total Mineral Resource Estimate of 3.07Moz of gold, representing one of the largest consolidated undeveloped gold Mineral Resource inventories in the Eastern Goldfields. Bardoc completed a Definitive Feasibility Study on the Bardoc Gold Project in March 2021 and a further optimisation study in September 2021.

The advanced Aphrodite and Zoroastrian underground deposits lie immediately adjacent to rail and highway infrastructure that connect to the Gwalia Leonora processing plant) and provides the opportunity to accelerate St Barbara's Leonora Province Plan through the development of these deposits.

- **Leonora Operations**

St Barbara's Leonora Operations in Western Australia are located outside Leonora, Western Australia and consist of the Gwalia underground mine and a 1.4 Mtpa processing plant, as well as nearby development opportunities which form part of the Leonora Province Plan. Historically, the operation has produced over six million ounces from open cut and underground operations.

The Gwalia underground mine is the cornerstone of the Leonora Operations. It is located 235 kilometres from Kalgoorlie in Western Australia and has been owned by St Barbara since 2005. During this period of ownership, the mine has produced more than 2.5 million ounces of gold.

At over 1,700 metres below surface, the Gwalia underground mine is the deepest underground trucking mine in Australia and has been in operation for over a century. It was originally established in 1896 as the Sons of Gwalia mine.

- **Atlantic Operations**

St Barbara's Atlantic Operations are located approximately 80 kilometres north-east of Halifax, Nova Scotia, Canada. Open cut mining of the current Touquoy mine commenced in 2017, with commercial production achieved in March 2018. The processing plant at Touquoy is a conventional CIL circuit with a nominal capacity of 2 Mtpa, however mill throughput exceeded design capacity in FY20 (2.6 Mtpa) and FY21 (2.9 Mtpa).

St Barbara is currently progressing several growth projects at the Atlantic Operations which are targeting growth in future gold production. Upon completion of the current Touquoy open pit, there are planned expansions of three additional pits nearby at Beaver Dam, Fifteen Mile Stream and Cochrane Hill, giving the Atlantic Operations an estimated mine life to FY31, with strong regional exploration potential. Subject to permitting, construction of Beaver Dam is expected to commence in FY24. In addition to developing the existing project pipeline, St Barbara is exploring in the Moose River Corridor and elsewhere in Nova Scotia.

- **Simberi Operations**

St Barbara's Simberi Operations consist of an open cut mining operation on the northern-most island in the Tabar Island group in the New Ireland province of Papua New Guinea, approximately 900 kilometres northeast from Port Moresby.

Operations commenced at the Simberi mine in 2008, with the planned sulphide project having the potential to extend the life of mine at the Simberi mine by at least 10 years.

The current mining occurs on the eastern half of the island, covered by a 2,560 hectare mining lease (ML136).



Ore at the Simberi mine is sourced from a number of open pits. Ore from the pits is delivered to the Run of Mine (ROM) pad, where it is crushed and transported down an innovative and energy-efficient 2.7 kilometre aerial rope conveyor to a stockpile in front of the process plant.

The combination of Bardoc's Bardoc Gold Project and St Barbara's Leonora Operations will give the Combined Group the opportunity to advance the development of the Bardoc Gold Project deposits more quickly, by leveraging existing infrastructure, which provides increased flexibility and processing optionality.

The Bardoc Directors believe that the Combined Group will benefit from an improved risk profile resulting from the increased breadth of the asset portfolio with greater operational and geographic diversification.

Based on the closing price of St Barbara Shares on the last trading day prior to the Announcement Date, the Combined Group will have a pro forma market capitalisation of approximately \$1.2 billion<sup>12</sup> and pro forma net debt (as at 31 December 2021) of approximately \$47 million.<sup>13</sup> The exact market capitalisation of the Combined Group following implementation of the Scheme may be higher or lower than this number, dependent on the price at which St Barbara Shares trade on ASX after the Implementation Date.

The Combined Group's strengthened balance sheet, increased asset suite, larger Mineral Resource base and increased market capitalisation is expected to raise the profile of the Combined Group in capital markets and widen the range of potential investors for the Combined Group. This in turn is expected to result in increased coverage of the Combined Group's operations by analysts and enhance the liquidity of shares in the Combined Group.

#### **1.4 The Independent Expert has concluded that, in the absence of a Superior Proposal, the Scheme is fair and reasonable and therefore in the best interests of Bardoc Scheme Shareholders**

RSM Corporate Australia Pty Ltd, as Independent Expert, has considered the terms of the Scheme and has concluded that, in the absence of a Superior Proposal, the Scheme is fair and reasonable and therefore in the best interests of Bardoc Scheme Shareholders.

The Scheme is considered fair because the Independent Expert has determined that the preferred value of the Scheme Consideration to be received by Bardoc Scheme Shareholders (being \$0.503<sup>14</sup>) is greater than the preferred value of a Bardoc Share prior to the implementation of the Scheme (being \$0.373).

The Scheme is considered reasonable by the Independent Expert because the position of Bardoc Scheme Shareholders if the Scheme is approved is more advantageous than the position if the Scheme is not approved.

The Independent Expert has also noted the following advantages of the Scheme (refer to section 2.21 of the Independent Expert's Report):

- (a) the Scheme is fair to Bardoc Scheme Shareholders
- (b) Delivery of an immediate and significant premium to the pre-Announcement Date trading price of Bardoc Shares.

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<sup>12</sup> Based on 815,735,102 St Barbara Shares on issue post-Scheme.

<sup>13</sup> Pro forma net debt calculation excludes adjustments for transaction costs.

<sup>14</sup> Value of the New St Barbara Shares to be received by Bardoc Shareholders as consideration under the Scheme, on a minority interest basis, as detailed at section 2.11 of the Independent Expert's Report.

- (c) The Scheme Consideration will give Bardoc Scheme Shareholders exposure to a more diversified asset portfolio. St Barbara is an ASX 200 gold producer with a globally diversified asset base across Australia, Papua New Guinea and Canada.
- (d) The Combined Group is expected to benefit from management and corporate synergies along with synergies arising from the proximity of the Bardoc Gold Project to St Barbara's processing facility at Leonora.
- (e) The Combined Group will represent a larger listed entity with pooled assets from which to fund future opportunities including the progression of the Bardoc Gold Project thereby reducing funding and development risks.
- (f) The Scheme may give Bardoc Shareholders a more liquid market for their shares. Historically, the liquidity of Bardoc Shares has been low with only 47% of shares traded over the 180 days prior to the Announcement Date. On the other hand, St Barbara Shares have demonstrated high liquidity, with 189% of all St Barbara Shares traded in the 180 days prior to the Announcement Date.
- (g) As an ASX 200 company, St Barbara's operations and share price performance are covered by a range of analysts which will enhance the availability of information in relation to the operations and consensus expectations for share price performance.
- (h) It is proposed that Bardoc will demerge the South Woodie Woodie Project in the East Pilbara region of Western Australia prior to implementation of the Scheme, with Bardoc Shareholders retaining their proportionate interest in the project. This proposal is not contingent on, nor does it form part of the Scheme.
- (i) Bardoc has not paid any dividends over the period from FY18 to FY21 as its assets are not yet in production. St Barbara has paid dividends in each year during that period, ranging from \$0.06 to \$0.12 per share, and there is the prospect of Bardoc Scheme Shareholders (as holders of New St Barbara Shares) receiving dividends following the Implementation of the Scheme.

The Independent Expert's Report is set out in Annexure A to this Scheme Booklet. The Bardoc Directors recommend that Bardoc Shareholders read the Independent Expert's Report in full.

### **1.5 No Superior Proposal has emerged as at the Date of this Scheme Booklet**

In deciding to recommend the Scheme, the Bardoc Directors were cognisant of other potential alternatives to the Scheme which remain open for Bardoc to consider if the Scheme does not proceed. However, in exploring alternatives prior to entry into the Scheme Implementation Deed, no Superior Proposal was identified nor has a Superior Proposal since emerged. It remains the view of the Bardoc Directors that it is unlikely that a Superior Proposal will transpire. Consideration by Bardoc of any alternative proposal to the Scheme is subject to the terms of the Scheme Implementation Deed, including St Barbara's matching right.

### **1.6 Bardoc Scheme Shareholders may be eligible for CGT rollover relief**

If the Scheme is implemented, Bardoc Scheme Shareholders may benefit from Australian CGT rollover relief, provided they qualify. Notwithstanding, you are urged to seek professional taxation advice in relation to your own personal circumstances.

For further detail regarding the general Australian tax consequences of the Scheme, please refer to Section 11 of this Scheme Booklet. Taxation laws in Australia are complex and you are encouraged to read Section 11 carefully and seek independent professional advice about your individual circumstances.

## 2. Reasons why you may choose to vote against the Scheme

This Section summarises the potential disadvantages and risks to Bardoc Scheme Shareholders if the Scheme becomes Effective and the Scheme occurs.

The Bardoc Directors consider that these disadvantages and risks are outweighed by the advantages of the Scheme (as set out in Section 1), and that the Scheme is in the best interests of Bardoc Scheme Shareholders.

Further details of the following potential disadvantages and risks, and other potential risks, are set out in Section 10.

### 2.1 You may disagree with the recommendation by the Independent Expert and the Bardoc Directors

Notwithstanding the unanimous recommendation<sup>15</sup> by the Bardoc Directors, and the conclusion reached by the Independent Expert that, in the absence of a Superior Proposal, the Scheme is fair and reasonable and therefore in the best interests of Bardoc Scheme Shareholders, you may believe that the Scheme is not in your best interests or believe that the Scheme Consideration is inadequate.

### 2.2 Your percentage interest in the Combined Group will be less than your current interest in Bardoc

Although the Scheme is expected to provide additional value through the combination of the two businesses, given the proportional shareholding of Bardoc Scheme Shareholders in the Combined Group (approximately 13%),<sup>16</sup> the larger portion of this value will flow to current St Barbara Shareholders. However, while a larger share of the benefits will flow to St Barbara's existing shareholders, in the absence of the Scheme, no value from synergies and benefits that may be delivered by the Scheme will flow for the benefit of Bardoc Scheme Shareholders.

### 2.3 The risk profile of the Combined Group will be different to Bardoc's which you may consider to be disadvantageous to you relative to the risk profile of the current Bardoc business

The risk profile and risk of investment for Bardoc Scheme Shareholders will change and you may consider the risk profile and risk of investment of the Combined Group, which includes risks relating to both the St Barbara business and the Bardoc business, to be a disadvantage relative to that of Bardoc as a standalone entity.

The operations and financial performance of Bardoc, St Barbara and/or the Combined Group and the disposal of Participating Bardoc Shares in exchange for New St Barbara Shares are subject to various risks that are summarised in Section 10 of this Scheme Booklet and that may be beyond the control of Bardoc, St Barbara and/or the Combined Group.

### 2.4 You may consider that there is the potential for a Superior Proposal to emerge for Bardoc in the foreseeable future

You may believe that there is a possibility that a Superior Proposal could emerge in the foreseeable future. The implementation of the Scheme would mean that Bardoc Scheme Shareholders would not be able to obtain the benefit of any such Superior Proposal.

<sup>15</sup> In respect of the recommendations of the Bardoc Directors, Bardoc Shareholders should have regard to the fact that, if the Scheme is implemented, the Bardoc Directors will each receive various personal benefits as further detailed in the Section titled "Important Information Regarding Directors' Recommendation" on page iv of this Scheme Booklet.

<sup>16</sup> The 13% figure assumes the Combined Group has a total of 815,735,102 St Barbara Shares on issue following implementation of the Scheme, that there are no Ineligible Foreign Shareholders or Relevant Unmarketable Parcel Shareholders and that St Barbara does not acquire any Bardoc Shares outside of the Scheme.

However, since the Announcement Date and up to the date of this Scheme Booklet, no Superior Proposal has been received, nor are the Bardoc Directors aware of any such intention of a party to make such a proposal.

It is important to note that shareholders in the Combined Group will still have an opportunity to realise a control premium in the event of any future change of control transaction for the Combined Group.

## **2.5 The value of the Scheme Consideration upon implementation of the Scheme is not certain**

The value of the Scheme Consideration that would be realised by individual Bardoc Scheme Shareholders upon implementation of the Scheme is not certain, as it will depend on the price at which the New St Barbara Shares trade on ASX.

The Scheme Consideration is fixed at a ratio of 0.3604 New St Barbara Share for every 1 Participating Bardoc Share held. This exposes Bardoc Scheme Shareholders to the risk that the effective value they receive for their Participating Bardoc Shares may move adversely from the market value of the Scheme Consideration on the date of the Scheme Meeting or on the date of this Scheme Booklet. Alternatively, if there is an increase in the relative price of St Barbara Shares then the effective value they receive for their Participating Bardoc Shares may move favourably from the market value of the Scheme Consideration on the date of the Scheme Meeting or on the date of this Scheme Booklet.

In addition, the Sale Agent will be issued the New St Barbara Shares that would otherwise be issued to Ineligible Foreign Shareholders and Unmarketable Parcel Holders and will sell them on market as soon as reasonably practicable after the Implementation Date (refer to Sections 5.7 to 5.8). Although the quantum of these sales is expected to be limited, it is possible that such sales may exert downward pressure on the Combined Group's share price during the applicable period.

## **2.6 The tax consequences of the Scheme may not suit your current financial position**

If the Scheme is implemented, you may incur a tax liability on the transfer of your Bardoc Shares. Please refer to Section 11 for further information on the tax implications.

All Bardoc Shareholders are strongly advised to seek independent professional tax advice about their particular circumstances including, for foreign tax resident Bardoc Shareholders, the foreign tax consequences.

### **3. Implications if the Scheme is not implemented**

This Section outlines potential implications for Bardoc and Bardoc Shareholders if the Scheme is not implemented.

#### **3.1 You will not receive the Scheme Consideration**

Each Bardoc Shareholder will retain their Bardoc Shares and will not receive any New St Barbara Shares.

#### **3.2 Future capital requirements to fund development of Bardoc's projects**

If the Scheme is not implemented, then in order for Bardoc to develop or enhance its project portfolio, it would need to raise additional funds, which may include an equity issue. There can be no assurance that such funding will be available on satisfactory terms, or at all.

#### **3.3 Bardoc will remain listed on ASX and continue to operate as a standalone entity**

If the Scheme is not implemented, Bardoc will remain listed on ASX and will continue to run its business in the same manner in which it is currently operating. Bardoc Shareholders will therefore continue to be exposed to the risks and benefits of owning Bardoc Shares, including many of the risks set out in Section 10.

#### **3.4 Transaction costs will be incurred**

If the Scheme is not implemented, Bardoc's transaction costs of approximately \$2.48 million will be borne by Bardoc in addition to any potential break fee.

#### **3.5 Uncertainty regarding the Scheme may lead to the loss of key personnel**

The Scheme may introduce additional uncertainties that may lead to the loss of key staff. This will affect Bardoc operations, even if the Scheme does not proceed.

## 4. Frequently asked questions

This Section provides summary answers to some basic questions that Bardoc Shareholders may have in relation to the Scheme. This Section should be read in conjunction with the whole Scheme Booklet.

<b>What is the Scheme?</b>	<p>A scheme of arrangement is a statutory procedure that is commonly used to enable one company to acquire or merge with another.</p> <p>The Scheme is a scheme of arrangement under the Corporations Act, pursuant to which Bardoc is asking Bardoc Scheme Shareholders to consider and vote on a proposal that St Barbara will acquire all the Participating Bardoc Shares held by Bardoc Scheme Shareholders as at the Record Date.</p> <p>If the Scheme is approved and implemented, Bardoc Scheme Shareholders (other than Ineligible Foreign Shareholders and Relevant Unmarketable Parcel Shareholders) will receive 0.3604 New St Barbara Shares for every 1 Participating Bardoc Share they hold as at the Record Date.</p> <p><i>Refer to Sections 5 and 12 for further information.</i></p>
<b>What is the effect of the Scheme?</b>	<p>If the Scheme becomes Effective:</p> <ul style="list-style-type: none"> <li>• all Participating Bardoc Shares will be transferred to St Barbara;</li> <li>• Bardoc will become a wholly-owned subsidiary of St Barbara and will be delisted from the ASX;</li> <li>• all Bardoc Scheme Shareholders (other than Ineligible Foreign Shareholders and Relevant Unmarketable Parcel Shareholders) will receive the Scheme Consideration irrespective of whether they voted for or against the Scheme; and</li> <li>• Ineligible Foreign Shareholders and Relevant Unmarketable Parcel Shareholders will receive the Net Sale Proceeds instead of New St Barbara Shares as their Scheme Consideration irrespective of whether they voted for or against the Scheme.</li> </ul> <p><i>Refer to Sections 5.1 and 5.7 for further information.</i></p>
<b>What does the Independent Expert say about the Scheme?</b>	<p>The Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of Bardoc Scheme Shareholders.</p> <p><i>The Independent Expert's Report set out in Annexure A to this Scheme Booklet and you are encouraged to read it in full.</i></p>
<b>What do the Bardoc Directors recommend?</b>	<p>The Bardoc Directors unanimously recommend<sup>17</sup> that, in the absence of a Superior Proposal, Bardoc Scheme Shareholders vote in favour of the Scheme. Each Bardoc Director who holds or controls Bardoc Shares intends to vote in favour of the Scheme, in the absence of a Superior Proposal.</p> <p><i>Refer to Sections 1 to 3 for further information on the reasons for the Bardoc Directors' recommendation.</i></p>

<sup>17</sup> In respect of the recommendations of the Bardoc Directors, Bardoc Shareholders should have regard to the fact that, if the Scheme is implemented, the Bardoc Directors will each receive various personal benefits as further detailed in the Section titled "Important Information Regarding Directors' Recommendation" on page i of this Scheme Booklet.

<b>Who is entitled to participate in the Scheme?</b>	<p>Bardoc Scheme Shareholders on the Bardoc Share Register as at 5:00pm (Perth time) on the Record Date are entitled to participate in the Scheme. If the Scheme is approved and implemented, Bardoc Scheme Shareholders (other than Ineligible Foreign Shareholders and Relevant Unmarketable Parcel Shareholders) will receive New St Barbara Shares as their Scheme Consideration.</p> <p>Ineligible Foreign Shareholders and Relevant Unmarketable Parcel Shareholders will not receive New St Barbara Shares, but will instead receive the Net Sale Proceeds as their Scheme Consideration after their proportional share of brokerage and other costs are deducted from the proceeds of New St Barbara Shares sold under the Sale Facility.</p> <p>St Barbara is excluded from voting on the Scheme by reason of the fact that it is the proponent of the Scheme. As at the date of the Scheme Booklet, neither St Barbara nor any of its Associates hold any Bardoc Shares.</p> <p>Bardoc Loan Shares are not subject to the Scheme (and Bardoc Loan Share Holders will not be entitled to vote their Bardoc Loan Shares on the Scheme) on the basis that they have entered into a Bardoc Loan Share Deed, pursuant to which Bardoc Loan Share Holders will transfer their Bardoc Loan Shares to St Barbara in exchange for a cash payment of \$0.0791 per Bardoc Loan Share.</p> <p><i>Refer to Sections 5.2, 5.7 and 5.11 for further information.</i></p>
<b>What happens to Bardoc Options?</b>	<p>Pursuant to the Option Cancellation Deed, all existing Bardoc Options will be cancelled pursuant to the Option Cancellation Deed in exchange for the following consideration:</p> <ul style="list-style-type: none"> <li>• \$0.0073 per Bardoc Option which is exercisable at \$1.20 each on or before 11 September 2022; and</li> <li>• \$0.051 per Bardoc Option which is exercisable at \$0.72 each on or before 27 September 2022.</li> </ul> <p><i>Refer to Section 5.9 for further information.</i></p>
<b>What happens to Bardoc Performance Rights?</b>	<p>Bardoc has a total of 5,574,992 Bardoc Performance Rights on issue, of which 1,916,664 Bardoc Performance Rights are held by Bardoc Directors.</p> <p>St Barbara has acknowledged and agreed that:</p> <ul style="list-style-type: none"> <li>• in accordance with their terms, the existing Bardoc Performance Rights will vest and convert into Bardoc Shares on a one for one basis on the Scheme becoming Effective; and</li> <li>• the Bardoc Shares issued on vesting will be exchanged for New St Barbara Shares under the Scheme.</li> </ul> <p><i>Refer to Section 5.10 for further information.</i></p>
<b>What happens to Bardoc Loan Shares?</b>	<p>Pursuant to the Bardoc Loan Share Deeds, with effect on the Implementation Date and conditional on the Scheme becoming Effective:</p> <ul style="list-style-type: none"> <li>• all existing Bardoc Loan Shares held by Bardoc Loan Share Holders will be exchanged for the Bardoc Loan Share Consideration;</li> </ul>

	<ul style="list-style-type: none"> <li>the corresponding loan made under the Bardoc Loan Plan Share Transfer Deed is forgiven by Bardoc; and</li> <li>any holding lock placed on the Bardoc Loan Shares will be removed.</li> </ul> <p><i>Refer to Section 5.11 for further information.</i></p>
<b>Who is St Barbara?</b>	<p>St Barbara Limited (ASX:SBM) is an ASX 200 company with gold mining operations in Australia, Canada and Papua New Guinea.</p> <p><i>Refer to Section 7 for further information.</i></p>
<b>Why has the transaction been structured as a scheme of arrangement?</b>	<p>Effecting the transaction via the Scheme is believed to be the most efficient structure to implement the Scheme and also reflects the co-operative nature of the Scheme.</p> <p><i>Refer to Sections 1 and 2 for the key reasons to vote in favour of the Scheme and the reasons why you may choose to vote against the Scheme respectively.</i></p>
<b>What is the timetable of the transaction?</b>	<p>The Scheme Meeting is currently scheduled to be held at <b>1:00pm (Perth Time) on 30 March 2022</b>. If Bardoc Scheme Shareholders approve the Scheme and Court approval is obtained, the Scheme is expected to be implemented on 13 April 2022. This is based on the current scheduled timetable of key dates as set out on page 6 of this Scheme Booklet, which is subject to possible change.</p> <p><i>Refer to the important dates and times on page 6 of this Scheme Booklet for further information.</i></p>
<b>Under what scenarios can Bardoc or St Barbara terminate the transaction?</b>	<p>The Scheme Implementation Deed provides for situations where either Bardoc or St Barbara have the right to terminate it and the Scheme.</p> <p>These include the Scheme not being approved by the Requisite Majority of Bardoc Scheme Shareholders, the Court refusing to approve the Scheme and if the remainder of the Scheme Conditions are not satisfied by the relevant time.</p> <p><i>Refer to Section 13.6 for further information.</i></p>
<b>What happens if the Scheme is not approved?</b>	<p>If the Scheme is not approved, the Scheme will not proceed and Bardoc will continue to operate as a stand-alone entity, listed on ASX.</p> <p><i>Refer to Section 3 for further information.</i></p>
<b>When and where will the Scheme Meeting be held?</b>	<p>The Scheme Meeting will be held <b>virtually at 1:00pm on 30 March 2022</b>.</p> <p>You (or your proxy, corporate representative or attorney) may attend the virtual Scheme Meeting through an online platform. To attend the Scheme Meeting online:</p> <ol style="list-style-type: none"> <li>go to <a href="https://meetnow.global/MXQJWVY">https://meetnow.global/MXQJWVY</a>; and</li> <li>login with your username and password or click “register” if you haven’t already created an account. Shareholders are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting.</li> </ol>



	<p>Bardoc Scheme Shareholders and their proxies will be able to vote on the resolution directly through the online platform at any time between the commencement of the Scheme Meeting and the closure of voting as announced by the chair during the Scheme Meeting.</p> <p>For instructions on how to participate online please view the online meeting user guide at <a href="http://www.computershare.com.au/virtualmeetingguide">http://www.computershare.com.au/virtualmeetingguide</a>.</p> <p><i>Refer to the Notice of Scheme Meeting set out in Annexure D of this Scheme Booklet for further information.</i></p>
<b>Who is entitled to vote on the Scheme?</b>	<p>Bardoc Scheme Shareholders who are recorded as members on the Bardoc Share Register as at <b>5:00pm (Perth Time) on 28 March 2022</b>, are entitled to vote at the Scheme Meeting.</p> <p>Bardoc Loan Share Holders are not entitled to vote their Bardoc Loan Shares on the basis that such shares are not subject to the Scheme. However, Bardoc Loan Share Holders will be permitted to vote on the Scheme with regards to any Participating Bardoc Shares held.</p> <p><i>Refer to the meeting details and how to vote Section on page 10 of this Scheme Booklet for further information.</i></p>
<b>Is voting compulsory?</b>	<p>Voting is not compulsory. However, your vote is important in deciding whether the Scheme is approved. Bardoc Scheme Shareholders are strongly encouraged to vote.</p> <p>Bardoc Scheme Shareholders who cannot attend the Scheme Meeting may complete and return the personalised proxy form (enclosed with this Scheme Booklet) or alternatively appoint a representative with a power of attorney.</p> <p><i>Refer to the meeting details and how to vote Section on page 10 of this Scheme Booklet for further information.</i></p>
<b>How do I vote?</b>	<p>Details of how to vote are set out on pages 9 and 10 of this Scheme Booklet and are also included in the Notice of Meeting set out in Annexure D of this Scheme Booklet.</p> <p><i>Refer to the meeting details and how to vote Section on page 10 and 11 of this Scheme Booklet for further information.</i></p>
<b>What voting majority is required to approve the Scheme?</b>	<p>For the Scheme to be approved by Bardoc Scheme Shareholders, votes in favour of the Scheme must be received from:</p> <ul style="list-style-type: none"> <li>• a majority in number (more than 50%) of Bardoc Scheme Shareholders present and voting at the Scheme Meeting (in person, by proxy, by attorney or, in the case of corporate Bardoc Scheme Shareholders, by corporate representative); and</li> <li>• Bardoc Scheme Shareholders who together hold at least 75% of the total number of votes cast on the Scheme Resolution.</li> </ul> <p><i>Refer to the meeting details and how to vote Section on page 10 of this Scheme Booklet for further information.</i></p>

<b>What are the Scheme Conditions?</b>	<p>The Scheme Conditions that have not already been satisfied are described in Sections 12.2 and 13.1.</p> <p>The Scheme will only be implemented if, amongst other things:</p> <ul style="list-style-type: none"> <li>• the Requisite Majority of Bardoc Scheme Shareholders approve the Scheme;</li> <li>• the Court approves the Scheme; and</li> <li>• the remainder of the Scheme Conditions are satisfied.</li> </ul> <p>At the date of this Scheme Booklet the Bardoc Directors are not aware of any Scheme Condition that is likely to prevent the Scheme becoming Effective.</p> <p><i>Refer to Section 12.2 for further information.</i></p>
<b>What are the exclusivity and break fee arrangements?</b>	<p>The Scheme Implementation Deed includes:</p> <ul style="list-style-type: none"> <li>• exclusivity arrangements which apply from the date of the Scheme Implementation Deed until the earlier of 19 July 2022 or termination of the Scheme Implementation Deed; and</li> <li>• a liquidated amount (or break fee) of \$1,500,000 which may become payable by Bardoc to St Barbara in certain circumstances (the break fee is not payable if the Scheme does not proceed merely because Bardoc Scheme Shareholders do not vote in favour of the Scheme in sufficient numbers to meet the legal tests).</li> </ul> <p><i>Further information in relation to the exclusivity arrangements and break fee is set out in Sections 13.2, 13.3, 13.4 and 13.5.</i></p>
<b>What happens if one or more of the Scheme Conditions are not satisfied or waived?</b>	<p>The Scheme will not be implemented, and Bardoc will continue as a separate entity and will bear its own costs incurred in connection with the Scheme.</p> <p>The Spin-Out Transaction is not conditional on the Scheme (nor is the Scheme conditional on the Spin-Out Transaction) and will proceed irrespective of completion of the Scheme.</p> <p><i>Refer to Section 3 for further information.</i></p>
<b>What if I am an Ineligible Foreign Shareholder?</b>	<p>New St Barbara Shares will not be issued to Ineligible Foreign Shareholders under the Scheme. New St Barbara Shares that would otherwise have been issued to Ineligible Foreign Shareholders and Relevant Unmarketable Parcel Shareholders will instead be issued to the Sale Agent who will then sell these shares on ASX, and St Barbara will pay the Ineligible Foreign Shareholders and Relevant Unmarketable Parcel Shareholders their proportion of the Net Sale Proceeds.</p> <p><i>Refer to Section 5.7 for further information.</i></p>

<p><b>What are the consequences if I am a Bardoc Scheme Shareholder holding less than \$500 worth of Participating Bardoc Shares?</b></p>	<p>If you are a Bardoc Scheme Shareholder (other than an Ineligible Foreign Shareholder) who, based on their holding of Participating Bardoc Shares on the Record Date would, on implementation of the Scheme, be entitled to receive less than a “marketable parcel” (which, as at the date of this Scheme Booklet, means \$500 worth) of New St Barbara Shares (assessed by reference to the price of St Barbara Shares on ASX at the close of trade on the trading day prior to the Record Date), you are an unmarketable parcel shareholder (<b>Unmarketable Parcel Shareholder</b>).</p> <p>If you are an Unmarketable Parcel Shareholder and you wish to receive the Scheme Consideration in the form of New St Barbara Shares, you must provide Computershare with a duly completed Opt-in Notice before 5:00 pm (Perth time) on 5 April 2022 (being the Business Day prior to the Record Date).</p> <p>Duly completed Opt-in Notices must be returned by email to <a href="mailto:corpactprocessing@computershare.com.au">corpactprocessing@computershare.com.au</a>, or by mail in accordance with the instructions on the Opt-in Notice.</p> <p>Any Unmarketable Parcel Shareholder who does not provide Computershare with a duly completed Opt-in Notice prior to this time is a “<b>Relevant Unmarketable Parcel Shareholder</b>”.</p> <p>If you are a Relevant Unmarketable Parcel Shareholder, the New St Barbara Shares to which you would otherwise be entitled will be issued to the Sale Agent, who will deal with those New St Barbara Shares in accordance with the procedure set out at Section 5.8.</p> <p><i>Refer to Sections 5.7 and 5.8 for further information.</i></p>
<p><b>Will I have to pay brokerage fees or stamp duty?</b></p>	<p>Bardoc Scheme Shareholders will not be required to pay brokerage or stamp duty on the transfer of their Participating Bardoc Shares.</p> <p>Brokerage fees will however be incurred by Ineligible Foreign Shareholders and Relevant Unmarketable Parcel Shareholders whose attributable New St Barbara Shares will be issued to and sold by the Sale Agent, and the Net Sale Proceeds remitted to them.</p> <p><i>Refer to Section 5.8 for further information.</i></p>
<p><b>When will I receive my Scheme Consideration?</b></p>	<p>If the Scheme becomes Effective, New St Barbara Shares will be issued on the Implementation Date, which is expected to be 13 April 2022.</p> <p>Ineligible Foreign Shareholders and Relevant Unmarketable Parcel Shareholders will receive the Net Sale Proceeds as soon as practicable after the Implementation Date.</p> <p><i>Refer to Section 5.2 for further information.</i></p>
<p><b>Can I sell my Bardoc Shares now?</b></p>	<p>Bardoc Scheme Shareholders may sell their Bardoc Shares at the prevailing market price, on-market at any time before the close of trading on ASX on the Effective Date, which is expected to be 5:00pm 4 April 2022.</p> <p>If Bardoc Scheme Shareholders sell their Bardoc Shares before the Effective Date of the Scheme (the last day of trading in Bardoc Shares before suspension) they will not receive New St Barbara Shares.</p> <p><i>Refer to the Scheme of Arrangement set out in Annexure B of this Scheme Booklet for further information.</i></p>

<b>When can I start trading my New St Barbara Shares on ASX?</b>	<p>Deferred settlement trading of the New St Barbara Shares is expected to be available from 5 April 2022.</p> <p>Trading on ASX of New St Barbara Shares is expected to commence on a normal settlement basis on 13 April 2022.</p> <p><i>Refer to Section 12.8 for further information.</i></p>
<b>Will the Scheme be a taxable transaction for Australian tax purposes?</b>	<p>Section 11 provides a description of the general Australian tax consequences of the Scheme for certain Bardoc Scheme Shareholders.</p> <p>You should consult with your own tax adviser regarding the consequences of disposing of Bardoc Shares under the Scheme, in light of current tax laws and your particular personal circumstances.</p> <p><i>Refer to Section 11 for further information.</i></p>
<b>What are the benefits of St Barbara acquiring Bardoc to form the Combined Group?</b>	<p>Bardoc will achieve immediate value realisation at an attractive premium. Bardoc Scheme Shareholders will receive a significant shareholding in an established gold producer with ongoing exposure to the Bardoc Gold Project. Bardoc Scheme Shareholders will hold a significant pro forma shareholding of 13% in the Combined Group.</p> <p>The key benefits of the Scheme include:</p> <ul style="list-style-type: none"> <li>• delivery of an immediate and significant premium to the undisturbed share price of Bardoc;</li> <li>• exposure to St Barbara as a leading ASX-200 gold producer with a globally diversified asset base, strong balance sheet, enhanced trading liquidity and future market re-rating potential; and</li> <li>• ability for Bardoc Scheme Shareholders to participate in the benefits of the combination, including a clear pathway to development of the Bardoc assets under St Barbara ownership.</li> </ul> <p><i>Refer to Section 1 for the reasons why Bardoc Directors recommend<sup>18</sup> that you vote in favour of the Scheme and Section 8 for a profile of the Combined Group.</i></p>
<b>What will be the strategy of the Combined Group?</b>	<p>If the Scheme is implemented it is intended that the business of Bardoc will be developed rapidly as a satellite mining centre to supply ore to St Barbara's existing processing facilities at Leonora. St Barbara intends expanding the Leonora processing facilities from 1.4 to 2.1 million tonnes per annum and to enable the processing of refractory ores from Bardoc's Aphrodite deposit and St Barbara's Harbour Lights Mineral Resource (which is currently the subject of a pre-feasibility study).</p> <p>The Combined Group will continue to review all aspects of the assets and operations to identify ways to maximise value for all shareholders.</p> <p>The Scheme will allow the two companies to realise the strong synergies that exist between their neighbouring gold projects.</p> <p>The potential synergies primarily relate to the adjacent and consecutive development of these projects within St Barbara's operating plan, significantly reducing infrastructure capital costs and therefore increasing the likelihood of development of all projects.</p>

<sup>18</sup> In respect of the recommendations of the Bardoc Directors, Bardoc Shareholders should have regard to the fact that, if the Scheme is implemented, the Bardoc Directors will each receive various personal benefits as further detailed in the Section titled "Important Information Regarding Directors' Recommendation" on page i of this Scheme Booklet.

	<i>Refer to Section 9 for further information.</i>
<b>Are there expected to be any changes to the St Barbara Board or staffing as a result of the Scheme?</b>	<p>It is the present intention of St Barbara:</p> <ul style="list-style-type: none"> <li>• to continue with the employment of the majority, if not all, of Bardoc's existing employees;</li> <li>• to continue the business of Bardoc;</li> <li>• not to make any major changes to the business of Bardoc; and</li> <li>• to accelerate study and development projects of Bardoc.</li> </ul> <p>No changes to the St Barbara Board are intended as a consequence of the Scheme.</p> <p><i>Refer to Sections 9.3 and 9.5 for further information.</i></p>
<b>What will the dividend policy of St Barbara be?</b>	<p>The St Barbara Board will consider the payment of dividends to St Barbara Shareholders having regard to underlying financial performance and cash flow, commodity price expectations, balance sheet and treasury risk management, working capital needs and competing internal and external investment opportunities necessary for renewal and future growth. To the extent St Barbara has franking credits, it will look at distributing franking credits to St Barbara Shareholders.</p> <p><i>Refer to Section 9.6 for further information.</i></p>
<b>What is the Spin-Out Transaction?</b>	<p>Bardoc Shareholders will retain exposure to and full ownership of the South Woodie Woodie Project via a proposed in-specie distribution of all of the fully paid ordinary shares in Edge, the holder of the South Woodie Woodie Project, to Bardoc Shareholders. On completion of the Spin-Out Transaction, Bardoc Shareholders will collectively own 100% of Edge, which will consider seeking a listing on the ASX in the future, subject to all necessary regulatory and other approvals. Bardoc Shareholders should refer to the Bardoc notice of meeting dated on or about 22 February 2022 for further information on the Spin-Out Transaction.</p> <p>The Spin-Out Transaction will be subject to Bardoc Shareholder approval at a separate general meeting of Bardoc Shareholders. The Scheme is not conditional on completion of the Spin-Out Transaction, which will occur (or not occur, as the case may be) independently of and prior to the Scheme becoming Effective, and the status of the Spin-Out Transaction will not influence the timing of the Scheme transaction.</p> <p><i>Refer to the Section titled "Spin-Out Transaction and the South Woodie Woodie Project" for further information.</i></p>
<b>What other information is available?</b>	<p>For further information, contact the Company Secretary of Bardoc, Mr Russell Hardwick on +61 (08) 6215 0090 between 9:00 am and 5:00 pm, Monday to Friday or by email.</p> <p>If you are in doubt as to what you should do, you should consult your legal, financial or other professional adviser.</p>

## 5. Overview of the Scheme

### 5.1 Summary of the proposed Scheme

A scheme of arrangement is a statutory procedure that is commonly used to enable one company to acquire or merge with another. The Scheme is the mechanism by which Bardoc Scheme Shareholders may approve the Scheme.

If implemented, the Scheme will have the following effect:

- (a) all Participating Bardoc Shares will be transferred from existing Bardoc Scheme Shareholders to St Barbara in return for the Scheme Consideration;
- (b) Bardoc will become a wholly-owned subsidiary of St Barbara, and Bardoc will be de-listed from ASX;
- (c) Bardoc Scheme Shareholders (other than Ineligible Foreign Shareholders and Relevant Unmarketable Parcel Shareholders) will become shareholders in St Barbara;
- (d) Ineligible Foreign Shareholders and Relevant Unmarketable Parcel Shareholders will receive the Net Sale Proceeds of the sale of the New St Barbara Shares that would otherwise be issued to them net of brokerage and other costs; and
- (e) the strategic direction for the development of Bardoc's existing projects will be determined by the St Barbara Board.

Implementation of the Scheme is subject to the Scheme Conditions being satisfied, including the condition that the Scheme may only be implemented if Bardoc Scheme Shareholders vote in favour of the Scheme at the Scheme Meeting. A summary of the Scheme Conditions which have not already been satisfied and the steps necessary to implement the Scheme appears in Section 12.2.

### 5.2 Scheme Consideration

If the Scheme becomes Effective, each Bardoc Scheme Shareholder (other than Ineligible Foreign Shareholders and Relevant Unmarketable Parcel Shareholders), will receive 0.3604 New St Barbara Shares for every 1 Participating Bardoc Share they hold as at 5:00 pm (Perth time) on the Record Date. The Scheme Consideration of New St Barbara Shares will be issued by St Barbara on the Implementation Date, which is expected to be 13 April 2022.

Ineligible Foreign Shareholders and Relevant Unmarketable Parcel Shareholders will not be issued with New St Barbara Shares. Instead, the New St Barbara Shares that would otherwise have been issued to them will be issued to the Sale Agent on their behalf and they will be sold on ASX. The proceeds of the sale of these New St Barbara Shares less brokerage and other costs, taxes and charges will then be paid to the Ineligible Foreign Shareholders and Relevant Unmarketable Parcel Shareholders.

Further details of the Scheme Consideration for Ineligible Foreign Shareholders and Relevant Unmarketable Parcel Shareholders are set out at Section 5.7.

### 5.3 Scheme Meeting

On 22 February 2022, the Court ordered that the Scheme Meeting be convened in accordance with the Notice of Scheme Meeting.

The Scheme Meeting will be held **virtually at 1:00pm (Perth time) on 30 March 2022.**

You (or your proxy, corporate representative or attorney) may attend the Scheme Meeting through an online platform. To attend the Scheme Meeting online:

- (a) go to <https://meetnow.global/MXQJWVY>; and
- (b) login with your username and password or click “register” if you haven’t already created an account. Shareholders are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting.

Bardoc Scheme Shareholders and their proxies will be able to vote on the resolution directly through the online platform at any time between the commencement of the Scheme Meeting and the closure of voting as announced by the chair during the Scheme Meeting.

The fact that the Court has ordered that the Scheme Meeting be convened is not an endorsement of, or expression of opinion on, the Scheme by the Court and is no indication that the Court has a view as to the merits of the Scheme or as to how Bardoc Scheme Shareholders should vote at the Scheme Meeting. On these matters, Bardoc Scheme Shareholders must make their own decision.

For instructions on how to participate online please view the online meeting user guide at [http:// www.computershare.com.au/virtualmeetingguide](http://www.computershare.com.au/virtualmeetingguide).

#### **5.4 Unanimous recommendation of the Bardoc Directors<sup>19</sup>**

The Bardoc Directors unanimously recommend that, in the absence of a Superior Proposal and subject to the Independent Expert maintaining its conclusion that the Scheme is fair and reasonable and therefore in the best interests of Bardoc Scheme Shareholders, Bardoc Scheme Shareholders vote in favour of the Scheme at the Scheme Meeting.

The Bardoc Directors believe that the reasons for Bardoc Scheme Shareholders to vote in favour of the Scheme outweigh the potential disadvantages and reasons to vote against the Scheme. Each Bardoc Director who holds Bardoc Shares or on whose behalf Bardoc Shares are held at the time of the Scheme Meeting intends, in the absence of a Superior Proposal, to vote in favour of the Scheme.

In making their recommendation and determining how to vote on the Scheme, the Bardoc Directors have considered:

- (a) the advantages and disadvantages of the Scheme, as summarised in Section 1 and Section 2 respectively;
- (b) the implications of the Scheme not being approved, as summarised in Section 3;
- (c) the opinion of the Independent Expert (refer to Section 5.5), that the Scheme is fair and reasonable to Bardoc Scheme Shareholders and therefore in the best interests of Bardoc Scheme Shareholders; and
- (d) the alternative arrangements to the Scheme that might have otherwise been available to Bardoc.

In addition, as per Bardoc’s announcement dated 20 December 2021, all Bardoc Directors (which held an interest in Bardoc of 11.2% at the date of the announcement) intend to vote their respective Bardoc Shares (noted in the announcement) in favour of the Scheme, in the absence of a Superior Proposal.

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<sup>19</sup> In respect of the recommendations of the Bardoc Directors, Bardoc Shareholders should have regard to the fact that, if the Scheme is implemented, the Bardoc Directors will each receive various personal benefits as further detailed in the Section titled “Important Information Regarding Directors’ Recommendation” on page i of this Scheme Booklet.

## 5.5 Independent Expert's conclusion

Bardoc commissioned the Independent Expert, RSM Australia Pty Ltd, to prepare a report on whether the Scheme is in the best interests of Bardoc Scheme Shareholders.

The Independent Expert has concluded that, in the absence of a Superior Proposal, the Scheme is fair and reasonable to Bardoc Scheme Shareholders.

The Independent Expert has concluded that the Scheme is therefore in the best interests of Bardoc Scheme Shareholders.

The Independent Expert's Report is set out in Annexure A to this Scheme Booklet. The Bardoc Directors recommend that Bardoc Shareholders read the Independent Expert's Report in full.

## 5.6 Tax consequences of the Scheme and trading and holding New St Barbara Shares for Australian resident Bardoc Shareholders

A general guide to the Australian tax consequences for the Scheme for certain Bardoc Scheme Shareholders who are Australian tax residents is set out in Section 11. This guide is not intended to provide specific tax advice in respect of the individual circumstances of any Bardoc Scheme Shareholder. Accordingly, Bardoc Scheme Shareholders should seek their own independent professional tax advice.

## 5.7 Ineligible Foreign Shareholders and Relevant Unmarketable Parcel Shareholders

### *Ineligible Foreign Shareholders*

St Barbara is not obliged to issue New St Barbara Shares as consideration to any Bardoc Scheme Shareholder whose address in the Bardoc Share Register is in a jurisdiction other than Australia or its external territories or New Zealand, unless St Barbara is satisfied that the laws of a particular foreign holder's country of residence (as shown in the Bardoc Share Register) would permit the issue and allotment of New St Barbara Shares to that Bardoc Scheme Shareholder, either unconditionally or after compliance with conditions which St Barbara in its sole discretion regards as acceptable and not unduly onerous.

The New St Barbara Shares that would have been issued to these Ineligible Foreign Shareholders will be issued to the Sale Agent on the Implementation Date and dealt with in the manner described in Section 5.8.

This Scheme Booklet does not constitute an offer of St Barbara Shares in any jurisdiction in which it would be unlawful. In particular, this Scheme Booklet may not be distributed to any person, and the St Barbara Shares may not be offered or sold, in any country outside Australia and its external territories and New Zealand.

Bardoc Scheme Shareholders whose address shown on the Bardoc Register is outside of the aforementioned jurisdictions should refer to the Important Notices Section of this Scheme Booklet.

As at the Last Practicable Date, Bardoc had 33 Ineligible Foreign Shareholders, holding an aggregate interest in Bardoc of 2.61%.

### *Relevant Unmarketable Parcel Shareholders*

A Bardoc Scheme Shareholder (other than an Ineligible Foreign Shareholder) who, based on their holding of Participating Bardoc Shares on the Record Date, would, upon implementation of the Scheme, be entitled to receive less than a "marketable parcel" (which, as at the date of this Scheme Booklet, means \$500 worth) of New St Barbara Shares (assessed by



reference to the price of St Barbara Shares on ASX at the close of trade on the trading day prior to the Record Date) is an Unmarketable Parcel Shareholder.

An Unmarketable Parcel Shareholder who does not provide Bardoc's share registry, Computershare, with a duly completed Opt-in Notice before 5:00 pm (Perth time) on 4 April 2022 (being the Business Day prior to the Record Date) is a Relevant Unmarketable Parcel Shareholder.

St Barbara is under no obligation to issue, and will not issue, any New St Barbara Shares to any Relevant Unmarketable Parcel Shareholder, and instead, unless St Barbara and Bardoc agree otherwise, St Barbara must procure that the New St Barbara Shares that each Relevant Unmarketable Parcel Shareholder would otherwise be entitled to receive as Scheme Consideration are dealt with in accordance with the procedure set out in Section 5.8.

For an Opt-in Notice to be effective, it must be duly completed and returned to Computershare by email to [corpactprocessing@computershare.com.au](mailto:corpactprocessing@computershare.com.au), or by mail in accordance with the instructions on the Opt-in Notice, prior to 5:00 pm (Perth time) on 4 April 2022 (being the Business Day prior to the Record Date). An Opt-in Notice has been made available to each Bardoc Scheme Shareholder, either physically, by email or through the Computershare website at <http://www.investorcentre.com/au>.

You will cease to be an Unmarketable Parcel Shareholder if, on Implementation of the Scheme, you would be entitled to receive a "marketable parcel" of New St Barbara Shares (assessed by reference to the price of St Barbara Shares on ASX at the close of trade on the trading day prior to the Record Date). If you cease to be an Unmarketable Parcel Shareholder in this manner, you do not need to complete and provide an Opt-in Notice to Computershare, and you will receive the Scheme Consideration in the form of New St Barbara Shares.

As at the Last Practicable Date, Bardoc had 864 Unmarketable Parcel Holders, holding an aggregate interest in Bardoc of 0.117%.

## **5.8 Sale Agent**

As indicated in Section 5.7, Ineligible Foreign Shareholders and Relevant Unmarketable Parcel Shareholders will not receive New St Barbara Shares under the Scheme. Instead, the New St Barbara Shares that would otherwise have been issued to them will be issued to the Sale Agent (or to a nominee of the Sale Agent) on the Implementation Date.

St Barbara will:

- (a) procure that, as soon as reasonably practicable (and in any event not more than 40 days after the Implementation Date), the Sale Agent sells or procures the sale on ASX of all of the New St Barbara Shares issued to the Sale Agent (in relation to Ineligible Foreign Shareholders and Relevant Unmarketable Parcel Shareholders) in such manner, at such price and on such other terms as the Sale Agent determines in good faith; and
- (b) promptly pay to the Ineligible Foreign Shareholders and Relevant Unmarketable Parcel Shareholders their proportion of the Net Sale Proceeds, being the proceeds of the sale of the relevant New St Barbara Shares after deduction of a 0.5% brokerage fee (plus GST) and other applicable taxes and charges.

Under the Scheme, Ineligible Foreign Shareholders and Relevant Unmarketable Parcel Shareholders appoint Bardoc as their agent to receive any financial services guide or other notice given by the Sale Agent. Copies of any document Bardoc receives from the Sale Agent as agent for the Ineligible Foreign Shareholders and Relevant Unmarketable Parcel Shareholders can be obtained by contacting Bardoc's Company Secretary.

Bardoc, St Barbara and the Sale Agent give no assurance as to the price that will be achieved for the sale of New St Barbara Shares described above. The Net Sale Proceeds that Ineligible Foreign Shareholders and Relevant Unmarketable Parcel Shareholders will receive may be more or less than the current market value of St Barbara Shares after deducting any applicable brokerage and other costs. Further details about the Sale Facility are set out below.

Ineligible Foreign Shareholders and Relevant Unmarketable Parcel Shareholders are not required to make an election to participate in the Sale Facility.

Further details regarding the Sale Facility are as follows:

- (a) St Barbara has appointed the Sale Agent (who holds an Australian Financial Services Licence);
- (b) the market price of St Barbara Shares is subject to change from time to time. Up-to-date information on the market price of St Barbara Shares is available from [www.asx.com.au](http://www.asx.com.au) (using the code "SBM");
- (c) all New St Barbara Shares attributable to Ineligible Foreign Shareholders and Relevant Unmarketable Parcel Shareholders will be issued to the Sale Agent, who will pool those New St Barbara Shares and sell them on market (in one transaction or a number of transactions). All of the proceeds of those sales will be pooled and then (after deduction of brokerage and other costs) the Net Sale Proceeds will be divided by the total number of New St Barbara Shares issued to the Sale Agent. The resultant amount will be paid to each Ineligible Foreign Shareholder and Relevant Unmarketable Parcel Shareholders in respect of each New St Barbara Share to which they would otherwise have been entitled (subject to rounding); and
- (d) the amount of the Net Sale Proceeds received by Ineligible Foreign Shareholders and Relevant Unmarketable Parcel Shareholders may be less than the actual proceeds received by the Sale Agent (or the nominee of the Sale Agent) for that person's New St Barbara Shares.

## 5.9 Treatment of Bardoc Options

Bardoc has a total of 1,499,998 Bardoc Options on issue.

Under the Scheme Implementation Deed, St Barbara and Bardoc entered into the Option Cancellation Deed with the Bardoc Optionholders (which together hold 100% of Bardoc Options on issue), pursuant to which the Bardoc Optionholders have agreed to cancel their Bardoc Options in exchange for the following consideration:

- (a) \$0.0073 per Bardoc Option which is exercisable at \$1.20 each on or before 11 September 2022; and
- (b) \$0.051 per Bardoc Option which is exercisable at \$0.72 each on or before 27 September 2022.

The consideration to be paid was determined using the Black & Scholes option model, based on:

- (a) the market price of Bardoc Shares (being \$0.53); and
- (b) the implied offer price to Bardoc Scheme Shareholders (based on a 0.3604 exchange ratio),

as at 17 December 2021, with a risk free interest rate of 1.61% (per Australian 10-year government bonds as at close on 17 December 2021) and a volatility of 56.18% (based on Bardoc's 1-year (253 trading day) volatility as at close on 17 December 2021).

### 5.10 Treatment of Bardoc Performance Rights

Bardoc has a total of 5,574,992 Bardoc Performance Rights on issue, of which 1,916,664 Bardoc Performance Rights are held by Bardoc Directors.

Under the Scheme Implementation Deed, St Barbara has acknowledged and agreed that:

- (a) in accordance with their terms, the existing Bardoc Performance Rights will automatically vest and be convertible into Bardoc Shares on a one for one basis on the Scheme becoming Effective; and
- (b) the Bardoc Shares issued on exercise will be exchanged for New St Barbara Shares under the Scheme.

The vesting conditions of the various classes of Bardoc Performance Rights are detailed below. However, pursuant to the terms of the Bardoc's Performance Right and Option Plan (being the incentive plan pursuant to which the Bardoc Performance Rights were issued), the vesting conditions attaching to the Bardoc Performance Rights are deemed to be automatically waived upon a change of control occurring (including a court approving, under Section 411(4)(b) of the Corporations Act, a proposed arrangement). All Bardoc Performance Rights will be exercised prior to the Record Date.

Class	Expiry Date	Key Vesting conditions
<b>F</b>	10/06/2023	<ul style="list-style-type: none"> <li>- Bardoc delineating a minimum JORC Resource of greater than 3,000,000 ounces at any time subsequent to the date of the grant.</li> <li>- 10-day Bardoc Share VWAP being greater than \$0.36 per Bardoc Share.</li> <li>- Other than for reasons outside of the control of the holder (such as invalidity, bona fide redundancy, or death) the holder remains employed or engaged with Bardoc for 12 months.</li> </ul>
<b>G</b>	10/06/2023	<ul style="list-style-type: none"> <li>- The Bardoc Board resolving for a decision to mine.</li> <li>- 10-day Bardoc Share VWAP being greater than \$0.48 per Bardoc Share.</li> <li>- Other than for reasons outside of the control of the holder (such as invalidity, bona fide redundancy, or death) the holder remains employed or engaged with Bardoc for 24 months.</li> </ul>
<b>H</b>	18/11/2023	<ul style="list-style-type: none"> <li>- The Delivery of a Pre-Feasibility Study to the Bardoc Board's satisfaction.</li> <li>- 10-day Bardoc Share VWAP being greater than \$0.84 per Bardoc Share.</li> <li>- Other than for reasons outside of the control of the holder (such as invalidity, bona fide redundancy, or death) the holder remains employed or engaged with Bardoc for 12 months.</li> </ul>

Class	Expiry Date	Key Vesting conditions
I	18/11/2023	<ul style="list-style-type: none"> <li>- The Bardoc Board resolving for a decision to mine.</li> <li>- 10-day Bardoc Share VWAP being greater than \$1.08 per Bardoc Share.</li> <li>- Other than for reasons outside of the control of the holder (such as invalidity, bona fide redundancy, or death) the holder remains employed or engaged with Bardoc for 24 months.</li> </ul>
J	20/10/2024	<ul style="list-style-type: none"> <li>- the Delivery of a Definitive Feasibility Study to the Bardoc Board's satisfaction by Q1 2021.</li> <li>- Negotiation and successful award of Engineering Procurement/Construction (EPC) Contractor to the Bardoc Board's satisfaction by Q3 2021.</li> <li>- Other than for reasons outside of the control of the holder (such as invalidity, bona fide redundancy, or death) the holder remains employed or engaged with Bardoc for 12 months.</li> </ul>
K	20/10/2024	<ul style="list-style-type: none"> <li>- The Bardoc Board resolving for a decision to mine.</li> <li>- Commissioning of a processing facility on or before the date identified in the Bardoc Board approved construction schedule and within the approved budget.</li> <li>- Other than for reasons outside of the control of the holder (such as invalidity, bona fide redundancy, or death) the holder remains employed or engaged with Bardoc for 24 months.</li> </ul>
L	19/11/2024	<ul style="list-style-type: none"> <li>- The Delivery of a Definitive Feasibility Study to the Bardoc Board's satisfaction by Q1 2021.</li> <li>- Bardoc's 10-day VWAP being greater than \$0.60 per Bardoc Share at any time subsequent to the date of the grant.</li> <li>- Bardoc delineating a minimum JORC Resource of greater than 3,500,000 ounces at any time subsequent to the date of the grant.</li> <li>- Other than for reasons outside of the control of the holder (such as invalidity, bona fide redundancy, or death) the holder remains employed or engaged with Bardoc for 12 months.</li> </ul>
M	19/11/2024	<ul style="list-style-type: none"> <li>- The Bardoc Board resolving for a decision to mine.</li> <li>- The Bardoc 10-day VWAP being greater than \$0.72 per Bardoc Share at any time subsequent to the date of the grant.</li> <li>- Commissioning of a processing facility on or before the date identified in the Bardoc Board approved construction schedule and within the approved budget.</li> <li>- Other than for reasons outside of the control of the holder (such as invalidity, bona fide redundancy, or death) the holder remains employed or engaged with Bardoc for 24 months.</li> </ul>

Class	Expiry Date	Key Vesting conditions
O	08/03/2025	<ul style="list-style-type: none"> <li>- The Bardoc Board resolving for a decision to mine.</li> <li>- Bardoc's 10-day VWAP being greater than \$0.72 per Bardoc Share at any time subsequent to the date of the grant.</li> <li>- Commissioning of a processing facility on or before the date identified in the Bardoc Board approved construction schedule and within the approved budget.</li> <li>- Other than for reasons outside of the control of the holder (such as invalidity, bona fide redundancy, or death) the holder remains employed or engaged with Bardoc for 24 months.</li> </ul>

### 5.11 Treatment of Bardoc Loan Shares

Of the 290,723,953 Bardoc Shares on issue as at the date of this Scheme Booklet, 1,604,015 are Bardoc Loan Shares, being Bardoc Shares the subject of limited recourse loan arrangements between Bardoc and the 9 Bardoc Loan Share Holders.

Under the Scheme Implementation Deed, St Barbara and Bardoc have entered into a Bardoc Loan Share Deed with each holder of Bardoc Loan Shares, under which it has been agreed that, with effect on the Implementation Date and conditional on the Scheme becoming Effective:

- (a) all existing Bardoc Loan Shares held by Bardoc Loan Share Holders will be exchanged for the Bardoc Loan Share Consideration;
- (b) the corresponding loan made under the Bardoc Loan Plan Share Transfer Deed is forgiven by Bardoc; and
- (c) any holding lock placed on the Bardoc Loan Shares will be removed.

Each of the acquisitions of the Bardoc Loan Shares by St Barbara under the Bardoc Loan Share Deeds is conditional on the Scheme becoming Effective. If the Scheme becomes Effective, the Bardoc Loan Shares will be acquired on the Implementation Date under arrangements for transfer and payment that are outside of the Scheme.

As a result of the arrangements that have been made under the Bardoc Loan Share Deeds, the Bardoc Loan Shares are not subject to the Scheme and the Bardoc Loan Share Holders are not entitled to vote their Bardoc Loan Shares on the Scheme. However, Bardoc Loan Share Holders will be permitted to vote on the Scheme with regards to any Participating Bardoc Shares held.

### 5.12 Fractional entitlements

If, pursuant to the Scheme, a Bardoc Scheme Shareholder becomes entitled to a fraction of a New St Barbara Share, the number of New St Barbara Shares issued (or, in the case of Ineligible Foreign Shareholders and Relevant Unmarketable Parcel Shareholders, the number of New St Barbara Shares the Sale Agent will receive for sale on their behalf) will be rounded as follows:

- (a) if the fractional entitlement is less than 0.5, it will be rounded down to zero New St Barbara Shares; and
- (b) if the fractional entitlement is equal to or more than 0.5, it will be rounded up to one New St Barbara Share.

### **5.13 Warning against Bardoc Share splitting**

If St Barbara reasonably believes that a Bardoc Scheme Shareholder has been a party to the splitting or division of a shareholding in an attempt to obtain an advantage in relation to the rounding referred to in Section 5.12, then St Barbara reserves the right to round the entitlement of such holdings so as to provide only the number of New St Barbara Shares that would have been received but for the splitting or division.

### **5.14 Warranties given by Bardoc Scheme Shareholders**

If the Scheme is implemented, each Bardoc Scheme Shareholder is deemed to have warranted to St Barbara, and appointed and authorised Bardoc as its attorney and agent to warrant to St Barbara, that all their Participating Bardoc Shares (including any rights and entitlements attaching to those shares) transferred to St Barbara under the Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind and that they have full power and capacity to sell and transfer their Participating Bardoc Shares under the Scheme.

### **5.15 If the Scheme does not proceed**

If the Scheme does not proceed, Bardoc Shareholders will continue to hold Bardoc Shares. In the absence of any Superior Proposal to the Scheme, Bardoc will continue as a standalone entity. Bardoc Shareholders will continue be exposed to the risks relating to Bardoc's business set out in Section 6.12. Bardoc Shareholders may, in addition to the normal risks it faces, be exposed to the additional risks as described in Section 3.

Depending on the reasons why the Scheme does not proceed, Bardoc may be liable to pay a break fee of \$1.5 million to St Barbara. The break fee is not payable if the Scheme does not proceed merely because Bardoc Scheme Shareholders do not vote in favour of the Scheme in sufficient numbers to meet the legal tests. Further information in relation to the break fee is set out in Section 13.5.

Bardoc will also be liable to pay certain transaction costs in relation to the Scheme, regardless of whether or not the Scheme is implemented. If the Scheme does proceed, additional costs will be incurred.

## 6. Profile of Bardoc

This Section of the Scheme Booklet contains information in relation to Bardoc as at the date of the Scheme Booklet. Additional information is included in the Independent Expert's Report set out in Annexure A to this Scheme Booklet.

### 6.1 Introduction

Bardoc Gold Limited (ASX:BDC) is an ASX listed company formed on 29 May 2007 and was admitted to the official list of ASX on 10 December 2007. Bardoc has a core focus on exploring the Bardoc Gold Project located in the Eastern Goldfields region of Western Australia.

Bardoc has consolidated a 250 square kilometre ground position, 40 kilometres north of Kalgoorlie, one of the world's premier mining locations, with a high-quality gold Mineral Resource of 3.1 Moz and 1.0 Moz Ore Reserve. A Definitive Feasibility Study was completed in March 2021 and was followed by an optimisation study in September 2021 which delivered an optimised mine schedule and project configuration for the Bardoc Gold Project.

Further information can be found at [www.bardocgold.com](http://www.bardocgold.com) and in the Independent Expert's Report.

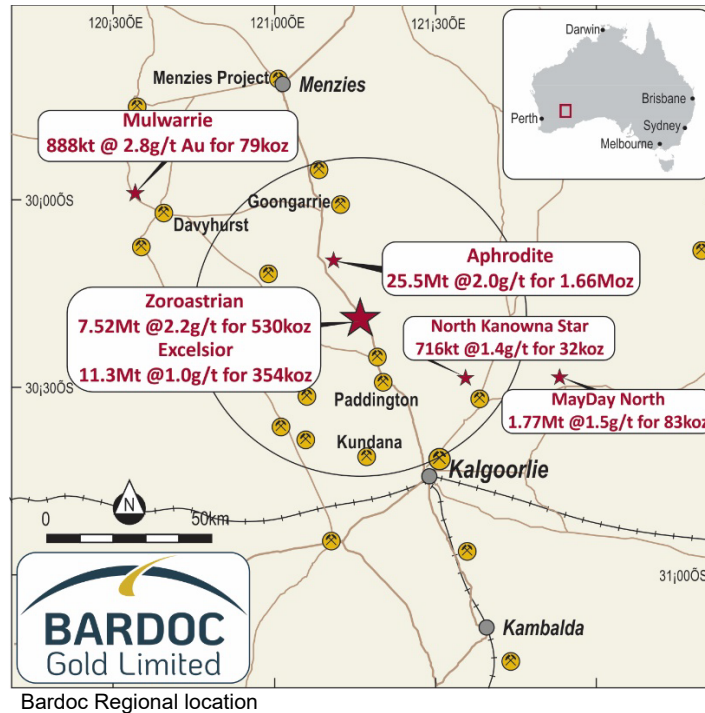
### 6.2 Overview of Bardoc's operations

#### (a) Bardoc Gold Project

The 100%-owned Bardoc Gold Project is located 40 kilometres north of the city of Kalgoorlie in Western Australia, in one of the world's largest gold mining regions. With tenements straddling the Goldfields highway – the major transport route linking Kalgoorlie to Menzies, Leonora, and Laverton mining regions – the Bardoc Gold Project is well positioned to leverage off the established road networks, logistics routes, mining contractors, suppliers and highly skilled resources based in Kalgoorlie.

The Bardoc Gold Project covers 250 square kilometres of granted mining leases and prospecting licences over the intersection of the well-mineralised Bardoc Tectonic Zone greenstone sequence with the cross-cutting Black Flag Fault system. These two deep-seated crustal structures host many multi-million-ounce deposits, including the world-renowned Golden Mile.

There are three main deposits (Aphrodite, Zoroastrian, and Excelsior) and several satellite deposits within the landholding, providing a large Mineral Resource base and excellent exploration potential.



Details of the mining tenements comprising the Bardoc Gold Project are set out in Table 1 at section 2 of the Independent Technical Report.

During the financial year ended 30 June 2021, Bardoc undertook a substantial amount of drilling with a focus on grass roots exploration whilst maintaining a steady growth within Mineral Resources from Inferred to Indicated material to allow for inclusion in Ore Reserves.

Drilling during FY21 has been focused on:

- (i) infill drilling at the cornerstone deposits leading to an increase in material available for inclusion in Ore Reserves;
- (ii) extensional drilling at the larger deposits to enable longer term mine planning scenarios; and
- (iii) grass roots exploration using advanced geological, geochemical and geophysical information to focus the early-stage drilling into key target areas.

This multi-faceted approach to drilling has seen an expansion growth in Mineral Resources and resulted in the defining of significant gold mineralisation at North Kanowna Star.

#### (b) **Aphrodite Deposit**

The Aphrodite Deposit is a significant greenfields gold deposit in Western Australia. It currently contains Mineral Resources of 1.7 million ounces of gold.

Ore Reserves at Aphrodite are estimated at:

- Open Pit Ore Reserves – 4.0 Mt at 1.8 g/t Au for 229 koz of gold
- Underground Ore Reserves – 3.1 Mt at 3.4 g/t Au for 344 koz of gold

Aphrodite is located 15 kilometres north of Zoroastrian/Excelsior complex and is an exceptional deposit that is unmined, has strong grade/geological continuity and is comprised of multiple lodes.



Work during FY21 concentrated on exploring and better defining the Sigma, Omega and Gamma Lode systems. These three lodes are not included in the current mine plan and provide an opportunity to be able to expand the Mineral Resources and Ore Reserves over time outside of the Alpha and Phi Lodes. Results from drilling to date have been significant and has highlighted the potential for Mineral Resource and Ore Reserve growth at Aphrodite. All lodes are currently open at depth and along strike.

(c) **Zoroastrian/Excelsior complex**

The Zoroastrian/Excelsior complex is an area of significant mineralisation that contains Mineral Resources over 1 million ounces of gold (historical production plus current Mineral Resources). The two deposits are only 500 metres apart and are linked by a northeast trend that is part of the underlying mineralisation controls for the area.

(i) **Zoroastrian Deposit**

Zoroastrian is a cornerstone deposit of the Bardoc Gold Project, has a current Mineral Resource of 0.53 million ounces of gold and Ore Reserves of:

- Open Pit Ore Reserves – 1.1M t at 1.9 g/t Au for 65k oz of gold
- Underground Ore Reserves – 0.8 Mt at 3.6 g/t Au for 98 koz of gold

The deposit is a multiple lode system with the underground Ore Reserve only including three of the lodes. These lodes, and the ones not included in current mine plans, are open along strike and at depth with excellent potential for both Mineral Resource and Ore Reserve growth. Metallurgical test work during the year confirmed gold recoveries above 94% through the current processing plant design.

Drilling through the financial year ended 30 June 2021 focused on both exploration and resource definition areas. The exploration drilling has demonstrated that the Blueys South and Zoroastrian South (the two main drivers and production areas for the underground Ore Reserves) are still present ~150 metres further down plunge. This presents an opportunity for further exploration to possibly deliver significant Mineral Resource and subsequent Ore Reserve growth when the requisite studies are completed.

(ii) **Excelsior Deposit**

The Excelsior Deposit is located northeast of the Zoroastrian Deposit. It is a large, moderate grade, free milling ore body that has Ore Reserves of 5.7 Mt at 1.1 g/t Au or 203 koz of gold.

The geology and milling characteristics of Excelsior are well understood with metallurgical testwork showing recoveries of 95% through Bardoc's proposed designed processing facility.

In FY21, drilling completed by Bardoc focused on Mineral Resource definition areas where material could be upgraded from Inferred to Indicated for possible inclusion in Ore Reserves, as well as providing samples for metallurgical test work and material for assessment of waste rock properties.

## 6.3 Mineral Resources and Ore Reserves

### (a) Mineral Resources

BARDOC GOLD PROJECT: RESOURCES															
Deposit	Type	Cut-Off (g/t Au)	MEASURED			INDICATED			INFERRED			TOTAL RESOURCES			Original ASX Report Date
			Tonnes (,000t)	Grade (g/t Au)	Ounces (,000oz)	Tonnes (,000t)	Grade (g/t Au)	Ounces (,000oz)	Tonnes (,000t)	Grade (g/t Au)	Ounces (,000oz)	Tonnes (,000t)	Grade (g/t Au)	Ounces (,000oz)	
Aphrodite	OP	various	-	-	-	13,458	1.5	666	5,321	1.3	229	18,780	1.5	895	
Aphrodite	UG	1.7	-	-	-	4,156	3.7	497	2,571	3.3	271	6,726	3.6	768	
Aphrodite	TOTAL		-	-	-	17,614	2.1	1,163	7,892	2.0	500	25,506	2.0	1,663	
Zoroastrian	OP	0.3	-	-	-	3,987	1.8	231	1,918	1.5	90	5,904	1.7	321	22/5/18
Zoroastrian	UG	1.6	-	-	-	800	4.7	120	812	3.4	90	1,612	4.0	209	30/9/20
Zoroastrian	TOTAL		-	-	-	4,787	2.3	351	2,730	2.0	180	7,516	2.2	530	
Excelsior	OP	0.3	-	-	-	9,645	1.0	313	1,685	0.8	41	11,330	1.0	354	
Mayday North	OP	0.5	-	-	-	1,303	1.6	66	431	1.2	17	1,778	1.5	83	30/9/20
Talbot North	OP	0.4	-	-	-	698	1.8	40	123	1.8	7	820	1.8	47	30/9/19
Bulletin South	OP	0.4	152	2.2	11	546	2.1	36	150	2.1	10	849	2.1	57	30/9/19
Duke North	OP	0.4	-	-	-	851	1.0	28	795	1.0	25	1,646	1.0	53	30/9/19
Lochinvar	OP	0.4	-	-	-	423	1.8	24	57	1.6	3	480	1.7	27	19/2/14
El Dorado	OP	0.5	-	-	-	203	1.4	9	383	1.5	18	586	1.5	28	
El Dorado	UG	2.0	-	-	-	-	-	-	51	6.5	11	51	6.5	11	
El Dorado	TOTAL		-	-	-	203	1.4	9	434	2.1	29	637	1.9	39	30/9/20
North Kanowna Star	OP	0.5	-	-	-	157	1.6	8	559	1.3	24	716	1.4	32	9/9/19
South Castlereagh	OP	0.5	-	-	-	111	1.6	6	369	1.3	15	481	1.4	21	30/9/19
Mulwarrie	OP	0.5	-	-	-	-	-	-	881	2.8	79	881	2.8	79	13/11/18
Nerrin Nerrin	OP	0.5	-	-	-	-	-	-	651	1.3	26	651	1.3	26	30/9/19
Vettersburg South	OP	0.6	-	-	-	-	-	-	552	1.5	26	552	1.5	26	11/12/13
Windanya	OP	0.6	-	-	-	-	-	-	360	1.5	17	360	1.5	17	11/12/13
Grafters	OP	0.5	-	-	-	-	-	-	319	1.3	14	319	1.3	14	30/9/19
Ophir	OP	0.6	-	-	-	-	-	-	75	1.9	5	75	1.9	5	11/12/13
TOTAL RESOURCES			152	2.3	11	36,338	1.7	2,044	18,063	1.8	1,018	54,597	1.8	3,073	

Note: Differences may occur due to rounding. Full details of the Mineral Resource estimate were provided in Bardoc's Company's ASX Announcement dated 29 March 2021.

### (b) Ore Reserves

PROJECT	PROBABLE			TOTAL		
	Tonnes	Grade	Gold	Tonnes	Grade	Gold
	(kt)	(g/t)	(koz)	(kt)	(g/t)	(koz)
Excelsior OP	5,690	1.11	203	5,690	1.1	203
Zoroastrian North OP	365	2.10	25	365	2.1	25
Zoroastrian Central OP	276	1.78	16	276	1.8	16
Zoroastrian South OP	417	1.80	24	417	1.8	24
Bulletin South OP	561	1.95	35	561	2.0	35
Aphrodite Stage 1 OP	1,050	1.82	61	1,050	1.8	61
Aphrodite Stage 2 OP	2,916	1.80	168	2,916	1.8	168
Mayday OP	622	1.62	32	622	1.6	32
Zoroastrian UG	839	3.63	98	839	3.6	98
Aphrodite UG	3,139	3.41	344	3,139	3.4	344
TOTAL	15,874	2.0	1,007	15,874	2.0	1,007

Unless otherwise noted, information in this Scheme Booklet that relates to Bardoc's Mineral Resources or Ore Reserves is extracted from the report titled 'Definitive Feasibility Study delivers 1Moz Ore reserve' released to the ASX on 31 March 2021. Full details of recent exploration results are contained in ASX Quarterly Activities Reports on 29 October 2021 and 24<sup>th</sup> January 2022

The Company confirms it is not aware of any new information or data that materially affects the information included in the 29 March 2021 Definitive Feasibility Study which included an updated Mineral Resource Estimate and Ore Reserve and that in relation to the Bardoc Resource Estimate and Ore Reserve that all material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed.

#### 6.4 Directors of Bardoc

The directors of Bardoc as at the date of this Scheme Booklet are as follows:

**Tony Leibowitz  
(Non-Executive  
Chairman)**

*Chartered Accountant (FCA)*

Mr Leibowitz has over 30 years of corporate finance, investment banking and broad commercial experience and has a proven track record of providing the necessary skills and guidance to assist companies grow and generate sustained shareholder value. Previous roles include Chandler Macleod Limited and Pilbara Minerals Limited, where as Chairman and an early investor in both companies, he was responsible for substantial increases in shareholder value and returns. Mr Leibowitz was a global partner at PricewaterhouseCoopers and is a Fellow of the Institute of Chartered Accountants in Australia.

Mr Leibowitz was appointed to the Bardoc Board on 13 March 2019.

During the past three years, Mr Leibowitz has served as a director of Ensurance Limited, Trek Metals Limited and Greenvale Mining Limited.

**Neil Biddle  
(Executive  
Director)**

*B.AppSc (Geology), MAusIMM*

Mr Biddle is a geologist and Corporate Member of the Australasian Institute of Mining and Metallurgy and has over 30 years' professional and management experience in the exploration and mining industry. Mr Biddle was a founding Director of Pilbara Minerals Limited, serving as Executive Director from May 2013 to August 2016, serving as a Non-Executive Director from August 2016 to 26 July 2017.

Throughout his career, Mr Biddle has served on the Board of several ASX listed companies, including Managing Director of TNG Ltd from 1998 - 2007, Border Gold NL from 1994 - 1998 and Consolidated Victorian Mines from 1991 - 1994.

Mr Biddle was appointed to the Bardoc Board on 29 June 2017.

During the past three years, Mr Biddle has served as a director of Trek Metals Limited and Greenvale Mining Limited.

**John Young  
(Non-Executive  
Director)**

*B.AppSc (Geology), MAusIMM*

Mr Young is a highly experienced geologist who has worked on exploration and production projects encompassing gold, uranium and specialty metals, including tungsten, molybdenum, tantalum and lithium.

Mr Young's corporate experience includes appointments as Chief Executive Officer of Marenica Energy Limited and CEO and Director of Thor Mining PLC. Mr Young was Pilbara Minerals Exploration Manager from June 2014 until August 2015, appointed Technical

Director in September 2015 and transitioned to Non-Executive Director in July 2017 until his resignation in April 2018. Mr Young is also a Non-Executive director of AIM listed Mosman Oil and Gas.

Mr Young was appointed to the Bardoc Board on 29 June 2017.

During the past three years, Mr Young has served as a director of Mosman Oil and Gas Limited, Rarex Limited, Green Technology Metals Limited and Trek Metals Limited.

**Peter Buttigieg  
(Non-Executive  
Director)**

*B App Sc. (I.T)*

Peter is an IT Professional with over 30 years' experience. Peter is the Founder and Managing Director of RMS (Aust.) Pty Ltd, a successful and widely used business that designs IT Systems for the global hospitality, mining, defence and shopping centre industries.

Melbourne based, Peter holds a Bachelor of Applied Science (Information Technology) and graduated with Distinction from Monash University.

Mr Buttigieg was appointed to the Bardoc Board on 4 January 2018.

During the past three years, Mr Buttigieg has served as a director for Aphrodite Gold Limited (resigned 4 January 2018).

**Rowan Johnston  
(Non-Executive  
Director)**

*BSc (Mining Engineering)*

Mr Johnston is a Mining Engineer and experienced executive director. Mr Johnston is a director of Wiluna Mining Corporation Limited and was previously the Managing Director of Excelsior Gold Limited. Other previous positions include Acting CEO and Executive Director of Operations for ASX-listed Mutiny Gold Limited prior to the takeover by Doray Minerals Limited and Executive Director of Integra Mining Limited.

Mr Johnston was appointed to the Bardoc Board on 3 October 2018.

During the past three years, Mr Johnston has served as a director of Gascoyne Resources Limited and Excelsior Gold Limited.

## 6.5 Financial information

The following information has been extracted from the audited financial statements of Bardoc for the financial years ended 30 June 2021, 2020 and 2019.

The financial information has been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards (including Australian Accounting Interpretations) adopted by the AASB and the Corporations Act. The financial information also complies with the recognition and measurement requirements of IFRS and interpretations issued by the International Accounting Standards Board.

The financial information presented in the tables below does not represent complete financial statements and should therefore be read in conjunction with the financial statements for the respective periods, including the description of accounting policies contained in those financial statements and the notes to those financial statements. Where appropriate, adjustments have been made to headings and classifications of historical data to provide a consistent basis of presentation.

In the interval between 30 June 2021 and the date of this Scheme Booklet, there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of Bardoc, to significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future financial

years, other than as otherwise disclosed in the 30 June 2021 financial statements and subsequent filings on ASX.

Copies of Bardoc's audited financial statements for the financial years ended 30 June 2021, 2020 and 2019 are available on the on the Bardoc website ([www.bardocgold.com](http://www.bardocgold.com)). Copies will also be provided by Bardoc, free of charge, to any Bardoc Shareholder who requests it before the Scheme Meeting.

(a) **Consolidated Statement of Financial Position**

Set out below is Bardoc's statement of financial position as at 30 June 2021, 2020 and 2019.

	2021 \$	2020 \$	2019 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	12,888,532	11,853,257	1,258,909
Trade and other receivables	388,232	257,471	405,273
Loan receivables	-	-	6,400,000
Other assets	218,836	117,646	120,194
<b>Total current assets</b>	<b>13,495,600</b>	<b>12,228,374</b>	<b>8,184,376</b>
<b>Non-current assets</b>			
Property, plant and equipment	365,327	414,137	351,455
Right-of-use assets	102,091	186,866	-
<b>Total non-current assets</b>	<b>467,418</b>	<b>601,003</b>	<b>351,455</b>
<b>Total assets</b>	<b>13,963,018</b>	<b>12,829,377</b>	<b>8,535,831</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	1,127,733	716,729	1,572,177
Provisions	284,529	1,565,356	1,944,089
Lease liabilities	87,077	95,359	-
Borrowings	250,000	250,000	250,000
<b>Total current liabilities</b>	<b>1,749,339</b>	<b>2,627,444</b>	<b>3,766,266</b>
<b>Non-current Liabilities</b>			
Lease liabilities	21,679	98,421	-
Provisions	5,705,004	4,802,523	4,048,046
Borrowings	1,036,024	1,266,147	1,422,549
<b>Total Non-current Liabilities</b>	<b>6,762,707</b>	<b>6,167,091</b>	<b>5,470,595</b>
<b>Total Liabilities</b>	<b>8,512,046</b>	<b>8,794,535</b>	<b>9,236,861</b>
<b>Net assets</b>	<b>5,450,972</b>	<b>4,034,842</b>	<b>(701,030)</b>

**Equity**

**Equity attributable to equity holders**

Contributed equity	<b>153,328,110</b>	129,103,898	113,111,858
Reserves	<b>1,544,859</b>	3,191,697	2,608,135
Accumulated losses	<b>(149,421,997)</b>	(128,260,753)	(116,421,023)
<b>Total equity</b>	<b>5,450,972</b>	4,034,842	(701,030)

**(b) Statement of comprehensive income**

Set out below is Bardoc's statement of comprehensive income for the financial years ended 30 June 2021, 2020 and 2019.

	<b>2021</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Interest received	<b>135,457</b>	581,186	53,702
Finance income	-	367,643	327,451
Other income	<b>168,476</b>	78,576	85,389
Acquisition premium / duty / goodwill expensed	-	-	(3,231,504)
Administration expenses	<b>(1,896,089)</b>	(1,320,471)	(1,373,236)
Consulting expenses	<b>(54,234)</b>	(53,415)	(442,989)
Public/ investor relations & conferences	<b>(444,488)</b>	(150,441)	-
Depreciation expense	<b>(168,657)</b>	(166,360)	(100,569)
Exploration and evaluation costs expensed	<b>(18,042,577)</b>	(7,637,102)	(7,050,747)
Exploration and evaluation assets acquired	<b>(24,056)</b>	(1,600,584)	(26,498,940)
Provision for rehabilitation expense	-	(1,037,408)	(100,067)
Occupancy costs	<b>(22,842)</b>	(17,187)	(118,471)
Share based payments	<b>(613,879)</b>	(1,665,508)	(48,872)
Finance expenses	<b>(922,035)</b>	(187,057)	(171,818)
Travel expenses	<b>(41,175)</b>	(45,539)	(89,265)
Merger Expenses	-	-	(65,848)
<b>Loss before income tax</b>	<b>(21,926,099)</b>	(12,853,667)	(38,825,784)
Income tax benefit	-	-	-
<b>Loss after income tax for the year</b>	<b>(21,926,099)</b>	(12,853,667)	(38,825,784)
<b>Other comprehensive income for the year, net of tax</b>	-	-	-
<b>Total comprehensive loss for the year attributable to owners of Bardoc Gold Limited</b>	<b>(21,926,099)</b>	(12,853,667)	(38,825,784)
<b>Loss per share for loss attributable to the ordinary equity holders of the Group:</b>			

Basic loss per Share (cents per share)	(1.27c)	(0.95c)	(4.32c)
Diluted loss per Share (cents per share)	(1.27c)	(0.95c)	(4.32c)

**(c) Statement of cash flows**

Set out below is Bardoc's statement of cash flows for the financial years ended 30 June 2021, 2020 and 2019.

	2021 \$	2020 \$	2019 \$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees	(2,316,644)	(1,702,947)	(2,295,869)
Payments for exploration and evaluation	(18,161,163)	(7,984,269)	(6,645,340)
Other costs (Merger)	-	-	(65,848)
Interest expense	(5,146)	(8,068)	(68,575)
Income tax benefit– Research and Development	76,794	-	324,147
Other revenue	46,398	13,923	8,235
ATO cash boost	50,000	50,000	
Interest received	142,995	584,552	54,717
<b>Net cash outflows used in operating activities</b>	<b>(20,166,766)</b>	<b>(9,046,809)</b>	<b>(8,688,533)</b>
<b>Cash Flows from investing activities</b>			
Proceeds from sale of property, plant & equipment	84,500	52,886	4,950
Payments for property, plant & equipment	(60,770)	(194,726)	(18,566)
Payment for exploration assets – stamp duty	(1,178,064)	(832,693)	(760,539)
Payment for exploration assets acquired	(75,000)	(60,300)	(150,000)
Cash acquired from acquisition of subsidiary	-	-	2,974,207
Loans to other entities - Assetline	-	6,400,000	(6,400,000)
<b>Net cash (used in) / from investing</b>	<b>(1,229,334)</b>	<b>5,365,167</b>	<b>(4,349,948)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	24,000,000	15,178,500	12,029,224
Proceeds from exercise of options	200,000	2,000	-
Payments for share issue costs	(1,433,601)	(576,654)	(204,730)
Proceeds from borrowings	-	-	1,000,000
Repayment of borrowings	(250,000)	(250,000)	(1,250,000)
Repayment of leasing liabilities	(85,024)	(77,856)	-
<b>Net cash inflows from financing activities</b>	<b>22,431,375</b>	<b>14,275,990</b>	<b>11,574,494</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,035,275</b>	<b>10,594,348</b>	<b>(1,463,987)</b>
Cash and cash equivalents at beginning of financial year	11,853,257	1,258,909	2,722,896
<b>Cash and cash equivalents at end of financial year</b>	<b>12,888,532</b>	<b>11,853,257</b>	<b>1,258,909</b>

## Material changes to the financial position of Bardoc since 30 June 2021

The Bardoc Financial Report for the year ended 30 June 2021 was released to ASX on 30 September 2021. To the knowledge of the Bardoc Directors, the financial position of Bardoc has not materially changed since 30 June 2021, as reported in Bardoc's Annual Financial Report for that period, other than:

- (a) Bardoc has invested \$3.22 million in the period from 1 July up to 31 December 2021 in continuing its feasibility, exploration and evaluation programs while it remains in an exploration and pre-development stage where it is not yet generating operating profit;
- (b) as disclosed in this Scheme Booklet or as otherwise disclosed to the ASX by Bardoc; and
- (c) in accordance with generally known market conditions.

An electronic copy of Bardoc's Financial Report for the year ended 30 June 2021 is available on the ASX's website [www.asx.com.au](http://www.asx.com.au) under ASX code 'BDC' or on Bardoc's website at [www.bardocgold.com](http://www.bardocgold.com).

## Forecast financial information

Bardoc has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information. Bardoc has concluded that, as at the date of the Scheme Booklet, it would be misleading to provide forecast financial information, as a reasonable basis does not exist for providing financial forecasts that would be sufficiently meaningful and reliable as required by applicable law, policy and market practice.

## 6.6 Bardoc's issued securities

As at the date of this Scheme Booklet, Bardoc has the following securities on issue:

- (a) 290,723,953 Bardoc Shares (including 1,604,015 Bardoc Loan Shares);
- (b) 499,998 unquoted Bardoc Options each exercisable at \$1.20 and expiring on 11 September 2022;
- (c) 1,000,000 unquoted Bardoc Options each exercisable at \$0.72 and expiring on 27 September 2022; and
- (d) 5,574,992 unquoted Bardoc Performance Rights, with various vesting conditions and expiry dates.

It is intended that the Bardoc Performance Rights will be converted into Bardoc Shares on the Effective Date, which will result in an increase in the number of Bardoc Shares on issue.

See Sections 5.9 and 5.10 for details of the treatment of the Bardoc Options and the Bardoc Performance Rights (respectively) under the Scheme.

## 6.7 Bardoc's substantial shareholders

Based on information lodged with ASX or known to Bardoc, Bardoc had the following substantial shareholders as at the date of this Scheme Booklet:

Bardoc Shareholder	Number of Bardoc Shares held	Percentage of Issued Bardoc Shares
Citicorp Nominees Pty Ltd	27,783,335	9.61%



## 6.8 Bardoc Loan Shares

There are currently 1,604,015 Bardoc Loan Shares pursuant to the Bardoc Loan Plan Share Transfer Deeds, with loans totalling \$1,113,500 outstanding. None of the Bardoc Loan Shares are held by Bardoc Directors.

Under the Scheme Implementation Deed, St Barbara and Bardoc have entered into a Bardoc Loan Share Deed with each holder of Bardoc Loan Shares, under which it has been agreed that, with effect on the Implementation Date and conditional on the Scheme becoming Effective:

- (a) all existing Bardoc Loan Shares held by Bardoc Loan Share Holders will be exchanged for the Bardoc Loan Share Consideration;
- (b) the corresponding loan made under the Bardoc Loan Plan Share Transfer Deed is forgiven by Bardoc; and
- (c) any holding lock placed on the Bardoc Loan Shares is removed.

## 6.9 Interests of Bardoc Directors

As at the date of this Scheme Booklet, the Bardoc Directors have Relevant Interests in the following Bardoc Securities.

Director	Bardoc Shares	Bardoc Options	Class F Bardoc Performance Rights	Class G Bardoc Performance Rights
Tony Leibowitz <sup>1</sup>	5,882,849	Nil	Nil	166,666
Neil Biddle <sup>2</sup>	6,383,796	Nil	Nil	333,333
John Young <sup>3</sup>	6,666,666	Nil	Nil	333,333
Peter Buttigieg <sup>4</sup>	13,006,461	Nil	208,333	208,333
Rowan Johnston <sup>5</sup>	867,828	Nil	Nil	666,666
<b>Total</b>	<b>32,807,600</b>	Nil	<b>208,333</b>	<b>1,708,331</b>

### Notes:

1. 4,716,183 Bardoc Shares and 166,666 Class G Performance Rights held by Kalonda Pty Ltd <Leibowitz Super Fund A/C>, 333,333 Bardoc Shares held by Kalonda Pty Ltd <Leibowitz Family A/C> and 833,333 Bardoc Shares held by Floreat Investments Pty Ltd
2. 733,333 Bardoc Shares held by Hatched Creek Pty Ltd <The Direction Trust> and 5,559,082 Bardoc Shares and 333,333 Class G Performance Rights held by Biddle Partners Pty Ltd <The Biddle Super Fund A/C> and 91,381 Bardoc Shares held by Biddle Partners Pty Ltd <The Biddle Family A/C>
3. 2,533,333 Bardoc Shares held by John Alexander Young & Cheryl Kaye Young <The Forever Young Super Fund A/C> and 3,400,000 Bardoc Shares held by John Alexander Young & Cheryl Kaye Young <The Forever Young Family Trust A/C> and 733,333 Bardoc Shares and 333,333 Bardoc Class G Performance Rights held by Cheryl Kaye Young.
4. 9,153,539 Bardoc Shares, 208,333 Bardoc Class F Performance Rights and 208,333 Bardoc Class G Performance Rights are held by P&J Buttigieg Nominees Pty Ltd <Buttigieg Family A/C> (an entity of which Mr Buttigieg is a director) and 3,852,922 Bardoc Shares held by Peter Anthony Buttigieg and Jennifer Lynn Buttigieg <Buttigieg Super Fund A/C>.
5. 867,828 Bardoc Shares and 666,666 Bardoc Class G Performance Rights held by Mr Robert Rowan Andrew Johnston & Mrs Pia Johnston <Johnston Family A/C>

As at the date of this Scheme Booklet, no Bardoc Director has a Relevant Interest in any St Barbara securities.

## 6.10 Bardoc Share trading history

The last recorded sale price of Bardoc Shares traded on ASX before the announcement of the Scheme on 20 December 2021 was \$0.41 (as at closing on 17 December 2021).

On the Last Practicable Date, the closing price of Bardoc Shares on ASX was 51 cents.

During the three month period up to and including the Last Practicable Date, the highest and lowest recorded sale prices of Bardoc Shares on ASX were, respectively, 51 cents on 18 February 2022 and 35 cents on 2 December 2021.

Set out below is the volume weighted average price (**VWAP**) of Bardoc Shares for various periods up to and including the Last Practicable Date:

	10 Days	20 days	30 days	90 days
<b>VWAP</b>	\$0.49	\$0.48	\$0.48	\$0.46

## 6.11 Bardoc announcements and reports

As a disclosing entity, Bardoc is subject to the periodic and continuous disclosure and reporting requirements of the Corporations Act and ASX Listing Rules. Specifically, as a listed company, Bardoc is subject to the ASX Listing Rules which require continuous disclosure of any information Bardoc has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

Bardoc announcements are available on its website ([www.bardocgold.com](http://www.bardocgold.com)) as well as the ASX website ([www.asx.com.au](http://www.asx.com.au)). Further announcements concerning developments at Bardoc may be made and placed on these websites after the date of this Scheme Booklet.

In addition, Bardoc is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC in relation to Bardoc may be obtained from, or inspected at, an ASIC office.

Bardoc will provide a copy of each of the following documents, free of charge, to anyone who asks for them before the Scheme is approved by the Court. The following documents can also be obtained from the ASX website ([www.asx.com.au](http://www.asx.com.au)) or from the Bardoc website ([www.bardocgold.com](http://www.bardocgold.com)):

- (a) the annual financial report of Bardoc for the year ended 30 June 2021 (being the annual financial report most recently lodged with ASIC by Bardoc before lodgement of a copy of this Scheme Booklet with ASIC for registration); and
- (b) any continuous disclosure announcements made by Bardoc after the date of the lodgement of the annual report referred to above and before the lodgement of a copy of this Scheme Booklet with ASIC for registration.

There is no information which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules, and which is required to be set out in this Scheme Booklet.

The following table summarises material announcements made by Bardoc to ASX since 30 September 2021 (being the date of lodgement of the annual report referred to in paragraph (a)).

<b>Date Lodged</b>	<b>Description of Document (ASX announcement header)</b>
10 February 2022	Notification of cessation of securities - BDC
1 February 2022	Change of Director's Interest Notice
24 January 2022	Quarterly Activities/ Appendix 5B Cash Flow Report
7 January 2022	Notification of cessation of securities
21 December 2021	Notice under Section 708A(5)(e)
21 December 2021	Application for quotation of securities - BDC
20 December 2021	Presentation on Accelerating the Leonora Province Plan
20 December 2021	Acquisition of Bardoc Gold accelerates Leonora Province Plan
20 December 2021	St Barbara to acquire Bardoc Gold via scheme of arrangement
10 December 2021	Change of Director's Interest Notice
10 December 2021	Completion of Consolidation
1 December 2021	Update - Consolidation/Split - BDC
1 December 2021	Results of Meeting
25 November 2021	High-grade results confirm extensions of Zoroastrian Deposit
18 November 2021	Notice under Section 708A(5)(e)
18 November 2021	Application for quotation of securities - BDC
3 November 2021	Notice under Section 708A(5)(e)
3 November 2021	Application for quotation of securities - BDC
1 November 2021	Outstanding results upgrade potential at North Kanowna Star
29 October 2021	Quarterly Activities/Appendix 5B Cash Flow Report
25 October 2021	Notice of Annual General Meeting/Proxy Form
14 October 2021	Change of Director's Interest Notice
13 October 2021	Change of Director's Interest Notice
11 October 2021	Change of Director's Interest Notice
8 October 2021	Consolidation/Split - BDC
8 October 2021	Proposed Consolidation of Capital
7 October 2021	Change of Director's Interest Notice
4 October 2021	Change of Director's Interest Notice
4 October 2021	AGM and Notice under LR 3.13.1
1 October 2021	Bardoc Management Update
30 September 2021	Corporate Governance Statement and Appendix 4G
30 Sep 2021	Annual Report to Shareholders

## 6.12 Risk factors

Risk factors relating to Bardoc and its business are discussed in Section 10.

**6.13 Material events since 30 June 2021**

Within the knowledge of the Bardoc Directors and other than as disclosed in this Scheme Booklet, including the audited consolidated financial statements contained in Section 6.5, there has not been any other material change in the financial position of Bardoc since 30 June 2021.

## **7. Profile of St Barbara**

This Section of the Scheme Booklet contains information in relation to St Barbara as at the date of the Scheme Booklet. Additional information is included in the Independent Expert's Report set out in Annexure A to this Scheme Booklet.

### **7.1 Introduction to St Barbara**

St Barbara is an Australian-headquartered, ASX-200 company with gold mining operations in Australia, Canada and Papua New Guinea. Its assets include the Leonora Operations in Western Australia, the Atlantic Operations in Nova Scotia, Canada and the Simberi Operations in New Ireland Province, Papua New Guinea.

St Barbara's vision is to be a brilliant, global mining company that grows sustainably and creates enduring, positive impacts. In striving towards this vision, St Barbara is guided by its values-led culture and its five key commitments of: Safety Always; Empowered People, Diverse Teams; Stronger Communities; Respecting the Environment; and Growing Sustainably.

As at 31 December 2021, St Barbara had reported 13.5 million ounces of gold in Mineral Resources, including Ore Reserves of 5.8 million ounces of gold. It also holds extensive land packages with granted tenements and tenement applications in all three countries in which it operates, with exploration activity primarily focussed near to and surrounding its existing operations.

In FY21, St Barbara produced 327,662 ounces of gold at an All-In Sustaining Cost of \$1,616 per ounce, through which it generated a full year cash flow from operating activities of \$227 million. St Barbara has a strong balance sheet with substantial free cash flow generation and significant debt financing capacity for funding its future organic growth aspirations.

St Barbara is led and governed by a highly experienced board of directors and management team which has a clear three-step strategy to unlock value for shareholders, through operational brilliance, execution of brownfield expansion projects, and growth through acquisition and exploration.

### **7.2 Overview of St Barbara's operations**

St Barbara has three operating centres being Leonora in Australia, Simberi in Papua New Guinea and Atlantic in Canada.



(a) **Leonora Operations**

St Barbara's Leonora Operations in Western Australia are located outside Leonora, Western Australia and consist of the Gwalia underground mine and a 1.4 Mtpa processing plant, as well as nearby development opportunities which form part of the Leonora Province Plan. Historically, the operation has produced more than six million ounces from open cut and underground operations.

The Gwalia underground mine is the cornerstone of the Leonora Operations. It is located 235 kilometres from Kalgoorlie in Western Australia and has been owned by St Barbara since 2005. During this period of ownership, the mine has produced more than 2.5 million ounces of gold.

At over 1,700 metres below surface, the Gwalia underground mine is the deepest underground trucking mine in Australia and has been in operation for over a century. It was originally established in 1896 as the Sons of Gwalia mine.

In FY21, there was a focus on a changeover of mining contractor at Gwalia and prioritisation of development to ensure a solid footing for ongoing production. Gwalia produced 152,696 ounces of gold in FY21 with an average mined ore grade of 7.6 g/t Au. Throughout the year work progressed to open up new mining areas in the Gwalia underground mine. St Barbara commenced studies on development of nearby Mineral Resources including Tower Hill and Harbour Lights with a combined Pre-Feasibility Study due to be completed by the end of FY22.

A focus on material movement at Gwalia saw the introduction of many initiatives which have increased truck availability and utilisation. Importantly, establishing WiFi underground has expanded the use of tele-remote operations for the trucking fleet and drilling activities.

(b) **Atlantic Operations**

St Barbara's Atlantic Operations are located approximately 80 kilometres north-east of Halifax, Nova Scotia, Canada. Open cut mining of the current Touquoy mine commenced in 2017, with commercial production achieved in March 2018. The processing plant at Touquoy is a conventional CIL circuit with a nominal capacity of 2 Mtpa, however mill throughput exceeded design capacity in FY20 (2.6 Mtpa) and FY21 (2.9 Mtpa).

St Barbara is currently progressing several exciting growth projects at the Atlantic Operations which are expected to grow future gold production. Upon completion of the current Touquoy open pit, there are planned expansions of three additional pits nearby at Beaver Dam, Fifteen Mile Stream and Cochrane Hill, giving the Atlantic Operations an estimated mine life to FY31, with strong regional exploration potential. Subject to permitting, construction of Beaver Dam is expected to commence in FY24. In addition to developing the existing project pipeline, St Barbara is exploring in the Moose River Corridor and elsewhere in Nova Scotia.

During FY21, St Barbara assumed 100% ownership of the Atlantic Operations, following the acquisition of Moose River Resources Incorporated. This transaction provided operational efficiencies and the opportunity to unlock financial value and pursue the asset's full potential.

During FY21, the Atlantic Operations delivered production of 101,243 ounces of gold at an average milled grade of 1.15 g/t Au. Mill throughput for FY21 was a new record of 2.9 million tonnes accompanied by an All-In Sustaining Cost of \$1,027 per ounce. As at 31 December 2021, St Barbara's Atlantic operations had a combined estimated 1.6 million ounces of gold in Ore Reserves at a grade of 1.0 grams per tonne.

(c) **Simberi Operations**

St Barbara's Simberi Operations consist of an open cut mining operation on the northern-most island of the Tabar Island group in the New Ireland province of Papua New Guinea (**PNG**), approximately 900 kilometres northeast from Port Moresby.

Operations commenced at the Simberi mine in 2008, with the planned sulphide project having the potential to extend the life of mine at the Simberi mine by at least 10 years.

The current mining occurs on the eastern half of the island, covered by a 2,560 hectare mining lease (ML136).

Ore at the Simberi mine is sourced from a number of open pits. Ore from the pits is delivered to the Run of Mine (ROM) pad in front of the process plant via an innovative and energy-efficient 2.7 kilometre aerial rope conveyor and also contractor operated mining trucks.

Almost 96% of the workforce at the Simberi mine are from Simberi Island, the nearby Tabar Islands, and other parts of PNG, providing economic opportunities for local families, businesses and suppliers.

FY21 proved to be a particularly challenging year for the Simberi mine. After a tragic fatal accident at the mine in May 2021, mining was suspended to allow for thorough and fulsome investigations. In the fourth quarter of FY21, a routine inspection of the

deep-sea tailings placement (DSTP) pipe identified pipe damage and placement of tailings was ceased. No environmental harm or plumbing was reported.

The temporary break in operations provided opportunity to complete maintenance, implement multiple processing plant upgrades and undertake work required to transition to the sulphide expansion project.

Production recommenced on 4 January 2022 with the completion of a new DSTP pipeline.

The feasibility study outlined an average LOM sulphide gold production of 160 koz per annum at an All-In Sustaining Cost of US\$896 per ounce. Submission of the Simberi Sulphide Project front end engineering and design study to the St Barbara Board is expected in April 2022.

First ore is expected approximately 2 years after environmental permitting and Mineral Resource Authority amendment approval is received, with initial capital expenditure of US\$170 million required.<sup>20</sup>

## 7.3 Mineral Resources and Ore Reserves

### (a) Ore Reserves

Project	Proved			Probable			Total		
	Tonnes ('000)	Gold (g/t)	Ounces ('000)	Tonnes ('000)	Gold (g/t)	Ounces ('000)	Tonnes ('000)	Gold (g/t)	Ounces ('000)
Gwalia, (WA)	1,543	7.3	361	11,318	4.8	1,761	12,862	5.1	2,121
Simberi Oxide, (PNG)	2,718	1.2	108	6,244	1.1	222	8,962	1.1	330
Simberi Sulphide, (PNG)	2,530	1.8	143	24,808	2.0	1,582	27,338	2.0	1,726
Simberi Stockpile, (PNG)	-	-	-	403	1.9	25	403	1.9	25
Atlantic Mining, (NS)	21,680	1.1	782	20,501	1.1	711	42,182	1.1	1,493
Atlantic Mining Stockpile, (NS)	6,040	0.5	90	-	-	-	6,040	0.5	90
<b>Total All Projects</b>	<b>34,511</b>	<b>1.3</b>	<b>1,484</b>	<b>63,275</b>	<b>2.1</b>	<b>4,301</b>	<b>97,788</b>	<b>1.8</b>	<b>5,784</b>

Table 1: St Barbara Ore Reserves

### (b) Mineral Resources

Project	Measured			Indicated			Inferred			Total		
	Tonnes ('000)	Grade (g/t)	Ounces ('000)	Tonnes ('000)	Grade (g/t)	Ounces ('000)	Tonnes ('000)	Grade (g/t)	Ounces ('000)	Tonnes ('000)	Grade (g/t)	Ounces ('000)
Gwalia Deeps, (WA)	3,776	5.8	704	18,946	5.7	3,492	2,485	6.8	540	25,206	5.8	4,736
Gwalia Open Pit, (WA)	2,221	2.3	164	6,218	2.9	600	-	-	-	8,439	2.8	764
Harbour	-	-	-	12,268	1.4	569	616	1.7	33	12,884	1.5	602

<sup>20</sup> For full details on the FS for the Simberi Sulphide Project refer to the St Barbara announcement released to the ASX on 27 April 2021.



Project	Measured			Indicated			Inferred			Total		
	Tonnes ('000)	Grade (g/t)	Ounces ('000)	Tonnes ('000)	Grade (g/t)	Ounces ('000)	Tonnes ('000)	Grade (g/t)	Ounces ('000)	Tonnes ('000)	Grade (g/t)	Ounces ('000)
Lights, (WA)												
Tower Hill, (WA)	-	-	-	20,682	1.8	1,177	-	-	-	20,682	1.8	1,177
Simberi Oxide, (PNG)	3,600	1.2	138	9,800	1.1	335	5,200	1.1	177	18,600	1.1	650
Simberi Sulphide, (PNG)	4,000	1.6	191	47,500	1.5	2,452	19,900	1.6	932	71,400	1.6	3,575
Atlantic Operations, (NS)	23,393	1.1	834	28,815	1.0	936	6,428	1.1	221	58,636	1.1	1,990
<b>Total All Projects</b>	<b>36,990</b>	<b>1.7</b>	<b>2,031</b>	<b>144,229</b>	<b>2.1</b>	<b>9,561</b>	<b>34,628</b>	<b>1.7</b>	<b>1,903</b>	<b>215,847</b>	<b>1.9</b>	<b>13,494</b>

Table 2: St Barbara Mineral Resources

Unless otherwise noted, information in this Scheme Booklet that relates to Mineral Resources or Ore Reserves is extracted from the report titled 'Ore Reserves and Mineral Resources Statements' released to the ASX on 18 February 2022 (**St Barbara's Annual Resource / Reserve Statement**).

St Barbara confirms it is not aware of any new information or data that materially affects the information included in St Barbara's Annual Resource / Reserve Statement and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

## 7.4 Directors of St Barbara

The St Barbara Directors as at the date of this Scheme Booklet are as follows:

### **Timothy (Tim) C Netscher (Non-Executive Chairman)**

*BSc (Eng.) (Chemical), BCom, MBA, FIChE, CEng, FAICD*

Mr Netscher is an experienced international mining executive with extensive operational, project development, transactional and sustainability experience gained in senior executive and board roles over many years. His key executive positions during a 25-year executive career have included Managing Director and CEO of Gindalbie Metals Ltd, Senior Vice President Asia Pacific Region of Newmont Inc., Managing Director of Vale Coal Australia, President of P T Inco and Executive Director of Refining & New Business at Impala Platinum Ltd.

Mr Netscher's experience covers a wide range of resources including platinum group metals, nickel, coal, iron ore, uranium and gold in Africa, Asia, USA and Australia.

Mr Netscher was appointed to the St Barbara Board on 17 February 2014 and was appointed as Non-Executive Chairman on 1 July 2015.

### **Craig A Jetson (Managing Director &)**

*Accredited Mechanical Engineer*

Mr Jetson is a highly experienced international career mining executive, having most recently served as Executive General Manager of Cadia, Lihir

**Chief Executive Officer)**

and Global Technical Services at Newcrest Mining Limited. Previously, he was the General Manager of Lihir and prior to that held long-term senior operating roles in Australia, USA, Canada and Europe. His career began in Comalco (majority-owned and subsequently fully acquired by Rio Tinto) in operations, engineering and asset management which led him to senior management and leadership roles with Nyrstar and Zinifex in their zinc smelting businesses.

Mr Jetson has experience in successfully leading challenging businesses in complex operating environments, together with deep technical knowledge. He was awarded the 2019 Victorian Women in Resources Gender Diversity Champion.

Mr Jetson was appointed as Managing Director and Chief Executive Officer on 3 February 2020.

**Steven G Dean (Non-Executive Director)**

*FCA, AusIMM, CIMMP*

Following the successful completion of the acquisition of Atlantic Gold Corporation on 19 July 2019, Steven Dean, former Chairman, Chief Executive Officer and founder of Atlantic Gold Corporation, was appointed to the Board of St Barbara Limited as a Non-Executive Director effective 23 July 2019.

Mr Dean has extensive experience internationally in mining, including as President of Teck Cominco Limited (now Teck Resources Ltd).

Prior to joining Teck, Mr Dean was a founding member of management of the Normandy Poseidon Group, (which became Normandy Mining) which was the largest Australian gold producer and a significant producer of base metals and industrial minerals until its acquisition by Newmont Mining, as well as co-founder of PacMin Mining Corporation which became a subsidiary of Teck Corporation in 1999. Mr Dean was also a co-founder and former chairman of Amerigo Resources Ltd, and is the former Chairman and a director of Sierra Metals Inc., and Chairman of Oceanic Iron Ore Corp.

In 2019, Mr. Dean founded Artemis Gold Inc and is Chairman and CEO of that company, which today is the 100% owner of the Blackwater Gold Project in central British Columbia, Canada.

Mr Dean is a recipient of the Viola R MacMillan Award from the Prospectors and Developers Association of Canada (PDAC) for individuals demonstrating leadership in management and financing for the exploration and development of mineral resources.

Mr Dean was appointed to the St Barbara Board on 23 July 2019.

**Kerry J Gleeson (Non-Executive Director)**

LLB (Hons), FAICD

Ms Gleeson is an experienced Non-Executive Director following a 30-year career as a senior executive and as a lawyer in both the UK and Australia. She has significant experience in international governance, strategic mergers and acquisitions and complex corporate finance transactions, as well as in risk and crisis management.

Ms Gleeson was a member of the Group Executive at Incitec Pivot Limited for 10 years until 2013, including as Company Secretary and General Counsel, with involvement across its international operations in explosives and chemicals, mining, transport and logistics. Ms Gleeson led Incitec Pivot's Corporate Affairs function across government, media and regulatory affairs as well as leading international crises responses and major environmental remediation projects, and the Group's Culture & Values and Diversity programs.

Earlier in her career, Ms Gleeson practised as a corporate lawyer, with Blake Dawson Waldron (now Ashurst) in Melbourne after a 10-year legal career in the UK, including as a corporate finance and transactional partner

in an English law firm, focusing on mergers and acquisitions and initial public offerings.

Ms Gleeson was appointed to the St Barbara Board on 18 May 2015.

**Stefanie (Stef) E Loader  
(Non-Executive Director)**

BSc Hons (Geology), GAICD

Ms Loader is a company director, geologist and former mining executive with experience in mining operations, mineral exploration and project development. In her extensive executive career, Ms Loader has worked in seven countries across four continents.

Ms Loader's experience covers a wide range of commodities and regions including copper and gold in Australia, Laos, Chile and Peru, and diamonds in Canada and India. Ms Loader held the role of Managing Director of Northparkes copper and gold mine for CMOC International and Rio Tinto from 2012 to 2017 and was Chair of the NSW Minerals Council from 2015 to 2017. Ms Loader has also served in the office of the CEO for Rio Tinto supporting the Executive Committee and as Exploration Executive.

Ms Loader advises organisations, as a director and consultant, in the areas of leadership, strategy and regional economic development and was recognised as one of the Australian Financial Review 100 Women of Influence in 2013.

Ms Loader was appointed to the St Barbara Board on 1 November 2018.

**David E J Moroney  
(Non-Executive Director)**

BCom, FCA, FCPA, GAICD

Mr Moroney is an experienced finance executive with more than 30 years' experience in senior corporate finance roles, including 20 years in the mining industry, and extensive international work experience with strong skills in finance, strategic planning, governance, risk management and leadership. Mr Moroney's executive positions included CFO of Co-operative Bulk Handling, CFO of First Quantum Minerals Ltd, General Manager Group Business Services at Wesfarmers Ltd, CFO of Wesfarmers CSBP Ltd, Deputy CFO/Executive GM Accounting of Normandy Mining Ltd and CFO at Aurora Gold Ltd.

Mr Moroney's experience covers a wide range of resources including diamonds, copper, cobalt, nickel, silver and gold in Africa, Asia, Scandinavia and Australia.

Mr Moroney was appointed to the St Barbara Board on 16 March 2015.

## 7.5 St Barbara Historical Financial Information

### (a) Overview

This Section 7.5 contains the following historical financial information of St Barbara:

- historical statements of financial position as at 30 June 2021, 30 June 2020 and 30 June 2019 (**St Barbara Historical Statements of Financial Position**);
- historical income statements for the years ended 30 June 2021, 30 June 2020 and 30 June 2019 (**St Barbara Historical Income Statements**); and
- historical statements of cash flows for the years ended 30 June 2021, 30 June 2020 and 30 June 2019 (**St Barbara Historical Statements of Cash Flows**),

(together, the **St Barbara Historical Financial Information**).

The St Barbara Historical Financial Information relates to St Barbara on a standalone basis and, accordingly, does not reflect any impact of the Scheme.

All amounts disclosed in this Section 7.5 are presented in Australian dollars and, unless otherwise noted, are rounded to the nearest thousand dollars. Any discrepancies between totals and sums of components in tables and figures contained in this Section 7.5 are due to rounding.

**(b) Basis of preparation of the St Barbara Historical Financial Information**

The St Barbara Historical Financial Information has been prepared in accordance with the recognition and measurement principles of the Australian Accounting Standards (including Australian Accounting Interpretations) adopted by the AASB and the Corporations Act.

The St Barbara Historical Financial Information is intended to provide an overview of St Barbara's historical financial performance, position and cash flows, and is not intended to provide the level of detail or understanding which is available from a review of St Barbara's published financial reports (which include the full financial accounts and the notes to those accounts) which are available on ASX or St Barbara's website. Copies of St Barbara's published financial reports will also be provided by St Barbara, free of charge, to any Bardoc Shareholder who requests it before the Scheme Meeting.

The St Barbara Historical Financial Information does not represent complete financial statements and should therefore be read in conjunction with the financial statements for the respective periods, including the description of accounting policies contained in those financial statements and the notes to those financial statements. Where appropriate, adjustments have been made to headings and classifications of historical data to provide a consistent basis of presentation.

During the period between 30 June 2021 and the date of this Scheme Booklet, other than disclosed in this Scheme Booklet, no other events or transactions of a material or unusual nature have arisen that, in the opinion of the St Barbara Directors, would significantly impact the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in future financial years.

In accordance with its normal processes, St Barbara currently expects to release its half-year financial results for the period ending 31 December 2021 to ASX on or about 23 February 2022.

**(c) St Barbara Historical Statements of Financial Position**

Set out below are the St Barbara Historical Statements of Financial Position as at 30 June 2021, 30 June 2020 and 30 June 2019:

	<b>2021</b>	<b>2020</b>	<b>2019</b>
	<b>\$'000's</b>	<b>\$'000's</b>	<b>\$'000's</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	133,370	405,541	880,199
Deposits held to maturity	-	-	10,000
Financial assets	-	5,999	-
Trade and other receivables	40,301	11,225	13,036

Inventories	86,628	87,401	66,620
Deferred mining costs	2,987	2,039	1,614
<b>Total current assets</b>	<b>263,286</b>	<b>512,205</b>	<b>971,469</b>
<b>Non-current assets</b>			
Inventories	40,077	33,335	-
Property, plant and equipment	344,314	324,279	101,734
Financial assets	42,163	42,906	40,495
Trade and other receivables	4,250	-	-
Deferred mining costs	3,173	4,386	5,655
Mine properties	206,189	172,165	226,330
Exploration and evaluation	153,943	149,949	40,858
Mineral rights	569,230	922,118	1,872
Deferred tax assets	9,136	13,670	21,320
<b>Total non-current assets</b>	<b>1,372,475</b>	<b>1,662,808</b>	<b>438,264</b>
<b>Total assets</b>	<b>1,635,761</b>	<b>2,175,013</b>	<b>1,409,733</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	69,583	66,970	56,549
Interest bearing liabilities	93,543	12,199	-
Rehabilitation provision	8,160	354	244
Other provisions	13,931	19,922	16,528
Derivative financial liabilities	8,750	5,760	-
Current tax liability	14,538	10,893	23,171
<b>Total current liabilities</b>	<b>208,505</b>	<b>116,098</b>	<b>96,492</b>
<b>Non-current liabilities</b>			
Interest bearing liabilities	15,709	319,567	-
Rehabilitation provision	61,701	53,162	30,846
Deferred tax liabilities	228,555	303,584	23,391
Derivative financial liabilities	5,338	31,688	-
Other provisions	2,286	1,937	1,981
<b>Total non-current liabilities</b>	<b>313,589</b>	<b>709,938</b>	<b>56,218</b>

<b>Total liabilities</b>	<b>522,094</b>	<b>826,036</b>	<b>152,710</b>
<b>Net assets</b>	<b>1,113,667</b>	<b>1,348,977</b>	<b>1,257,023</b>
<b>Equity</b>			
Contributed equity	1,434,573	1,422,290	1,402,675
Reserves	(50,137)	(35,091)	(33,593)
Accumulated losses	(270,769)	(38,222)	(112,059)
<b>Total equity</b>	<b>1,113,667</b>	<b>1,348,977</b>	<b>1,257,023</b>

(d) **St Barbara Historical Income Statements**

Set out below are the St Barbara Historical Income Statements for the years ended 30 June 2021, 30 June 2020 and 30 June 2019:

	<b>2021</b>	<b>2020</b>	<b>2019</b>
	<b>\$'000's</b>	<b>\$'000's</b>	<b>\$'000's</b>
<b>Operations</b>			
Revenue	740,247	827,726	650,321
Mine operating costs	(371,837)	(384,820)	(299,075)
<b>Gross profit</b>	<b>368,410</b>	<b>442,906</b>	<b>351,246</b>
Interest revenue	1,103	2,306	10,073
Other income	1,113	56	115
Exploration expensed	(34,596)	(23,596)	(18,725)
Corporate costs	(26,621)	(27,156)	(21,859)
Royalties	(25,764)	(27,174)	(21,441)
Depreciation and amortisation	(187,870)	(165,366)	(79,643)
Expenses associated with acquisition	-	(7,538)	(3,865)
Share based payments	(1,765)	(2,472)	(3,099)
Other expenses	(22,695)	(4,735)	(3,855)
Impairment loss on assets	(349,296)	-	-
<b>Operating (loss)/profit</b>	<b>(277,981)</b>	<b>187,231</b>	<b>208,947</b>
Finance costs	(7,996)	(13,255)	(946)
Net foreign exchange gain/(loss)	5,316	(2,377)	(3,707)
Gold instrument fair value adjustments	22,897	(9,152)	-
<b>(Loss)/profit before income tax</b>	<b>(257,764)</b>	<b>162,447</b>	<b>204,294</b>

	2021	2020	2019
	\$'000's	\$'000's	\$'000's
Income tax benefit/(expense)	81,168	(34,217)	(60,131)
<b>Net (loss)/profit after tax</b>	<b>(176,596)</b>	<b>128,230</b>	<b>144,163</b>
<b>(Loss)/profit attributable to equity holders of the Company</b>	<b>(176,596)</b>	<b>128,230</b>	<b>144,163</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss:			
Changes in fair value of financial assets	(11,976)	8,763	(1,171)
Income tax on other comprehensive (loss)/income	3,473	(2,482)	351
Items that may be reclassified to profit or loss:			
Foreign currency translation differences - foreign operations	(6,809)	(7,347)	6,787
<b>Other comprehensive loss net of tax</b>	<b>(15,312)</b>	<b>(1,066)</b>	<b>5,967</b>
<b>Total comprehensive income attributable to equity holders of the Company</b>	<b>(191,908)</b>	<b>127,164</b>	<b>150,130</b>
<b>Earnings per share</b>			
Basic earnings per share (cents per share)	(25.03)	18.33	26.99
Diluted earnings per share (cents per share)	(24.91)	18.24	26.84

(e) **St Barbara Historical Statements of Cash Flows**

Set out below are the St Barbara Historical Statements of Cash Flows for the years ended 30 June 2021, 30 June 2020 and 30 June 2019:

	2021	2020	2019
	\$'000's	\$'000's	\$'000's
<b>Cash Flows From Operating Activities:</b>			
Receipts from customers (inclusive of GST)	737,195	831,788	647,566
Payments to suppliers and employees (inclusive of GST)	(454,455)	(477,135)	(336,717)
Payments for exploration and evaluation	(26,596)	(23,596)	(18,725)
Interest received	1,103	2,306	10,073
Interest paid	(5,565)	(10,550)	-
Borrowing cost	(2,432)	(2,036)	-
Net income tax payments	(22,152)	(41,244)	(61,423)
<b>Net cash inflow from operating activities</b>	<b>227,098</b>	<b>279,533</b>	<b>240,774</b>

	<b>2021</b>	<b>2020</b>	<b>2019</b>
	<b>\$'000's</b>	<b>\$'000's</b>	<b>\$'000's</b>
<b>Cash Flows From Investing Activities:</b>			
Movement in deposits held to maturity	-	10,000	106,200
Proceeds from sale of property, plant and equipment	2	-	-
Payments for property, plant and equipment	(67,425)	(26,331)	(20,651)
Payments for development of mining properties	(58,414)	(85,881)	(97,333)
Payments for exploration and evaluation	(7,593)	(22,142)	(12,676)
Divestment/(investments) in shares	(3,717)	3,261	(3,794)
MRRl acquisition (2020: Atlantic Gold Corporation)	(62,176)	(779,857)	-
Cash acquired	58	4,065	-
<b>Net cash outflow from investing activities</b>	<b>(199,265)</b>	<b>(896,885)</b>	<b>(28,254)</b>
<b>Cash Flows From Financing Activities:</b>			
Movement in restricted cash	-	2,400	(1,000)
Equity raised	-	-	490,331
Equity raising transaction cost	-	-	(10,773)
Dividend payments	(45,357)	(37,510)	(41,634)
Principal elements of lease payments	(12,704)	(13,899)	(39)
Repayment of lease facility	-	(10,635)	-
Loan to Linden Gold Alliance Pty Ltd	(15,750)	-	-
Syndicate facility (payments)/drawn	(219,973)	207,014	-
<b>Net cash (outflow)/inflow from financing activities</b>	<b>(293,784)</b>	<b>147,370</b>	<b>436,885</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(265,951)</b>	<b>(469,982)</b>	<b>649,405</b>
Cash and cash equivalents at the beginning of the year	405,541	880,199	226,443
Net movement in foreign exchange rates	(6,220)	(4,676)	4,351
<b>Cash and cash equivalents at the end of the year</b>	<b>133,370</b>	<b>405,541</b>	<b>880,199</b>



**(f) Material changes to the financial position of St Barbara since 30 June 2021**

The St Barbara FY21 Annual Report was released to ASX on 17 September 2021.

To the knowledge of the St Barbara Directors, the financial position of St Barbara has not materially changed since 30 June 2021, as reported in the annual financial report of St Barbara for that period, other than:

- (i) as disclosed in this Scheme Booklet or as otherwise disclosed to the ASX by St Barbara; and
- (ii) in accordance with generally known market conditions.

An electronic copy of the St Barbara FY21 Annual Report is available on the ASX's website [www.asx.com.au](http://www.asx.com.au) under ASX code 'SBM' or on St Barbara's website.

**(g) Management commentary on the St Barbara Historical Financial Information**

Commentary on St Barbara Historical Financial Information is outlined below.

More information is available from St Barbara's annual financial statements for the years ended 30 June 2019, 30 June 2020 and 30 June 2021.

**Commentary on St Barbara Historical Financial Information for the financial year ended 30 June 2019**

The key results for the year were:

- (i) Statutory net profit after tax of \$144,163,000 (2018: \$226,998,000);
- (ii) Production at Gwalia and Simberi totalling 362,346 ounces (2018: 403,089 ounces), with lower production from Gwalia compared to the prior year partially offset by record production from Simberi;
- (iii) Cash flows from operations of \$213,209,000 (2018: \$300,553,000), which reflected an increase in sustaining capital expenditure in 2019 at Gwalia and Simberi, and was after growth capital of \$75,439,000 (2018: \$37,129,000); and
- (iv) Total 2019 dividends of \$62,612,000 (2018: \$51,414,000).

Underlying net profit after tax, representing net profit excluding significant items, was \$141,728,000 for the year (2018: \$201,892,000). Net significant items in the 2019 financial year included the benefit from an increase in deferred tax assets associated with the Simberi Operations, and costs associated with the acquisition of Atlantic Gold Corporation (Atlantic Gold).

Cash on hand and deposits held to maturity within 12 months at 30 June 2019 was \$890,199,000 (2018: \$342,643,000). The significant increase in cash during the year was attributable to net proceeds from new shares issued to fund the acquisition of Atlantic Gold of \$479,558,000. Net cash generated during the year, excluding the net

proceeds from the equity issue and movements in deposits held to maturity, was \$63,647,000 (2018: \$176,048,000).

Total interest-bearing borrowings at 30 June 2019 were \$Nil (2018: \$39,000).

### **Commentary on St Barbara Historical Financial Information for the financial year ended 30 June 2020**

The key results for the year were:

- (i) Statutory net profit after tax of \$128,230,000 (2019: \$144,163,000);
- (ii) Successful acquisition on 19 July 2019 and integration of Atlantic Gold Corporation. Atlantic Gold contributed a segment profit before tax of \$84,304,000 for the year from acquisition date;
- (iii) Production for the Group totalled 381,887 ounces (2019: 362,346 ounces), with lower production from Gwalia and Simberi compared to the prior year offset by the Atlantic Gold contribution of 106,663 ounces for the year (including 4,362 ounces produced prior to acquisition);
- (iv) Cash contribution from operations of \$273,190,000 (2019: \$213,209,000) after sustaining and growth capital totalling \$133,025,000 (2019: \$129,036,000); and
- (v) Total dividends paid in the year of \$37,510,000 (2019: \$41,634,000).

Underlying net profit after tax, representing net profit excluding significant items, was \$108,472,000 for the year (2019: \$141,728,000). Net significant items in the 2020 financial year included costs associated with the acquisition of Atlantic Gold Corporation (Atlantic Gold), mark-to-market movements in gold derivatives and the benefit of a reduction in tax rate in Nova Scotia, Canada. The result for the year reflects a material increase in depreciation and amortisation associated with Atlantic Gold.

Cash on hand and deposits held to maturity within 12 months at 30 June 2020 were \$405,541,000 (2019: \$890,199,000). The significant reduction in cash in the year was associated with the acquisition of Atlantic Gold. Total assets reported in the balance sheet as at 30 June 2020 reflected the fair value of Atlantic Gold assets acquired. Net cash generated during the year, excluding payment for the acquisition (net of cash acquired) and draw down of the syndicated facility was \$98,796,000 (2019: \$159,074,000).

Total interest bearing liabilities at 30 June 2020 were \$331,766,000 (2019: \$Nil), which included \$27,577,000 of leases associated with 'right-of-use' assets. In March 2020 the Company drew down \$200,000,000 from the Australian tranche of the syndicated facility in response to COVID-19.

### **Commentary on St Barbara Historical Financial Information for the financial year ended 30 June 2021**

The Group's underlying net profit after tax for the 2021 financial year was materially lower than the prior year due to reduced production from Leonora and Simberi Operations, lower gold sales from Atlantic Gold and higher depreciation and amortisation associated with Atlantic Gold. The key results for the year were:

- (i) Statutory net loss after tax of \$176,596,000 (2020: profit of \$128,230,000) after recognising an after tax impairment write off in relation to the Atlantic Gold cash-generating unit of \$248,000,000, and the write off of capitalised

exploration associated with Atlantic Gold tenements totalling \$5,680,000 after tax;

- (ii) Acquisition on 4 September 2020 of Moose River Resources Incorporated (MRRI) to consolidate 100 percent ownership of the Touquoy Mine and surrounding tenements;
- (iii) Production for the Group totalled 327,662 ounces (2020: 381,887 ounces);
- (iv) EBITDA loss of \$63,001,000 (2020: \$338,762,000 profit) reflecting the significant impact of the impairment write off and lower result across all three operations, particularly in the second half of the financial year at Simberi and Atlantic Gold;
- (v) Cash contribution from operations of \$208,094,000 (2020: \$273,190,000) after sustaining and growth capital totalling \$139,683,000 (2020: \$133,025,000); and
- (vi) Total dividends paid in the year of \$56,356,000 (2020: \$55,815,000).

Underlying net profit after tax, representing net profit excluding significant items, was \$80,628,000 for the year (2020: \$108,472,000). Net significant items in the 2021 financial year included the impairment and exploration write offs at Atlantic Gold, costs associated with the Building Brilliance transformation program and unrealised fair value gain related to gold call options. Net significant items totalling \$257,224,000 resulted in the statutory net loss after tax of \$176,596,000 (2020: items totalling a net \$19,758,000 were deducted from statutory net profit after tax).

Cash on hand was \$133,370,000 at 30 June 2021 (2020: \$405,541,000). The significant reduction in cash in the year was associated with the acquisition of MRRI and repayment of the \$200 million Australian tranche of the syndicated facility.

Total interest-bearing liabilities at 30 June 2021 were \$109,252,000 (2020: \$331,766,000), which included \$25,036,000 of leases associated with 'right-of-use' assets (2020: \$27,577,000).

## 7.6 St Barbara's corporate structure

St Barbara has the following Subsidiaries, which upon the Scheme being implemented will remain Subsidiaries of St Barbara. All Subsidiaries are wholly owned by St Barbara.

Subsidiary	Country of Incorporation
Allied Gold Pty Ltd	Australia
Nord Pacific Limited	Canada
Nord Australex Nominees (PNG) Ltd	PNG
Simberi Gold Company Limited	PNG
Atlantic Mining NS Inc.	Canada
Moose River Resources Incorporated	Canada
4318146 Nova Scotia Limited	Canada
13611647 Canada Limited	Canada

## 7.7 St Barbara's issued securities

As at the Last Practicable Date, St Barbara had the following securities on issue:

Type of security	Number on issue
St Barbara Shares	709,527,049
St Barbara Rights	5,895,560

## 7.8 St Barbara's substantial shareholders

Based on information lodged with ASX or known to St Barbara, St Barbara had the following substantial shareholders as at the date of this Scheme Booklet:

St Barbara Shareholder	Number of St Barbara Shares Held	Percentage of Issued St Barbara Shares
L1 Capital Pty Ltd	73,444,546	10.4%
Van Eck Associates Corporation	70,162,976	9.9%
IPConcept	36,135,000	5.1%

## 7.9 St Barbara employee incentive plans

### (a) St Barbara Performance Rights

St Barbara Performance Rights have been issued to St Barbara Executive Directors and employees under the terms of St Barbara's Performance Rights Plan approved by the St Barbara Board on 22 September 2015 (**St Barbara PRP**).

The St Barbara PRP was established in order to:

- (i) ensure that Senior Executives have shared common goals related to producing relatively high returns for St Barbara Shareholders;
- (ii) assist Senior Executives to become St Barbara Shareholders;
- (iii) provide a component of remuneration to enable St Barbara to compete effectively for the calibre of talent required for it to be successful; and
- (iv) help retain employees, thereby minimising turnover and stabilising the workforce.

St Barbara Performance Rights granted under the St Barbara PRP can vest and convert to St Barbara Shares based on performance and/or service criteria specified by St Barbara when making an offer of such rights to eligible participants.

These criteria are generally summarised in previous ASX announcements or shareholder meeting documents.

Vesting of the St Barbara Performance Rights is subject to satisfaction of performance or service conditions and otherwise subject to the rules of the St Barbara PRP.

The St Barbara Performance Rights were issued at nil consideration and each St Barbara Performance Right will convert to one St Barbara Share upon satisfaction of

the applicable vesting criteria, subject to Board confirmation. Rights that do not vest will lapse.

Further St Barbara Performance Rights may be issued pursuant to the St Barbara PRP or another employee incentive plan from time to time.

A full summary of the St Barbara PRP is available in the St Barbara FY21 Annual Report and as summarised in the explanatory notes of the 2021 Notice of Annual General Meeting released by St Barbara on 17 September 2021.

**(b) St Barbara NED Rights**

St Barbara NED Rights have been issued to non-executive directors of St Barbara (**St Barbara NEDs**) under the terms of St Barbara's NED Equity Plan (**St Barbara NEP**) approved by the St Barbara Board on 24 July 2020.

The St Barbara NEP was established in order to facilitate the acquisition of St Barbara Shares by St Barbara NEDs. The St Barbara NEP operates as a rights-style scheme with no performance measure.

The St Barbara NEP operates as a fee substitution plan that enables a St Barbara NED to nominate up to 100% of their total pre-tax director's fee (exclusive of any superannuation contributions payable or that would be payable but for the St Barbara NED's participation in the St Barbara NEP) in a financial year to acquire St Barbara NED Rights. The St Barbara NEP operates on a financial year basis, with the number of St Barbara NED Rights to be acquired by a St Barbara NED calculated based on the fee substitution amount nominated by the St Barbara NED divided by the volume-weighted average price of St Barbara Shares traded on the ASX for the period between 1 July to 30 April (inclusive) of such financial year.

St Barbara NED Rights issued in respect of a financial year under the St Barbara NEP can only be exercised after the later of:

- (i) the expiry of 90 days from the date of the grant of the St Barbara NED Rights;
- (ii) the last business day in August of that financial year; and
- (iii) the business day following the end of blackout period associated with the public release of St Barbara's preliminary or final full year results in August of that financial year.

St Barbara Shares acquired by a St Barbara NED on exercise of the St Barbara NED Rights are acquired on market by an externally administered independent share trust.

As the date of this Scheme Booklet, St Barbara has the following St Barbara Rights on issue:

Date of Issue	Number of St Barbara Performance Rights	Number of St Barbara NED Rights	Vesting Date
27 November 2019	1,105,088	-	30 June 2022
27 November 2020	1,266,745	-	30 June 2023
29 November 2021	3,499,564	-	30 June 2024
24 May 2021	-	24,163	24 May 2021

Date of Issue	Number of St Barbara Performance Rights	Number of St Barbara NED Rights	Vesting Date
<b>Total</b>	<b>5,871,397</b>	<b>24,163</b>	

### 7.10 Interests of St Barbara Directors

As at the date of this Scheme Booklet, the St Barbara Directors have Relevant Interests in the following St Barbara securities:

St Barbara Director	St Barbara Shares (% of all shares)	St Barbara Performance Rights	St Barbara NED Rights
S Dean	-	-	-
K Gleeson	28,785 (0.0041%)	-	5,576
S Loader	30,414 (0.0043%)	-	18,587
D Moroney	105,438 (0.0149%)	-	-
T Netscher	107,616 (0.0152%)	-	-
C Jetson	200,000 (0.0282%)	769,212	-
<b>Total</b>	<b>472,253 (0.0667%)</b>	<b>769,212</b>	<b>24,163</b>

As at the date of this Scheme Booklet, no St Barbara Director has a Relevant Interest in any Bardoc Securities.

### 7.11 St Barbara's interest in Bardoc Shares

Other than a Relevant Interest in the Bardoc Loan Shares (refer to Section 5.11) and the associated voting power, as at the date of this Scheme Booklet:

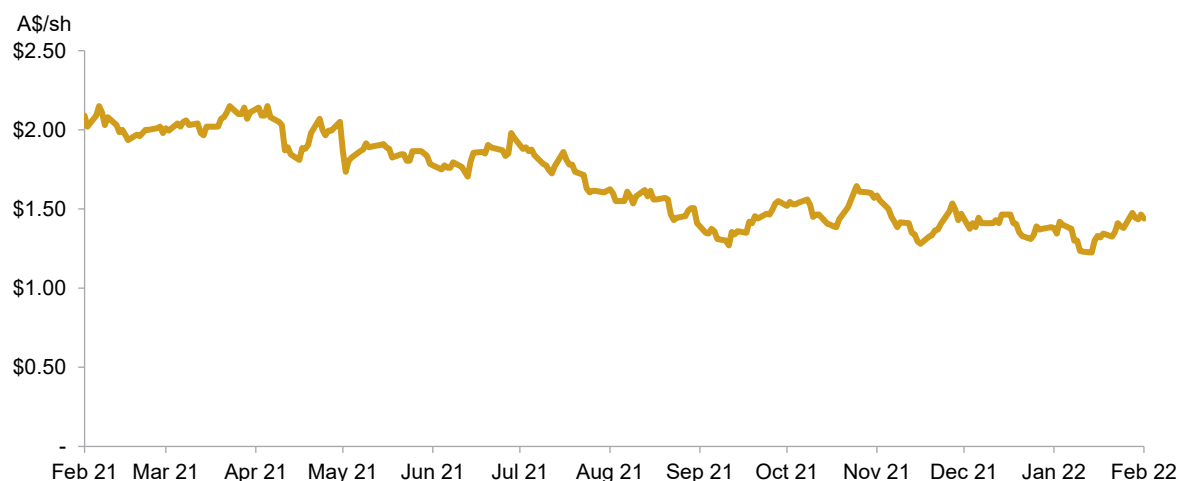
- (a) neither St Barbara nor any of its Associates have a Relevant Interest in any Bardoc Securities; and
- (b) the voting power (as defined in the Corporations Act) of St Barbara in Bardoc is nil.

Except as disclosed in the Scheme Booklet (including in Section 5.11 in relation to Bardoc Loan Shares), during the four months before the date of this Scheme Booklet neither St Barbara nor any Associate of St Barbara has:

- (a) provided, or agreed to provide, consideration for any Bardoc Shares; or
- (b) given or offered to give or agreed to give a benefit to another person where the benefit was likely to induce the other person, or an Associate, to vote in favour of the Scheme or dispose of Bardoc Shares which benefit is not offered to all Bardoc Scheme Shareholders under the Scheme.

### 7.12 St Barbara Share trading history

The chart below shows the closing price of St Barbara Shares on ASX over the 12-month period up to (and including) the Last Practicable Date:



The closing price for St Barbara Shares on ASX as at the close of trading on 17 December 2021 (being the last trading day prior to the Announcement Date) was \$1.47.

The closing price of St Barbara Shares on ASX as at the close of trading on the Last Practicable Date was \$1.44.

During the three-month period up to and including the Last Practicable Date, the highest and lowest recorded daily closing prices for St Barbara Shares on ASX were, respectively, \$1.56 on 19 November 2021 and \$1.23 on 31 January 2022.

Set out below is the volume weighted average price (**VWAP**) of St Barbara Shares for various periods up to and including the Last Practicable Date:

	10 Days	20 days	30 days	90 days
<b>VWAP</b>	\$1.43	\$1.35	\$1.36	\$1.42

The St Barbara Share prices given above should not be taken as necessarily being an indication of the likely St Barbara Share price following implementation of the Scheme.

The current price of St Barbara Shares on ASX can be obtained from the ASX website ([www.asx.com.au](http://www.asx.com.au)).

### 7.13 Rights and liabilities attaching to St Barbara Shares

The rights and liabilities attaching to St Barbara Shares (and New St Barbara Shares that comprise the Scheme Consideration) are described in Section 14.5.

### 7.14 St Barbara's announcements and reports

As an ASX-listed 'disclosing entity', St Barbara is subject to the periodic and continuous disclosure and reporting requirements of the Corporations Act and ASX Listing Rules.

Specifically, as an ASX-listed company, St Barbara is subject to the ASX Listing Rules which require continuous disclosure of any information St Barbara has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities, subject to exceptions such as for certain confidential information or incomplete proposals.

St Barbara announcements are available on its website ([www.stbarbara.com.au](http://www.stbarbara.com.au)) as well as ASX's website ([www.asx.com.au](http://www.asx.com.au)). Further announcements concerning developments at St Barbara may be made and placed on these websites after the date of this Scheme Booklet.

In addition, St Barbara is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC in relation to St Barbara may be obtained from, or inspected at, an ASIC office.

St Barbara will provide a copy of each of the following documents, free of charge, to any person on request prior to the Scheme Meeting. Alternatively, these documents can be obtained from ASX's website ([www.asx.com.au](http://www.asx.com.au)) or from the St Barbara website ([www.stbarbara.com.au](http://www.stbarbara.com.au)):

- (a) the St Barbara FY21 Annual Report (being the annual financial report most recently lodged with ASIC by St Barbara before the Last Practicable Date); and
- (b) any continuous disclosure announcements made by St Barbara after the date of the lodgement of the annual financial report referred to above and before the lodgement of a copy of this Scheme Booklet with ASIC for registration.

There is no information which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules, and which is required to be set out in this Scheme Booklet.

The following table sets out a list of announcements made by St Barbara to ASX since 17 September 2021 (being the date of lodgement of the St Barbara FY21 Annual Report referred to in paragraph (a)).

<b>Date lodged</b>	<b>Description of document (ASX announcement header)</b>
18 February 2022	COVID-19 Outbreak at Simberi FY22 guidance withdrawn
18 February 2022	31 Dec 2021 Ore Reserves and Mineral Resources Statements
25 January 2022	Presentation on Q2 December FY22 quarter and audio webcast
25 January 2022	Quarterly Report Q2 FY22
14 January 2022	Change in substantial holding
12 January 2022	Notification of cessation of securities - SBM
4 January 2022	Simberi deep sea tailings placement pipe operational
24 December 2021	Becoming a substantial holder
20 December 2021	St Barbara to acquire Bardoc Gold via scheme of arrangement
20 December 2021	Acquisition of Bardoc Gold accelerates Leonora Province Plan
20 December 2021	Presentation on Accelerating the Leonora Province Plan
13 December 2021	Modern Slavery Statement 2021
6 December 2021	Change in substantial holding
29 November 2021	Change of Director's Interest Notice
29 November 2021	Notification regarding unquoted securities - SBM
22 November 2021	Ceasing to be a substantial holder
15 November 2021	Change in substantial holding for KIN
11 November 2021	Ceasing to be a substantial holder
1 November 2021	Ceasing to be a substantial holder
29 October 2021	Change in substantial holding
27 October 2021	Presentations to 2021 Annual General Meeting and webcast
27 October 2021	2021 Annual General Meeting Results
26 October 2021	Withdrawal of Resolution 5 at 2021 Annual General Meeting



<b>Date lodged</b>	<b>Description of document (ASX announcement header)</b>
25 October 2021	Presentation on Q1 September FY22 Quarter and audio webcast
25 October 2021	Quarterly Report Q1 FY22
11 October 2021	Notification of cessation of securities - SBM
7 October 2021	KIN: Kin Plans \$13M Rights Issue & Rejects NBIO from SBM
5 October 2021	Change in substantial holding
30 September 2021	Change of Director's Interest Notice
30 September 2021	Change of Director's Interest Notice
30 September 2021	Change of Director's Interest Notice
30 September 2021	Application for quotation of securities - SBM
23 September 2021	Application for quotation of securities - SBM
17 September 2021	2021 Notice of Annual General Meeting and Proxy Form
17 September 2021	2021 Sustainability Report
17 September 2021	2021 Appendix 4G and Corporate Governance Statement
17 September 2021	2021 Annual Report

### **7.15 Risk factors**

Risk factors relating to St Barbara and its business are discussed in Section 10.

### **7.16 Other material information**

Except as disclosed elsewhere in this Scheme Booklet, there is no other information material to the making of a decision in relation to the Scheme, being information that is within the knowledge of any St Barbara Directors, at the date of this Scheme Booklet which has not previously been disclosed to Bardoc Shareholders or to the ASX.

## 8. Profile of the Combined Group

### 8.1 Overview of the Combined Group

Upon implementation of the Scheme, St Barbara and Bardoc will come together with their complementary assets in the Leonora region of Western Australia to form a Combined Group with three main operating hubs, being the enhanced Leonora Operations in Western Australia, the Simberi Operations in Papua New Guinea and the Atlantic Operations in Canada.

The Combined Group will have the following key operations:

- **Expanded Leonora Operations**

Following implementation of the Scheme, St Barbara intends to integrate the Bardoc Gold Project located approximately 40 kilometres north of Kalgoorlie into its existing Leonora Operations. A summary of Bardoc's current Bardoc Gold Project is set out in Section 6.2 and a summary of St Barbara's current Leonora Operations is set out in Section 7.2(a).

The addition of the Bardoc Gold Project is expected to unlock substantial value through the processing of Bardoc Gold ore at the Leonora processing plant alongside high-grade ore from St Barbara's Gwalia underground mine.

- **Atlantic Operations**

St Barbara's operations and progression of its development projects at the Atlantic Operations will remain unchanged following implementation of the Scheme. A summary of St Barbara's Atlantic Operations is set out in Section 7.2(b).

- **Simberi Operations**

St Barbara's operations and progression of its development projects at the Simberi Operations will remain unchanged following implementation of the Scheme. A summary of St Barbara's Simberi Operations is set out in Section 7.2(c).

The implementation of the Scheme will not impact St Barbara's expectations of production for FY22. St Barbara's total gold Mineral Resources are expected to increase by approximately 23% to 16.6 million ounces of gold and total Ore Reserves to increase by approximately 17% to 6.8 million ounces of gold (in each case based on Bardoc's published estimates of its Mineral Resources and Ore Reserves).

### 8.2 Strategic rationale for the Scheme

The combination of the Bardoc Gold Project and St Barbara's Leonora Operations will give the Combined Group the opportunity to advance the development of the Bardoc Gold Project deposits more quickly, utilising existing infrastructure whilst providing increased flexibility and processing optionality.

Following implementation of the Scheme, St Barbara will obtain access to the advanced Aphrodite and Zoroastrian underground deposits lying immediately adjacent to the rail line which runs to the Leonora 1.4 Mtpa processing plant. This provides the Combined Group with increased flexibility, processing optionality and the opportunity to accelerate St Barbara's Leonora Province Plan including:

- (a) integration of the Zoroastrian underground project into the Leonora Province Plan as a source of near-term mill feed; and

- (b) the mining of the ore from the Aphrodite underground refractory deposit provides a high margin opportunity to accelerate the installation of refractory treatment capacity at the Leonora processing plant ahead of developing the Harbour Lights deposit

St Barbara aims to commence construction of the Zoroastrian underground mine in Q4 FY23. The mine is expected to produce free milling ore with St Barbara targeting first ore to be transported to the Leonora processing plant in the second half of FY24. Construction of the Aphrodite underground mine is expected to commence in Q1 FY24. It is anticipated that the refractory ore produced from the mine will be railed to the Leonora processing plant.

In combination with St Barbara's existing organic opportunities, including the Tower Hill and Harbour Lights deposits, St Barbara will be positioned to accelerate the delivery of a multi-decade province of satellite mines feeding an upgraded 2.1 Mtpa capacity mill capable of alternating between free milling and refractory ore at Leonora.

### **8.3 Intentions of St Barbara and the Combined Group**

Details of the intentions of St Barbara and the Combined Group are outlined in Section 9.1.

### **8.4 Capital structure**

On the assumption that:

- (a) the Scheme becomes Effective; and
- (b) no other Bardoc Shares (other than as a result of the vesting and exercise of Bardoc Performance Rights) or St Barbara Shares are issued,

St Barbara will have approximately 815,735,102 St Barbara Shares and 5,895,560 St Barbara Rights on issue upon implementation of the Scheme.

If the Scheme becomes Effective, subject to variation from rounding of fractional entitlements to Scheme Consideration, 106,208,053 New St Barbara Shares will be issued as Scheme Consideration. This assumes that:

- (a) all existing Bardoc Options will be cancelled pursuant to the Option Cancellation Deeds;
- (b) all existing Bardoc Performance Rights will convert into Bardoc Shares prior to the Record Date; and
- (c) all Bardoc Loan Shares will be acquired by St Barbara for \$0.0791 per Bardoc Loan Share on the terms of the Bardoc Loan Share Deeds.

On that basis, upon implementation of the Scheme, the Bardoc Scheme Shareholders will hold approximately 13% of the total number of St Barbara Shares that will be on issue following implementation of the Scheme and current St Barbara Shareholders will hold approximately 87% of the total number of St Barbara Shares that will be on issue following implementation of the Scheme.

Following implementation of the Scheme, St Barbara will continue to have the St Barbara Rights on issue. A detailed summary of the St Barbara Rights is provided in section 7.9.

### **8.5 Substantial shareholdings**

Based on the assumptions set out in Section 8.4 and on information lodged with ASX or known to St Barbara as at the date of this Scheme Booklet, St Barbara expects to have the following substantial shareholders upon implementation of the Scheme:

St Barbara Shareholder	Number of St Barbara Shares held	Percentage of issued St Barbara Shares
L1 Capital Pty Ltd	73,444,546	9.0%
Van Eck Associates Corporation	70,162,976	8.6%
IPConcept	36,135,000	4.4%

## 8.6 Rights attaching to New St Barbara Shares

The rights and liabilities attaching to New St Barbara Shares that form part of the Scheme Consideration are described in Section 14.5.

## 8.7 Combined Group Pro-Forma Historical Financial Information

### (a) Overview

The Combined Group pro forma historical financial information in this Section 8.7 comprises a pro forma consolidated unaudited statement of financial position as at 30 June 2021 which is based on:

- St Barbara's Financial Report for the twelve months ended 30 June 2021, which was audited by PricewaterhouseCoopers (**PwC**). PwC concluded that the FY21 financial report of St Barbara provided a true and fair view of St Barbara's financial position as at 30 June 2021; and
- Bardoc's Financial Report for the twelve months ended 30 June 2021, which was audited by Hall Chadwick. Hall Chadwick concluded that the FY21 financial report of Bardoc provided a true and fair view of Bardoc's financial position as at 30 June 2021.

### (b) Basis of preparation

The historical consolidated statements of financial position of St Barbara and Bardoc as at 30 June 2021 have been prepared in accordance with the recognition and measurement principles contained in Australian Accounting Standards.

The Combined Group pro forma historical financial information has been derived from the historical consolidated statements of financial position of St Barbara and Bardoc as at 30 June 2021 adjusted for the effects of certain events and transactions (**Pro Forma Adjustments**) as if those events and transactions had occurred at 30 June 2021. The Pro Forma Adjustments relate to the implementation of the Scheme.

The pro forma historical financial information is provided for illustrative purposes only and is prepared on the assumption that the above events occurred on 30 June 2021. Due to its nature, the pro forma historical financial information does not represent St Barbara's or the Combined Group's actual or prospective financial position.

The Combined Group pro forma historical financial information has been prepared in accordance with the recognition and measurement principles contained in Australian Accounting Standards, other than that it includes adjustments, which have been prepared in a manner consistent with Australian Accounting Standards, that reflect the impact of the Pro Forma Adjustments as if they occurred as at 30 June 2021.

The Combined Group pro forma historical financial information is presented in an abbreviated form and does not contain all of the presentation, comparative information and disclosures that are usually provided in an annual financial report prepared in accordance with the Corporations Act.

The Combined Group pro forma historical financial information presented in this Section 8.7 should be read in conjunction with the risk factors set out in Section 10 and other information contained in this Scheme Booklet.

Amounts in this Section 8.7 have been rounded to the nearest \$1,000. Any discrepancies between totals and sums of components in tables and figures contained in this Section 8.7 are due to rounding.

The Combined Group pro forma historical financial information should be read in conjunction with the accounting policies detailed in St Barbara's Annual Report for the year ended 30 June 2021. A preliminary assessment has not identified any material differences between the accounting policies adopted by St Barbara and the accounting policies adopted by Bardoc prior to the Scheme, except for the accounting policy for exploration and evaluation costs.

Specifically, exploration and evaluation costs incurred are capitalised by St Barbara when reserves are established, or where there is a reasonable expectation that reserves will be established. Capitalised costs are deferred until commercial production commences, at which time they are amortised on a unit of production basis. Bardoc does not capitalise exploration and evaluation costs, with any expenditure written off in the year it was incurred. This difference in accounting policy does not affect the pro forma historical financial information as the value of the exploration and evaluation assets of Bardoc will be recognised by the Combined Group as acquired mineral rights.

The historical financial information in relation to St Barbara and Bardoc has been prepared in accordance with Australian Accounting Standards in effect from 1 July 2020.

An electronic copy of St Barbara's Financial Report for the period ended 30 June 2021 can be found on St Barbara's website (<https://stbarbara.com.au/>) and copies will also be provided by St Barbara, free of charge, to any Bardoc Shareholder who requests it before the Scheme Meeting.

A copy of the Bardoc's Financial Report for the period ended 30 June 2021 can be found on Bardoc's website (<https://www.bardocgold.com/>), with both St Barbara's and Bardoc's respective reports also available on the ASX's website (<https://www.asx.com.au/>).

Under the Scheme, St Barbara will acquire all of the Bardoc Shares held by the Scheme Shareholders for the Scheme Consideration. For illustrative purposes, the Combined Group pro forma historical financial information is presented based on implementation of the Scheme:

(c) **Combined Group pro forma Consolidated Statement of Financial Position – 30 June 2021**

A\$'000	Historical St Barbara (audited)	Historical Bardoc (audited)	Notes	Pro forma adjustments	Combined Group pro forma historical
Current assets					
Cash and cash equivalents	133,370	12,889		-	146,259
Trade and other receivables	40,301	388		-	40,689

A\$'000	Historical St Barbara (audited)	Historical Bardoc (audited)	Notes	Pro forma adjustments	Combined Group pro forma historical
Inventories	86,628	-		-	86,628
Deferred mining costs	2,987	-		-	2,987
Other assets	-	219		-	219
Total current assets	263,286	13,496		-	276,782
Non-current assets					
Inventories	40,077	-		-	40,077
Property, plant and equipment	344,314	467		-	344,781
Financial assets	42,163	-		-	42,163
Trade and other receivables	4,250	-		-	4,250
Deferred mining costs	3,173	-		-	3,173
Mine properties	206,189	-		-	206,189
Exploration and evaluation	153,943	-		-	153,943
Mineral rights	569,230	-	A	162,675	731,905
Deferred tax assets	9,136	-		-	9,136
Total non-current assets	1,372,475	467		162,675	1,535,617
<b>Total assets</b>	<b>1,635,761</b>	<b>13,963</b>		<b>162,675</b>	<b>1,812,399</b>
Current liabilities					
Trade and other payables	69,583	1,128	B	12,000	82,711
Interest bearing liabilities	93,543	337		-	93,880
Rehabilitation provision	8,160	-		-	8,160
Other provisions	13,931	284		-	14,215
Derivative financial liabilities	8,750	-		-	8,750
Current tax liability	14,538	-		-	14,538
Total current liabilities	208,505	1,749		12,000	222,254
Non-current liabilities					
Interest bearing liabilities	15,709	1,058		-	16,767

A\$'000	Historical St Barbara (audited)	Historical Bardoc (audited)	Notes	Pro forma adjustments	Combined Group pro forma historical
Rehabilitation provision	61,701	5,695		-	67,396
Deferred tax liabilities	228,555	-		-	228,555
Derivative financial liabilities	5,338	-		-	5,338
Other provisions	2,286	10		-	2,296
Total non-current liabilities	313,589	6,763		-	320,352
<b>Total liabilities</b>	<b>522,094</b>	<b>8,512</b>		<b>12,000</b>	<b>542,606</b>
<b>Net assets</b>	<b>1,113,667</b>	<b>5,451</b>		<b>150,675</b>	<b>1,269,793</b>
Equity					
Contributed equity	1,434,573	153,328	A,C	2,798	1,590,699
Reserves	(50,137)	1,545	C	(1,545)	(50,137)
Accumulated losses	(270,769)	(149,422)	C	149,422	(270,769)
<b>Total equity</b>	<b>1,113,667</b>	<b>5,451</b>		<b>150,675</b>	<b>1,269,793</b>

(d) **Notes to Pro Forma Adjustments**

*Note A – Acquisition of Bardoc by St Barbara*

This adjustment reflects the acquisition of Bardoc by St Barbara in accordance with the Scheme Implementation Deed. For the purposes of preparing the Combined Group pro forma historical information, the transaction has been accounted for as an asset acquisition. For the purpose of the pro forma historical financial information, the transaction has been measured with reference to the estimated fair value of the Scheme Consideration.

The estimated fair value of the Scheme Consideration has been calculated as follows:

Bardoc Shares on issue	290,723,953
Outstanding Bardoc Performance Rights	5,574,992
Bardoc Loan Shares on issue (exchanged for Bardoc Loan Share Consideration)	(1,604,015)
Projected Bardoc Shares to be acquired under Scheme for Scheme Consideration	294,694,930
Exchange ratio	0.3604
Projected New St Barbara shares to be issued	106,208,053
St Barbara closing share price on 17 December 2021 (A\$ per share)	1.47
Value of Scheme Consideration	156,125,838

Transaction costs to be incurred by St Barbara in relation to stamp duty, advisory fees, legal fees, expert fees and other transaction related expenses are estimated to be approximately \$12.0 million. As the basis of the Combined Group pro forma historical financial information is an asset acquisition, these costs have been added to the estimated Scheme Consideration to determine the total cost of the acquisition.

Based on asset acquisition accounting, the total cost of the acquisition is allocated to the individual identifiable assets and liabilities on the basis of their relative fair value at the acquisition date.

The estimated total cost of the acquisition has been allocated to the net assets as follows:

Estimated stamp duty payable	7,850
Estimated other transaction costs	4,150
Estimated total cost of acquisition	168,126

Mineral rights <sup>2</sup>	162,675
Rehabilitation provision <sup>1</sup>	(5,695)
Other assets and liabilities <sup>1</sup>	(1,743)
Estimated total cost of acquisition	168,126

*Note 1:* For the purposes of preparing the Combined Group pro forma historical financial information, it is assumed that all assets and liabilities in the historical consolidated statement of financial position of Bardoc as at 30 June 2021 have a fair value equivalent to their carrying value.

*Note 2:* The uplift in the carrying value of Mineral Rights amounts to A\$162,675,000, being the difference between the cost allocated above and the carrying value of these assets at 30 June 2021.

***Note B – Accrual of estimated transaction costs to be incurred by St Barbara***

This adjustment recognises an accrual for St Barbara's estimated transaction costs of approximately \$12.0 million in relation to the Scheme. For further details on the estimated transaction costs to be incurred by St Barbara, see *Note A* above.

***Note C – Elimination of Bardoc's pre-acquisition contributed equity***

This adjustment eliminates Bardoc's pre-acquisition equity, reserves and accumulated losses at 30 June 2021.

**(e) Transactions not included in the Pro Forma Adjustments**

The pro forma historical financial information has not been adjusted to reflect the trading activities of either St Barbara or Bardoc since 30 June 2021, except for the Pro Forma Adjustments as set out above.

Several matters have occurred, and will continue to occur, since 30 June 2021 that would otherwise impact the Combined Group pro forma historical financial information. These matters include, but are not limited to, the financial impact of:

- (a) St Barbara's ordinary course operations including the operation of Leonora and Atlantic;



- (b) the re-establishment of the deep sea tailings placement pipeline at Simberi and return to production in January 2022;
- (c) St Barbara's investment in Kin Mining NL;
- (d) payment of dividends by St Barbara; and
- (e) the draw down of debt in the ordinary course.

Information relating to St Barbara's and Bardoc's activities since 30 June 2021 has been disclosed in quarterly reports lodged with the ASX.

It is intended that the South Woodie Woodie Project will be demerged from Bardoc through the Spin-Out Transaction, being a capital reduction by Bardoc to be satisfied by the in specie distribution of all of the shares in Edge Minerals Pty Ltd, a wholly-owned subsidiary of Bardoc which holds the South Woodie Woodie Project (refer to the 'Spin-Out Transaction and the South Woodie Woodie Project' section on page 2 for further information). It is not expected that any assets or liabilities of a material value will be transferred into Edge, and no material value is currently ascribed to the South Woodie Woodie Project in the financial statements of Bardoc. Accordingly, no adjustments have been made to the Combined Group pro forma historical financial information in connection with the Spin-Out Transaction.

The Spin-Out Transaction will be subject to Bardoc Shareholder approval at a separate general meeting of Bardoc Shareholders. The Scheme is not conditional on completion of the Spin-Out Transaction, which will occur (or not occur, as the case may be) independently of and prior to the Scheme becoming Effective, and the status of the Spin-Out Transaction will not influence the timing of the Scheme transaction.

## **8.8 Financial outlook of the Combined Group**

The St Barbara Board has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information in relation to the Combined Group. The St Barbara Board has concluded that such forecast financial information would have the potential to be misleading and a reasonable basis does not exist for producing forecasts that would be sufficiently meaningful and reliable to be of value to either St Barbara Shareholders or Bardoc Shareholders.

Bardoc Shareholders should refer to the Independent Expert Report for the Independent Expert's conclusions regarding valuations of Bardoc and St Barbara.

## **8.9 Risks associated with the Combined Group**

There are a number of risks associated with the Combined Group. These are summarised in Section 10.

**8.10 Combined Group's register of securityholders**

In accordance with Australian law, St Barbara's register of shareholders and optionholders will be maintained in Australia by its Australian registry, being:

Computershare Investor Services Pty Limited

GPO Box 2975

Melbourne Victoria 3001 Australia

T: 1300 850 505 (within Australia)

T: +61 3 9415 4000 (international)

F: +61 3 9473 2500

[www.investorcentre.com/au](http://www.investorcentre.com/au)

## **9. Intentions of St Barbara and the Combined Group**

### **9.1 Overview**

This Section 9 sets out the intentions of St Barbara in relation to the Combined Group, assuming the Scheme is implemented. The statements set out in this Section 9 are formed on the basis of publicly available information as at the date of the Scheme Booklet. The statements set out in this Section 9 are statements of current intention only, which may change as new information becomes available, as circumstances change or as the Combined Group further develops its strategic focus and outlook.

#### **(a) Integration of Bardoc**

If the Scheme is implemented, subject to the matters set out below, it is intended that the Bardoc Gold Project will be combined with St Barbara's existing Leonora Operations.

##### **(i) Leonora Processing Plant expansion**

Current Pre-Feasibility Study (PFS) work has identified cost effective opportunities to expand the Leonora processing plant capacity from 1.4 Mtpa to 2.1 Mtpa<sup>21</sup>. St Barbara will progress the expansion of the Leonora processing plant to 2.1 Mtpa at an estimated cost of ~\$30 million. Aphrodite and Harbour Lights are refractory ore bodies and St Barbara intends to install the necessary plant modifications to process this material at an estimated capital cost of \$110 to 120 million<sup>22</sup>. The installation of refractory ore treatment capability was already being planned for processing of the Harbour Lights refractory orebody. The ability to process refractory ore will be unique to the Leonora processing plant, within a 200 kilometres radius, providing new opportunities for acquisition and discovery.

The comminution circuit modifications include upgrading the conveyor drives in the crushing circuit, the addition of a new ball mill in the grinding circuit and the addition of intertank screens through an expanded carbon-in-leach (CIL) circuit, including an extra leach tank. With the installation of Glencore Technology's Albion Process™ technology, the expanded plant is expected to be able to efficiently treat refractory ore. Metallurgical test work has already been conducted on Bardoc's Aphrodite deposit and has been determined to be amenable to this processing option.

##### **(ii) Aphrodite and Zoroastrian deposits**

As part of its due diligence enquiries St Barbara reviewed the Feasibility Studies that Bardoc had completed on the construction of the Zoroastrian and Aphrodite underground mines. These studies will form the basis for St Barbara's PFS for each mine with the key differences relating to material being transported 180 kilometres by rail to the Leonora processing plant for production of gold doré (instead of a concentrate product produced on site, as proposed by Bardoc for the Aphrodite refractory ore).

St Barbara aims to commence construction of the Zoroastrian underground mine in Q4 FY23 at an estimated capital cost of \$15 million<sup>23</sup>. The estimate assumes portal access via the existing Zoroastrian pit, with longhole open stoping as the mining method. The mine is expected to produce free milling

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<sup>21</sup> Subject to the outcome of the PFS and final studies

<sup>22</sup> Subject to the outcome of the PFS and final studies

<sup>23</sup> Preliminary estimate only, to be the subject of detailed analysis as part of the proposed Leonora Province Plan Pre-Feasibility Study

ore with St Barbara targeting first ore to be transported to the Leonora processing plant in the second half of FY24.

St Barbara aims to commence construction of the Aphrodite underground mine in Q1 FY24 at an estimated capital cost of \$30 million<sup>24</sup>. The estimate assumes construction of a boxcut portal and the utilisation of a top-down mining method with conventional sub-level longhole open stope techniques. It is anticipated that the refractory ore produced from the mine will be railed to the Leonora processing plant.

At this stage, St Barbara is envisaging contract mining operations for the Aphrodite and Zoroastrian mines, with the majority of personnel being based in Kalgoorlie (located 40 kilometres from the mine sites) and working on a daily drive in and out roster. No camp infrastructure is being planned for the mines.

(iii) **Rail haulage**

In November 2021, St Barbara submitted a Mining Proposal for construction of a dedicated rail siding adjacent to the Leonora processing plant intended to be built in calendar 2022. The intention is to utilise rail transportation once rail siding and loading/offloading infrastructure is complete. Both the Zoroastrian and Aphrodite underground deposits and the Leonora processing plant are immediately adjacent to the Kalgoorlie-to-Leonora railway facilitating low-cost development of the necessary rail and highway.

(iv) **Tower Hill and Harbour Lights**

Mineral Resource infill and geotechnical drilling commenced at Tower Hill in October 2021 and is expected to commence at Harbour Lights in Q3 FY22. In addition, a diamond drilling program at Tower Hill is due to commence in Q3 FY22 testing targets at depth.

(v) **Other deposits**

The Aphrodite and Zoroastrian underground projects will be the priority for development by St Barbara while St Barbara examines opportunities across the broader Bardoc Gold Project comprising:

- A. Aphrodite Open-Pit Project
- B. Zoroastrian Open-Pit Project
- C. Excelsior Open-Pit Project
- D. Bulletin South Project
- E. Mayday North Open-Pit Project
- F. Mulwarrie Project
- G. North Kanowna Star Project
- H. Other smaller deposits such as Talbot North, Duke North, Lochinvar and Eldorado.

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<sup>24</sup> Preliminary estimate only, to be the subject of detailed analysis as part of the proposed Leonora Province Plan Pre-Feasibility Study

**(vi) Timing**

Subject to implementation of the Scheme, St Barbara is targeting the following timeline for the advancement of the Combined Group's Leonora Operations, including the development of the Aphrodite and Zoroastrian deposits:

Target Date	Event
Q4 FY22	Pre-Feasibility Study for Leonora mill expansion to 2.1 Mtpa & Refractory ore processing complete
Q2 FY23	Feasibility Study for Leonora mill expansion to 2.1 Mtpa & Refractory ore processing complete
Q3 FY23	Mobilisation of mining contractor for Aphrodite and Zoroastrian underground mines
Q3 FY23	Construction of Leonora expansion to 2.1 Mtpa & Refractory ore processing commences
Q4 FY23	Construction of Zoroastrian underground mine commences
Q1 FY24	Construction of Aphrodite underground mine commences
H2 FY24	Zoroastrian underground mine first ore
Q4 FY24	Leonora mill expansion to 2.1 Mtpa complete
H1 FY25	Aphrodite underground mine & Leonora mill refractory ore processing commences

The operations of the Combined Group and the advancement of the Combined Group's Leonora Operations are subject to various risks that are summarised in Section 10 of this Scheme Booklet, some of which are beyond the control of the Combined Group. As a result, the timeline for the development of the Combined Group's Leonora Operations may differ significantly from the target timetable above.

**(b) Simberi Operations and Atlantic Operations**

St Barbara's key decisions regarding the progression of other growth initiatives such as the Simberi Sulphide Project in Papua New Guinea and the Atlantic Expansion Projects in Canada will be unaffected by the Scheme.

Submission of the Simberi Sulphide Project front end engineering and design study to the St Barbara Board is expected in April 2022.

At the Atlantic Operations, St Barbara intends to progress several growth projects which are expected to grow future gold production. These include the Beaver Dam, Fifteen Mile Stream and Cochrane Hill projects. Subject to permitting, construction of Beaver Dam is expected to commence in FY2024.

**(c) Demerger of South Woodie Woodie Project**

Prior to implementation of the Scheme, Bardoc Gold intends to demerge the South Woodie Woodie Project by way of an in-specie distribution of all of the shares in Edge Minerals Pty Ltd, the holder of the South Woodie Woodie Project, to Bardoc Shareholders. On completion of the Spin-Out Transaction, Bardoc Shareholders will collectively own 100% of Edge.

The Scheme is not conditional on the demerger of Edge being completed. Subject to Bardoc Shareholder approval, St Barbara has no reason to believe the demerger will not be effected.

However, in the event that the demerger of Edge is not completed prior to implementation of the Scheme, St Barbara intends to undertake a review of the South Woodie Woodie Project to consider whether to divest or retain the South Woodie Woodie Project.

## **9.2 Conduct of business**

### **(a) Continuation of business**

If the Scheme is implemented, St Barbara will focus on the integration of the Zoroastrian and Aphrodite underground projects into the Leonora Province Plan as set out in Section 9.1.

St Barbara's operations and progression of its development projects at both the Simberi Operations and the Atlantic Operations will remain unchanged.

### **(b) Corporate strategy**

If the Scheme is implemented, the strategy of the Combined Group in respect of the Leonora Operations will be to:

- (i) expand the production capabilities of St Barbara in the Leonora region by upgrading the Leonora processing plant from 1.4 Mtpa to 2.1 Mtpa;
- (ii) optimise capital allocation and timing of growth projects including potential to accelerate the mill expansion and potential to develop other new deposits; and
- (iii) review the most efficient capital allocation to drive future growth given the broadened portfolio of exploration opportunity in the Combined Group's Western Australian portfolio.

## **9.3 Directors, management and employees of the Combined Group**

Following implementation of the Scheme, the Combined Group will continue to be led by the St Barbara Independent Non-Executive Chairman Tim Netscher, Managing Director and CEO, Craig Jetson and the St Barbara Board.

It is the present intention of St Barbara to continue with the employment of the majority, if not all, of Bardoc's existing employees.

## **9.4 Corporate matters in relation to Bardoc**

Following implementation of the Scheme, it is intended that:

- (a) Bardoc be removed from the official list of ASX; and
- (b) as Bardoc will be a wholly owned Subsidiary of St Barbara, the Bardoc Board will be reconstituted so that it comprises persons nominated by St Barbara.

## **9.5 Business, assets and employees**

Other than as set out in this Section 9 and elsewhere in this Scheme Booklet, it is the present intention of St Barbara to:

- (a) progress the study and development of Bardoc's projects; and

- (b) maintain the employment of the majority, if not all, of Bardoc's existing employees.

## **9.6 Dividend policy**

The St Barbara Board will consider the payment of dividends at each financial reporting date.

The amount of dividend to be declared at any time will be influenced by underlying financial performance and cash flow, commodity price expectations, balance sheet and treasury risk management, working capital needs and competing internal and external investment opportunities necessary for renewal and future growth. To the extent St Barbara has franking credits, it will look at distributing franking credits to St Barbara shareholders.

## 10. Risk factors

### 10.1 Overview

Under the Scheme, Bardoc Scheme Shareholders (other than Ineligible Foreign Shareholders and Relevant Unmarketable Parcel Shareholders) will acquire New St Barbara Shares and consequently there will be a change to their overall investment risk profile. This Section outlines a number of the risks that may affect the performance of the Combined Group and the value of its shares. These risks include:

- (a) Specific risks relating to the Combined Group (Section 10.2);
- (b) Risks to Bardoc Shareholders if the Scheme does not proceed (Section 10.3);
- (c) General risks common to an investment in Bardoc, St Barbara and the Combined Group (Section 10.4); and
- (d) Scheme implementation specific risks (Section 10.5).

The risks outlined in this Section 10 are not exhaustive and do not take into account the investment objectives, financial situation, position or particular needs of Bardoc Shareholders. No assurances or guarantees are given in relation to the future performance of, profitability of, or payment of dividends by Bardoc, St Barbara or the Combined Group. Each Bardoc Shareholder should consult their professional adviser if they have any queries.

### 10.2 Specific risks relating to the Combined Group

The following risks have been identified as being key risks specific to an investment in the Combined Group. These risks have the potential to have a significant adverse impact on the Combined Group and may affect the Combined Group's financial position, prospects and price of its listed securities.

#### **COVID-19 and associated market risk**

The global economic outlook is facing uncertainty due to the current COVID-19 pandemic, which has been having, and will likely continue to have, a significant impact on global capital markets, the gold price and foreign exchange rates.

Any COVID-19 infections at St Barbara's or Bardoc's operational sites or employee isolations as a result of potential exposure at any of St Barbara's operations could result in the Combined Group's operations being suspended or otherwise disrupted for an unknown period of time, which may have an adverse impact on the Combined Group's operations, as well as adverse implications on the Combined Group's future cash flows, profitability and financial condition. As at the date of this Scheme Booklet, the workforce at St Barbara's Simberi Operations is affected by COVID-19 infections and production is being impacted.

Supply chain disruptions resulting from the COVID-19 pandemic and measures implemented by governmental authorities around the world to limit the transmission of the virus (such as travel bans and quarantining) may, in addition to the general level of economic uncertainty caused by the COVID-19 pandemic, also adversely impact the Combined Group's operations, financial position and prospects.

St Barbara has implemented a COVID-19 management plan across its business at all locations in order to minimise the risk of infection for individuals. The plan details the measures required from staff, contractors and people attending St Barbara's worksites and includes procedures, work practices and restrictions covering the health of individuals, fitness for work, travel, flights (business / private), site accommodation, food preparation and cleaning.



The stock holding of various consumables and spares on site is currently at acceptable levels and suppliers of business-critical items have been contacted to confirm continuity of supply. However the impact of COVID pandemic and the management plans to contain the virus are significantly and unpredictably affecting supply and logistics.

There is a risk that gold refining capacity at Perth Mint is disrupted. This could impact the Combined Group's ability to refine the ore produced, and therefore derive timely and complete revenue. The risks of impacts potential shortages of pilots for transporting employees and contractors to the Combined Group's sites.

St Barbara's COVID-19 management plan is reviewed and updated based on the latest guidance from health professionals and the government as the situation develops.

### **Production and cost estimates**

The Combined Group will prepare estimates of future production, operating costs and capital expenditure relating to production at its operations. The Combined Group's ability to achieve its production expectations and/or meet operating and capital expenditure estimates on a timely basis cannot be assured.

The operations and assets of the Combined Group, as with any other mining operations, are subject to a number of uncertainties, including in relation to (among other things): ore tonnes, grade, metallurgical recovery and impurities, actual realised values and grades of stockpiles (which are also estimated), ground conditions, operational environment (including continuity of availability of workforce), funding for development, availability of power supply, regulatory changes, weather (including flooding in the event of heavy rainfall), accidents, difficulties in operating plant and equipment and other unforeseen circumstances such as unplanned mechanical failure of plant or equipment.

Costs of production for the Combined Group may be affected by a variety of factors, including changing waste-to-ore ratios, geotechnical issues, unforeseen difficulties associated with power supply, water supply and infrastructure, ore grade, metallurgy, labour costs, changes to applicable laws and regulations, general inflationary pressures and currency exchange rates. Unforeseen production cost increases could result in the Combined Group not realising its operational or development plans or in such plans costing more than expected or taking longer to realise than expected. Supply and logistical interruptions may in particular arise from the impact of COVID pandemic on manufacturing and distribution of supplies required by the Combined Group for future capital investment as well as operating requirements. Shortages in key supplies and equipment may lead to increased purchase and delivery costs. Any of these outcomes could have an adverse effect on the Combined Group's operational or financial performance. Failure of the Combined Group to achieve production or cost estimates could have an adverse impact on the Combined Group's future cash flows, profitability, results of operations and financial condition.

### **Mining risk and Ore Reserve and Mineral Resource estimates**

When compared with many industrial and commercial operations, mining and mineral processing projects are relatively high risk. This is particularly so where new technologies are employed. Each orebody is unique. The nature of mineralisation, the occurrence and grade of the ore, as well as its behaviour during mining and processing can never be wholly predicted.

The Ore Reserve and Mineral Resource estimates contained in this Scheme Booklet are estimates only and no assurance can be given that any particular level of recovery of gold or other minerals will in fact be realised or that an identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be economically exploited.

Estimations of the tonnes, grade and overall mineral content of a deposit are not precise calculations but are based on interpretation of samples from drilling, which even at close drill

hole spacing, represent a very small sample of the entire orebody. Ore Reserve and Mineral Resource estimates are therefore expressions of judgement based on knowledge, experience and industry practice. Though the estimates may be accurate global approximations of gold content, localised grade variability may exist, which could result in short term deviations from production expectations. This could in turn affect the Combined Group's mining plans and ultimately its financial performance and value.

By their very nature, Ore Reserve and Mineral Resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Reported estimates, which were valid when originally estimated, may alter significantly when new information or techniques become available. As the Combined Group obtains new information through additional drilling and analysis, Ore Reserve and Mineral Resource estimates are likely to change. This may result in alterations to the Combined Group's exploration, development and production plans which may, in turn, positively or negatively affect the Combined Group's operations and financial position.

In addition, gold price fluctuations, as well as increased production costs or reduced throughput and/or recovery rates, may render resources containing relatively lower grades uneconomic and may materially affect the estimates.

### **Gold price fluctuations**

As a producer of gold, the Combined Group is exposed to gold price risks. The value of the Combined Group's assets and the economic viability of its operations may be affected by fluctuations in the gold price.

The gold price can fluctuate rapidly and widely and are affected by numerous factors beyond the control of the Combined Group, including global and regional demand for, and supply of, precious and other metals, forward selling by producers, and the level of production costs in major commodity-producing regions. Moreover, the gold price is also affected by macroeconomic factors such as expectations regarding inflation, the financial impact of movements in interest rates, gold price forward curves, global economic trends, confidence and conditions, and domestic and international fiscal, monetary and regulatory policy settings.

The parties cannot provide an assurance as to the prices that may be achieved for gold. These factors can affect the value of the Combined Group's assets and the supply and demand characteristics of gold and may have an adverse effect on the viability of the Combined Group's exploration, development and production activities, its ability to fund those activities and the value of its assets. Declining gold prices can also impact operations by requiring a reassessment of the feasibility of a particular exploration or development project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment could cause substantial delays and/or interrupt operations, which may have a material adverse effect on the results of operations and financial condition.

Production from the Combined Group's mineral properties is dependent upon the gold price (denominated in applicable currencies including AUD, CAD, PGK and USD) being sufficient to make these properties economic.

### **Hedging risk**

The Combined Group will have hedging agreements in place for the forward sale of fixed quantities of gold production from its operations. There is a risk that the Combined Group may not be able to deliver the amount of gold required under its hedging arrangements if, for example, there is a production shortage. In this event the Combined Group's financial performance may be adversely affected. Under the hedging agreements, rising gold prices could result in part of the Combined Group's gold production being sold at less than the prevailing spot gold prices at the time of sale.

## Foreign exchange

The Combined Group will have an Australian dollar presentation currency for reporting purposes. However, gold is sold throughout the world based principally on the U.S. dollar price, and most of the Combined Group's revenues will be realised in, or linked to, U.S. dollars. The Combined Group is also exposed to U.S. dollars and Papua New Guinea Kina in respect of its operations located in PNG and Canadian dollars in respect of the Atlantic Operations as the operating costs are denominated in these currencies. The Group is therefore exposed to fluctuations in foreign currency exchange rates.

## Operational and technical risk

The Combined Group's mining, exploration and development activities, consisting of open pit and underground mines, generally involve a high degree of risk, and these risks increase when mining occurs at depth. The Combined Group's operations will be subject to numerous operational risks which are normally encountered in the exploration, development and production of gold, many of which are beyond the Combined Group's control.

The Combined Group's operations and maintaining mining productivity rates may be curtailed, delayed or cancelled as a result of factors such as (among other things): adverse weather conditions, shortages in or increases in the costs of consumables, spare parts and plant and equipment, external services failure (such including energy and water supply), industrial and environmental accidents, industrial disputes and action, failure to locate or identify mineral deposits, failure to achieve predicted grades and/or Mineral Resources in exploration and mining, operational and technical difficulties encountered in mining and extraction, difficulties in commissioning and operating plant and equipment, IT system failures, mechanical failure or plant breakdown, unanticipated metallurgical or recovery problems which may affect extraction costs, and compliance with governmental requirements.

Hazards incidental to the mining, exploration and development of mineral properties such as unusual or unexpected geological formations may be encountered by the Combined Group. Industrial and environmental accidents could lead to substantial claims against the Combined Group for injury or loss of life, and damage or destruction to property, as well as regulatory investigations, clean up responsibilities, penalties and the suspension of operations.

If faced by the Combined Group, these circumstances could result in the Combined Group not realising its operational or development plans or in such plans costing more than expected or taking longer to realise than expected. Any of these outcomes could have an adverse effect on the Combined Group's financial and operational performance.

The Combined Group will endeavour to take appropriate action to mitigate these operational risks (including by ensuring legislative compliance, properly documenting arrangements with counterparties, and adopting industry best practice policies and procedures) or to insure against them, but the occurrence of any one or a combination of these events may have a material adverse effect on the Combined Group's performance and the value of its assets.

## Changes in input costs

Mining operations and facilities are intensive users of electricity, gas and carbon-based fuels. Energy prices can be affected by numerous factors beyond the Combined Group's control, including global and regional supply and demand, carbon taxes, inflation, political and economic conditions, and applicable regulatory regimes. The prices of various sources of energy may increase significantly from current levels.

The Combined Group's production costs are also affected by the prices of commodities it consumes or uses in its operations, such as diesel, lime, sodium cyanide and explosives, and increases in labour rates. The prices of such commodities are influenced by supply and demand trends affecting the mining industry in general and other factors outside the

Combined Group's control. Increases in the price for materials consumed in the Combined Group's mining and production activities could materially adversely affect its results of operations and financial condition. Supply and logistical interruptions may in particular arise from the impact of COVID pandemic on manufacturing and distribution of supplies required by the Combined Group for future capital investment as well as operating requirements.

### **Future capital requirements**

The Combined Group may require further financing to continue to operate in the future if, for example, it fails to meet its mining schedule or there is otherwise a material departure from the St Barbara's stated production or cost guidance. Any additional equity financing that the Combined Group may undertake in the future may dilute existing shareholdings. Debt financing, if available, may involve restrictions on financing and operation activities.

There can be no assurance that the Combined Group will be able to obtain additional financing when required in the future, or that the terms and the time in which any such financing can be obtained will be acceptable to the Combined Group. This may have an adverse effect on the Combined Group's financial position and prospects, in that the Combined Group may be required to reduce the scope of its operations and scale back its exploration and development programs or such failure could delay or suspend the Combined Group's business strategy.

### **Issue of New St Barbara Shares and future share price**

A number of factors may materially affect the market price of St Barbara Shares following implementation of the Scheme, regardless of the Combined Group's performance. The past performance of St Barbara is not necessarily an indication as to the future performance of St Barbara or the Combined Group.

If the Scheme is implemented, a significant number of New St Barbara Shares will be available for trading in the public market. The increase in the number of St Barbara Shares may lead to sales of such shares or the perception that such sales may occur, either of which may adversely affect the market for, and the market price of, St Barbara Shares.

Investor and analyst perception in relation to the Combined Group will also impact the price of St Barbara Shares.

There can be no guarantee that there will continue to be an active market for St Barbara Shares or that the price of St Barbara Shares will increase. Neither St Barbara nor the St Barbara Board warrants the future performance of St Barbara or the Combined Group or any return on an investment in St Barbara or the Combined Group.

## **10.3 Risks to Bardoc Shareholders if the Scheme does not proceed**

Bardoc Shareholders should be aware that if the Scheme does not proceed, Bardoc Shareholders will retain their Bardoc Securities and will not receive any form of Scheme Consideration. Bardoc Shareholders may, in addition to the normal risks it faces, be exposed to the additional risks as described in Section 3.

If the Scheme does not proceed, and no Superior Proposal for Bardoc is received, the Bardoc Directors will consider a number of alternative strategies for the operation and ownership of Bardoc's assets, as well as other growth initiatives. These alternatives would take time to implement.

If the Scheme is not implemented, then in order for Bardoc to develop or enhance its project portfolio, it would need to raise additional funds, which may include an equity issue. There can be no assurance that such funding will be available on satisfactory terms, or at all. Further, any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If Bardoc is unable

to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be.

If the Scheme does not proceed, Bardoc will continue to operate as a stand-alone entity. Each Bardoc Shareholder will retain their Bardoc Shares and will not receive any New St Barbara Shares. Bardoc will still incur a relative proportion of the transaction and other costs of the Scheme. In those circumstances, it is likely that Bardoc's management would seek to continue to progress activities on the Bardoc's projects and continue to maximise value for Bardoc Shareholders. Bardoc Shares may trade below their current market price (or the value attributed by the Independent Expert) if the Scheme is not implemented. This may occur if, for example, investors consider that Bardoc's growth prospects are lower in the absence of the Scheme.

There is a risk that the Spin-Out Transaction may complete, while the Scheme does not proceed, as neither transaction is conditional on the other. In this situation, Bardoc will continue to operate without the benefit of the South Woodie Woodie Project.

#### **10.4 General risks relating to an investment in St Barbara and the Combined Group**

The operating and financial performance of St Barbara and the Combined Group is (or will be) influenced by the general business and economic variables that impact upon all entities listed on a stock exchange including changes in business and economic factors, such as interest rates, exchange rates, inflation, changes in national demographics, changes in governmental policy and changes to accounting or reporting standards.

The price at which St Barbara Shares will trade on ASX can be affected by a range of external factors over which St Barbara does not have any control.

Many of these risks have the potential to impact and influence the operating and financial performance of Bardoc.

Key risks relating to St Barbara and the Combined Group (in addition to those identified in Section 10.2) are discussed below.

##### **Regulatory and permitting risk**

The Combined Group requires permits from regulatory authorities to authorise operations, including with respect to the mine development intentions outlined in Sections 9.1(a) and 9.1(b). Obtaining necessary permits can be a time-consuming process and there is a risk that the Combined Group would not obtain these permits on acceptable terms, or in a timely manner, or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Combined Group from proceeding with its mine development intentions, including those outlined in Sections 9.1(a) and 9.1(b), as well as any other current or future mining operations or developments.

Furthermore any material adverse changes in relevant government policies or legislation (including legislation of Australia, PNG or Canada) may adversely affect the viability and profitability of the Combined Group, and consequent returns to investors.

The Combined Group's current and future mining, processing, development and exploration activities will be subject to various laws and statutory regulations and plans relating to numerous matters, including permitting and maintenance of title, environmental consents and the protection of the environment, governing prospecting, development, production, taxation, royalties, employee relations, labour standards and occupational health and safety, and other matters.

No assurance can be given that new laws, rules and regulations will not be enacted or that existing laws, rules and regulations will not be applied in a manner which could have an

adverse effect on the Combined Group's financial position and results of operations, or on the success of development projects. Any such amendments to current laws, regulations and permits governing operations and activities of mining, exploration and development projects, or more stringent implementation thereof, could have a material adverse impact on the Combined Group's result of operations, financial condition and prospects. Failure to comply with any applicable laws, regulations or permitting requirements may result in enforcement actions against the Combined Group, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions.

Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Combined Group's activities or forfeiture of one or more of its tenements.

### **Exploration and development**

Although the Combined Group's activities will primarily be directed towards mining operations and the development of mineral deposits, its activities also include the exploration for mineral deposits and the possibility of third-party arrangements including joint ventures, partnerships, toll treating arrangements, ore purchase arrangements or other third-party contracts. An ability to sustain or increase the current level of production in the longer term is in part dependent on the success of the Combined Group's exploration activities and development projects, and the expansion of existing mining operations.

Major expenses may be required to locate and establish mineral reserves, to establish rights to mine the ground, to receive all necessary operating permits, to develop metallurgical processes and to construct mining and processing facilities at a particular site.

There can be no assurance that any exploration or development activity in regard to the Combined Group's properties, or any properties that may be acquired in the future, will result in the discovery or exploitation of an economic Mineral Resource or will result in a profitable mining operation.

The success of the Combined Group depends on the continued delineation of economically mineable Ore Reserves and Mineral Resources, access to required development capital, movement in the gold price, securing and maintaining title to the Combined Group's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration and development activities. Even if an apparently viable Mineral Resource is identified, there is no certainty that it can be economically exploited.

Mineral exploration, development and mining/extraction may be hampered by circumstances beyond the control of the Combined Group.

### **Exploration risks**

Exploration is a high-risk activity that requires large amounts of expenditure over extended periods of time. The Combined Group's exploration activities would be subject to all the hazards and risks normally encountered in the exploration of minerals, including climatic conditions, hazards of operating vehicles and plant, risks associated with operating in remote areas and other similar considerations. Conclusions drawn during exploration and development are subject to the uncertainties associated with all sampling techniques and to the risk of incorrect interpretation of geological, geochemical, geophysical, drilling and other data.

### **Mine development**

Possible future development of a mining operation at any of the Combined Group's projects would be dependent on a number of factors including, but not limited to, the acquisition and/or

delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Combined Group commenced production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Combined Group would achieve commercial viability through the development or mining of its projects and treatment of ore.

### **Environmental risks**

The operations and activities of the Combined Group are subject to State and Federal laws and regulations concerning the environment. St Barbara attempts to conduct its operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws and regulations. However, as with most exploration projects and mining operations, the Combined Group's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. Such impact can give rise to substantial costs for environmental rehabilitation, damage, control and losses. Further, if there are environmental rehabilitation conditions attaching to the mining tenements of the Combined Group, failure to meet such conditions could lead to forfeiture of these tenements.

St Barbara is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Combined Group's cost of doing business or affect its operations in any area. However, there can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Combined Group to incur significant expenses and undertake significant investments which could have a material adverse effect on the Combined Group's business, financial condition and performance.

### **Tenure risks**

Title to, and the area of, mining tenure may be disputed. Land use for mineral exploration activities is also subject to reaching satisfactory agreement with local communities on various matters. There can be no assurances that the Combined Group's title interests will not be challenged or impugned by third parties.

The Combined Group cannot guarantee additional applications for tenements made by the Combined Group will ultimately be granted, in whole or in part. Further the Combined Group cannot guarantee that renewals of valid tenements will be granted on a timely basis, or at all.

### **Native title and Aboriginal Heritage risks**

It is possible that there may be areas over which legitimate common law native title rights of Aboriginal Australians exist in relation to the tenements that the Combined Group has, or may acquire, an interest in. Where native title exists, the ability of the Combined Group to obtain the consent of any relevant landowner, or to progress from the exploration phase to the development and mining phases of the operation, may be adversely affected.

It is possible that there will exist on the Combined Group's Australian mining tenements, areas containing sacred sites or sites of significance to Aboriginal people subject to the provisions of the relevant legislation, or areas subject to the *Native Title Act 1993* (Cth) in

Australia. The existence of Aboriginal heritage and cultural sites within the tenements may lead to restrictions on the areas that the Combined Group will be able to explore and mine.

Similar issues may arise in other jurisdictions where the Combined Group has or may in the future have operations (including in Canada and PNG).

### **Joint ventures**

Any joint venture or co-ownership arrangements carry with it risks such as the risk of financial failure or default. There is also no assurance that a party to a joint venture with the Combined Group will be granted all the mineral concessions for which it has applied or will apply for or that any licences, concessions, leases, permits or consents will be renewed as and when required. Any such risks will be assessed by the Combined Group in the future before entering into such arrangements.

### **Contractual risks**

The Combined Group's operations will use contractors for mining services, and some of its construction projects are conducted by contractors. As such, the Combined Group's operations will rely significantly on strategic relationships with other entities and also on a good relationship with regulatory and government departments and other interest holders.

Arrangements with key contractors are subject to a range of risks including: failure of a contractor to perform under its agreement, inability to replace the contractor if either party terminates the contract, interruption of operations in the event the contractor ceases operations due to insolvency or other unforeseen events and failure of the contractor to comply with applicable legal and regulatory requirements.

In addition, the Combined Group may incur liability to third parties as a result of the actions of its contractors. The occurrence of one or more of these risks could have a material adverse effect on its results of operations and financial position. Further, there can be no assurance that the Combined Group's existing relationships will continue to be maintained or that new ones will be successfully formed. The Combined Group could be adversely affected by changes to such relationships or difficulties in forming new ones.

### **Key personnel**

The Combined Group will be reliant on a number of key senior management staff. The Combined Group's ability to manage its operations, development and exploration activities, and hence its success, will depend in large part on the efforts of these individuals. Loss of such personnel may have a material adverse impact on the Combined Group and its performance. Recruiting and retaining qualified personal is important to the success of the Combined Group, but there can be no guarantee that appropriate personnel may be found. There may be periods of time where a particular position remains vacant while a suitable replacement is identified and appointed.

Any disputes with employees (through personal injuries, industrial matters or otherwise) change in labour regulations, or other developments in the area may cause labour disputes, work stoppages or other disruptions in production that could adversely impact the Combined Group.

### **Litigation risks**

All industries, including the mining industry, are subject to legal claims (which may be with or without merit). The Combined Group is exposed to possible litigation risks including contractual disputes and employee claims. Further, the Combined Group may be involved in disputes with other parties in the future which may result in litigation. Defence and settlement costs associated with litigation can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process and dealings with the



regulatory bodies, there can be no assurance that the resolution of any particular legal or regulatory proceeding will not have a material adverse effect on the Combined Group's future cash flow, results of operations, financial position or its financial results. Any such claim or dispute if proven may impact adversely on the Combined Group's operations, financial performance and financial position.

### **Reliance on transportation facilities and infrastructure**

The Combined Group depends on the availability and affordability of reliable transportation facilities and infrastructure (e.g. roads, bridges, airports, air transport, power sources and water supply) to deliver consumables to site, and final product to market. Interruption in the provision of such infrastructure (e.g. due to adverse weather, community or government interference) could adversely affect the Combined Group's operations, financial condition and results of operations. The Combined Group's operating procedures include business continuity plans which can be enacted in the event any particular infrastructure is temporarily unavailable.

### **Equity market conditions**

Securities listed on the stock market, and in particular securities of gold producing companies, can experience extreme price and volume fluctuations that are often unrelated to the operating performances of such companies. The market price of securities may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general.

General factors that may affect the market price of securities include economic conditions in both Australia and internationally, investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

### **Future capital requirements**

It is likely that the Combined Group would require future funding to explore and progress their projects or additional projects that the Combined Group may identify. The success and the pricing of any such capital raising and/or additional debt financing will be dependent upon the prevailing market conditions at that time to attract potentially significant amounts of additional debt and/or equity. There can be no assurance that such funding will be available on satisfactory terms or at all. Any additional equity financing may be dilutive to shareholders of the Combined Group and may be undertaken at prices lower than the current market price of St Barbara Shares. Debt financing, if available, may involve restrictions on financing and operating activities or anticipated expansion of the Combined Group's operations.

If the Combined Group is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration and development programs. A failure to raise capital if, and when needed, could delay or suspend the Combined Group's business strategy and could have a material adverse effect on the Combined Group's activities.

### **Political, social and security risks**

The Combined Group will have production and exploration operations in a developing country that is subject to political, economic and other risks and uncertainties. The formulation and implementation of government policies in this country may be unpredictable. Operating in developing countries also involves managing security risks associated with the areas where the Combined Group has activities. The Combined Group has established policies and procedures to assist in managing and monitoring government relations. The Combined

Group's operating procedures at its mine in PNG will include detailed security plans. In PNG there is political focus on potential future policy changes that could include changes to the existing Mining Act, the level and manner of local equity participation in projects, taxation regimes, changes to banking and foreign exchange controls and changes in controls pertaining to the holding of cash and remittance of profits and capital to the parent company.

### **Community relations**

A failure to adequately manage community and social expectations within the communities in which the Combined Group will operate may lead to local dissatisfaction which, in turn, could lead to interruptions to production, permitting and exploration operations. The Combined Group will have an established stakeholder engagement framework to guide the management of the Combined Group's community relations efforts. At Simberi there is a dedicated community relations team to work closely with the local communities and government.

### **Insurance**

The Combined Group maintains insurance to protect against certain risks. However, the Combined Group's insurance will not cover all the potential risks associated with a mining company's operations. The Combined Group may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as loss of title to mineral property, environmental pollution, or other hazards as a result of exploration and production is not generally available to the Combined Group, or to other companies in the mining industry on acceptable terms. The Combined Group might also become subject to liability for pollution or other hazards which may not be insured against, or which it may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Combined Group to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

### **Information technology and cyber risk**

The Combined Group's operations are supported by information technology systems, consisting of infrastructure, networks, applications and service providers. The Combined Group could be subject to network and systems interference or disruptions from a number of sources, including security breaches, cyber-attacks and system failures. The impact of information technology systems interferences or disruption could include production downtime, operational delays, destruction or corruption of data, disclosure of sensitive information and data breaches, any of which could have a material impact on the Combined Group's business, operations, financial condition and performance.

Disaster recovery plans are in place for all of the Combined Group's major sites and critical information technology systems, together with a well-developed cyber-security protection and monitoring system.

### **Climate change**

Climate change related risks that may impact the Combined Group include physical as well as regulatory and macro-economic impacts. The effects of changes in rainfall patterns, changing storm patterns and intensities have from time to time adversely impacted, and may in the future adversely impact, the cost, production levels and financial performance of the Combined Group's operations. The Combined Group's mining operations may in the future be subject from time to time to severe storms and high rainfalls leading to flooding and associated damage, which has resulted, and may result in delays to, or loss of production at its mines (e.g. due to water ingress and flooding at the base of the mine at Leonora WA and tropical storms; sea level increases impacting logistics and mining operations at Simberi

PNG; and/or snow storms preventing access to the mining operations at Touquoy in Nova Scotia). Carbon related regulatory impacts on the Combined Group's operations are currently low, but may increase adversely in future, for instance should a carbon trading scheme be introduced. Climate change related impacts on commodity markets are difficult to predict, but might include increased energy cost to the Combined Group.

### **Other natural disasters**

Seismic activity is of particular concern to mining operations. The Simberi Operations in PNG is in an area known to be seismically active and is subject to risks of earthquakes and the related risks of tidal surges and tsunamis. The Gwalia underground mine may be impacted by potential seismic events associated with operating at depth.

### **Other**

Other risk factors include those normally found in conducting business, including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the business or trade of the Combined Group.

## **10.5 Scheme implementation specific risks**

The following risks have been identified as being key risks specific to an investment in the Combined Group. These risks have the potential to have a significant adverse impact on the Combined Group and may affect the Combined Group's financial position, prospects and price of its listed securities.

### **Integration risk**

The long-term success of the Combined Group will depend, amongst other things, on the success of management in integrating the respective businesses and the strength of management of the Combined Group. There is no guarantee that the businesses of the Combined Group will be able to be integrated successfully within a reasonable period of time. There are risks that any integration of the businesses of Bardoc and St Barbara may take longer than expected and that anticipated efficiencies and benefits of that integration may be less than estimated. These risks include possible differences in the management culture of the two groups, inability to achieve synergy benefits and cost savings, and the potential loss of key personnel.

Any failure by the Combined Group to ensure implementation costs remain below those anticipated may have a material adverse effect on the financial performance and position, and prospects, of the Combined Group.

### **Change in risk profile and risks of investment in the Combined Group**

If the Scheme is implemented, there will be a change in the risk profile to which Bardoc Scheme Shareholders are exposed. Bardoc Shareholders are currently exposed to various risks as a result of their investment in Bardoc. If the Scheme is approved, Bardoc will become a wholly owned subsidiary of St Barbara and Bardoc Scheme Shareholders will receive New St Barbara Shares.

As a consequence, Bardoc Scheme Shareholders will be exposed to risk factors relating to St Barbara, and to certain additional risks relating to the Combined Group and the integration of the two companies. In many cases, those risks are different from or additional to those currently faced by Bardoc Scheme Shareholders. The change in risk profile may be seen to be a disadvantage by some Bardoc Scheme Shareholders.

**Satisfaction or waiver of conditions precedent**

Completion of the Scheme is subject to a number of conditions precedent. There can be no certainty, nor can Bardoc provide any assurance, that these conditions will be satisfied or waived (where applicable), or if satisfied or waived (where applicable), when that will occur. In addition, there are a number of conditions precedent to the Scheme which are outside the control of Bardoc, including, but not limited to, approval of the Scheme by the Requisite Majority of Bardoc Scheme Shareholders and required regulatory and third party approvals and consents (refer to Section 12.2).

If for any reason the conditions to the Scheme are not satisfied or waived (where applicable) and the Scheme is not completed, the market price of Bardoc Shares may be adversely affected.

**Termination rights**

Bardoc and St Barbara each have the right to terminate the Scheme Implementation Deed in the circumstances described in Section 13.6 of this Scheme Booklet. As such, there is no certainty that the Scheme Implementation Deed will not be terminated before the Scheme is implemented.

If the Scheme Implementation Deed is terminated, Bardoc can provide no assurances that the Bardoc Board will be able to find a party willing to offer an equivalent or greater price for Bardoc Shares than the price to be paid under the terms of the Scheme Implementation Deed and the Scheme.

**The value of the Scheme Consideration is not certain**

Under the terms of the Scheme, Bardoc Scheme Shareholders (excluding Ineligible Foreign Shareholders and Relevant Unmarketable Parcel Shareholders) will receive 0.3604 New St Barbara Shares for every 1 Participating Bardoc Share they hold at the Record Date. The implied value of the Scheme Consideration that would be realised by individual Bardoc Scheme Shareholders will be dependent on the price at which the St Barbara Shares trade on ASX after the Implementation Date and is not fixed.

In addition, the Sale Agent (and/or a nominee of the Sale Agent) will be issued New St Barbara Shares attributable to certain Ineligible Foreign Shareholders and Relevant Unmarketable Parcel Shareholders and will sell them on market as soon as reasonably practicable after the Implementation Date. It is possible that such sales may exert downward pressure on the Combined Group's share price during the applicable period. In any event, there is no guarantee regarding the prices that will be realised by the Sale Agent or the future market price of St Barbara Shares. Future market prices may be either above or below current or historical market prices.

The price of St Barbara Shares following implementation of the Scheme will vary and may be volatile as a result of a number of factors, including the financial and operating performance of St Barbara and general market conditions.

**Risks of trading during deferred settlement trading period**

Bardoc Scheme Shareholders will not necessarily know the exact number of New St Barbara Shares (due to rounding) that they will receive (if any) as Scheme Consideration until a number of days after those shares can be traded on the ASX on a deferred settlement basis. Bardoc Scheme Shareholders who trade New St Barbara Shares on a deferred settlement basis, without knowing the number of New St Barbara Shares they will receive as Scheme Consideration may risk adverse financial consequences if they purport to sell more New St Barbara Shares than they receive.

**Transaction and other costs**

Transaction and other costs incurred (or which are expected to be incurred) in relation to the successful implementation of the Scheme are currently estimated at approximately \$12.0 million (exclusive of GST), comprising adviser, legal, accounting, expert fees, planned redundancy costs and various other costs. Refer to Section 14.25 for further details.

**Contract risk**

Under contracts to which Bardoc or St Barbara or their Subsidiaries are a party, the Scheme may be deemed to result in a change of share ownership event in respect of Bardoc or St Barbara that allows the counterparty to review or terminate the contract as a result of the change or the issue of shares by St Barbara, upon implementation of the Scheme. If the counterparty to any such contract were to validly seek to renegotiate or terminate the contract on that basis, this may have a material adverse effect on the financial performance of the Combined Group, depending on the relevant contracts.

**Accounting risk**

In accounting for the Scheme, the Combined Group will need to perform a fair value assessment of the assets, liabilities and contingent liabilities of the Combined Group. The Combined Group will also be subject to the usual business risk that there may be changes in accounting policies applied by the Combined Group which have an adverse impact on the Combined Group.

Changes to the accounting standards may also adversely affect the Combined Group's reported earning performance in any given reporting period and its consolidated statement of financial position from time to time.

**A Superior Proposal for Bardoc may yet emerge**

It is possible that a Superior Proposal for Bardoc, which is more attractive for Bardoc Shareholders than the Scheme, may materialise in the future. The implementation of the Scheme would mean that Bardoc Shareholders would not obtain the benefit of any such proposal.

The Bardoc Board is not currently aware of any such proposal and notes that since Bardoc and St Barbara announced the Scheme, there has been a significant period of time and ample opportunity for an alternative proposal for Bardoc which provides a different outcome for Bardoc Shareholders to emerge.

Since the Announcement Date, no alternative proposal has emerged and the Bardoc Directors have decided that the Scheme is the best option available at the date of this Scheme Booklet.

**Tax consequences for Bardoc Scheme Shareholders**

If the Scheme proceeds, there may be tax consequences for Bardoc Scheme Shareholders which may include tax payable on any gain on the disposal of Bardoc Shares. However, Bardoc Scheme Shareholders should seek their own professional advice regarding the individual tax consequences applicable to them. Refer to Section 11 for a summary of potential taxation implications.

**Rights, obligations and break fee under Scheme Implementation Deed**

Under the Scheme Implementation Deed entered into between Bardoc and St Barbara, a liquidated amount (or break fee) of \$1.5 million may become payable by Bardoc to St Barbara in certain circumstances (refer to Section 13.5 for further details). The Scheme

Implementation Deed also sets out various other rights and obligations of Bardoc and St Barbara in relation to the Scheme.

**Other risks**

Additional risks and uncertainties not currently known to Bardoc or St Barbara may also have a material adverse effect on Bardoc or St Barbara's business and that of the Combined Group and the information set out above does not purport to be, nor should it be construed as representing, an exhaustive list of the risks of Bardoc, St Barbara or the Combined Group.

## 11. Australian tax implications

The following section addresses the income tax consequences of the proposed Scheme to Bardoc Shareholders and has been prepared by Red Cloud Global Pty Ltd.

### INCOME TAX

#### 1. Introduction

The following is a general summary of the Australian income tax, GST and Duty considerations for Bardoc Shareholders who participate in the proposed Scheme. It has been prepared by Red Cloud Global Pty Ltd.

Under the Scheme, each Bardoc Scheme Shareholder will receive 0.3604 St Barbara shares for every Participating Bardoc Share held.

This summary does not provide an exhaustive consideration of all possible Australian income tax, GST and Duty implications that could apply to Bardoc Scheme Shareholders in relation to the Scheme. Furthermore, this summary does not consider any tax implications in jurisdictions outside of Australia.

This summary has been prepared solely for Bardoc Scheme Shareholders as described and limited below. Further, it is not intended to and should not be used or relied upon by anyone else and there is no acceptance of a duty of care to any other person or entity.

Only Bardoc Scheme Shareholders that are individuals, complying superannuation funds and corporate shareholders that hold their shares on capital account have been considered in this summary. In particular, this summary is not intended to cover Bardoc Scheme Shareholders who:

- Are exempt from Australian income tax;
- Hold their Bardoc Shares on revenue account or as trading stock;
- Are partnerships or persons that are partners of such partnerships;
- Acquired their Bardoc Shares under an employee share scheme or similar employee incentive plan;
- Are temporary residents of Australia for Australian tax purposes;
- Have changed tax residency while holding their Bardoc Shares;
- Are foreign tax residents and hold their Bardoc Shares in carrying on a business at or through a permanent establishment in Australia; or
- Are subject to the taxation of financial arrangements rules in Division 230 of the Income Tax Assessment Act 1997 (Cth) in relation to gains and losses on their Bardoc Shares.

This summary does not constitute tax advice and is intended only as a general guide to the Australian tax implications of participating in the Scheme based upon Australian taxation law and administrative practice in effect as at the date of this Scheme Booklet (which are both subject to change at any time, possibly with retrospective effect). Bardoc Scheme Shareholders should not refer to Red Cloud Global Pty Ltd's name or this summary for any other purpose.

This summary does not consider any specific facts or circumstances that may apply to Bardoc Scheme Shareholders. As the tax consequences for participating in the Scheme depend on each Bardoc Scheme Shareholder's individual circumstances, all Bardoc Scheme Shareholders are advised to seek independent professional advice regarding the Australian and foreign tax consequences of the Scheme according to their own particular circumstances.

## **2. Australian Tax Resident Shareholders**

This section applies to Bardoc Shareholders that participate in the Scheme and are residents of Australia for Australian income tax purposes that hold their Bardoc Shares on capital account. Based on representations made to Red Cloud Global Pty Ltd by Bardoc, it has been assumed that Bardoc does not have any "significant stakeholders" or "common stakeholders".

### **2.1.1. Capital Gains Tax (CGT) Event**

Under the Scheme, Bardoc Scheme Shareholders will dispose of their Participating Bardoc Shares to St Barbara in exchange for the Scheme Consideration, comprising shares issued in St Barbara. The disposal of the Participating Bardoc Shares to St Barbara under the Scheme will give rise to a CGT event. The time of the CGT event should be the date the Participating Bardoc Shares are disposed of, which will occur on the Implementation Date.

In the absence of CGT roll-over relief, the following tax consequences are expected to arise for the Bardoc Scheme Shareholders:

- A capital gain will be realised to the extent the capital proceeds received by the Bardoc Scheme Shareholders from the disposal of their Participating Bardoc Shares exceed the cost base of those shares; or
- A capital loss will be realised to the extent the capital proceeds received by the Bardoc Scheme Shareholders from the disposal of their Participating Bardoc Shares are less than the reduced cost base of those shares.

Capital losses can be offset against capital gains derived in the same income year or in later income years. Specific loss recoupment rules apply to companies to limit their availability in future years in certain circumstances. Bardoc Scheme Shareholders should seek independent professional tax advice in relation to the operation of these rules.

## **2.2. Capital Proceeds**

The capital proceeds on the disposal of the Participating Bardoc Shares should be equal to the Scheme Consideration received by Bardoc Scheme Shareholders, ie the capital proceeds will be equal to the market value of the St Barbara shares received by Bardoc Scheme Shareholders at the Implementation Date.

### **2.2.1. Cost Base and Reduced Cost Base of a Bardoc Share**

The cost base of a Bardoc share will generally be equal to the cost of acquiring the Bardoc share, plus any incidental costs of acquisition and disposal (such as brokerage fees and legal costs). The reduced cost base of a Bardoc share is determined in a manner similar to the cost base although some differences in the calculation of the reduced cost base do exist depending on the Bardoc Scheme Shareholder's individual circumstances. The cost base and reduced cost base of each Bardoc share will depend on the individual circumstances of each Bardoc Scheme Shareholder.



### **2.3. CGT Discount**

The CGT Discount may apply to Bardoc Scheme Shareholders that are individuals, complying superannuation funds or trusts, who have held, or are taken to have held, their Participating Bardoc Shares for at least 12 months (not including the date of acquisition or the date of disposal) at the time of the disposal of their Participating Bardoc Shares.

The CGT Discount is:

- One-half if the Bardoc Scheme Shareholder is an individual or trustee; meaning only 50% of the capital gain will be included in assessable income; and
- One-third if the Bardoc Scheme Shareholder is a trustee of a complying superannuation entity; meaning only two-thirds of the capital gain will be included in assessable income.

The CGT Discount is not available to Bardoc Scheme Shareholders that are companies.

If the Bardoc Scheme Shareholder makes a discount capital gain, any carried forward capital losses will be applied to reduce the undiscounted capital gain before either the one-half or one-third discount is applied. The resulting amount is then included in the Bardoc Scheme Shareholder's net capital gain for the income year and included in assessable income.

The CGT Discount rules relating to trusts are complex. Accordingly we recommend trustees seek independent professional tax advice on how the CGT Discount applies to them and the trust's beneficiaries.

#### **2.3.1. CGT Scrip for Scrip Roll-over Relief**

Bardoc Scheme Shareholders who make a capital gain from the disposal of their Participating Bardoc Shares may be eligible to choose CGT scrip for scrip roll-over relief (provided certain conditions are met). Broadly, CGT scrip for scrip roll-over relief enables Bardoc Scheme Shareholders to disregard the capital gain they make from the disposal of their Participating Bardoc Shares under the Scheme.

For CGT scrip for scrip roll-over relief to be available, amongst other things, St Barbara must become the owner of 80% or more of the shares in Bardoc and the Bardoc Scheme Shareholders must make a capital gain on the disposal of their Participating Bardoc Shares. If a capital loss arises, no CGT scrip for scrip roll-over relief is available.

Bardoc Scheme Shareholders do not need to inform the ATO, or document their choice to claim CGT scrip for scrip roll-over relief in any particular way, other than to complete their income tax return in a manner consistent with their choice.

In addition, it is noted that St Barbara will not make a choice pursuant to sub-section 124-795(4) of the Income Tax Assessment Act 1997 (Cth) such that Bardoc Scheme Shareholders are unable to obtain CGT scrip for scrip roll-over relief.

#### **2.3.2. Consequences of Choosing CGT Scrip for Scrip Roll-over Relief**

- If a Bardoc Scheme Shareholder chooses to obtain CGT scrip for scrip roll-over relief, the capital gain arising on the disposal of their Participating Bardoc Shares under the Scheme should be disregarded.

Further, the first element of the cost base for the St Barbara shares received is determined by attributing to them, on a reasonable basis, the existing cost base of the Participating Bardoc Shares exchanged under the Scheme. The first element of the reduced cost base is determined similarly.

Finally, for the purposes of determining future eligibility for the CGT Discount, the acquisition date of the St Barbara shares is taken to be the date when the Bardoc Scheme Shareholder originally acquired their Participating Bardoc Shares.

### **2.3.3. Consequences if CGT Scrip for Scrip Roll-over Relief is not Available or is not Chosen**

If a Bardoc Scheme Shareholder does not qualify for CGT scrip for scrip roll-over relief or does not choose to obtain CGT scrip for scrip roll-over relief, the general CGT treatment outlined above at paragraph 1.2.1 will apply.

If a Bardoc Scheme Shareholder makes a capital loss from the disposal of their Participating Bardoc Shares, this loss may be used to offset capital gains in the same or subsequent years of income (subject to satisfying certain conditions). The capital loss cannot be offset against ordinary income or carried back to offset against capital gains arising in earlier income years.

## **3. Foreign Tax Resident Shareholders**

This Section applies to Bardoc Shareholders that participate in the Scheme and are not residents of Australia for Australian income tax purposes (i.e. foreign tax residents) that hold their Bardoc Shares on capital account. It does not apply to Bardoc Scheme Shareholders who have held their Participating Bardoc Shares at any time in carrying on a business at or through a permanent establishment in Australia or who have changed their tax residency while holding their Participating Bardoc Shares.

### **3.1.1. Indirect Australian Real Property Interests**

Foreign tax resident Bardoc Scheme Shareholders who hold their Participating Bardoc Shares on capital account should generally not be subject to the CGT rules in Australia on the disposal of their Participating Bardoc Shares, provided their Participating Bardoc Shares are not an “indirect Australian real property interest” as at the time of the disposal.

Broadly, a Bardoc Scheme Shareholder’s Participating Bardoc Shares will not be an indirect Australian real property interest unless both of the following conditions are satisfied:

- The foreign tax resident Bardoc Scheme Shareholder and their associates (as defined for tax purposes) together hold 10% or more of the issued shares in Bardoc at the time of disposal, or held 10% or more of the issued shares for at least 12 months during the 24 months prior to disposal of their Participating Bardoc Shares (the non-portfolio interest test); and
- The aggregate market value of Bardoc’s assets which are taxable Australian property (being direct and indirect interests in real property, including land, leases of land and property affixed to land, situated in Australia) exceeds the aggregate market value of Bardoc’s assets which are not taxable Australian property (the principal asset test).

On the basis that the aggregate market value of Bardoc’s assets which are taxable Australian property exceeds the aggregate market value of Bardoc’s assets which are not taxable Australian property, Bardoc’s shares will pass the principal asset test. However, it is expected that no foreign resident Bardoc Scheme Shareholder holds/held the requisite 10% or more of the issued shares in Bardoc at the time of disposal so the non-portfolio interest test is likely to be failed. The Participating Bardoc Shares would therefore not be an indirect Australian real property interest and no CGT should apply.

### **3.1.2. Foreign Resident CGT Withholding Rules**

In broad terms, a foreign resident CGT withholding tax applies to transactions involving the acquisition of the legal ownership of an asset that is an indirect Australian real property interest from a foreign resident. The current withholding rate is 12.5%.

As noted above, it is unlikely that any foreign resident Bardoc Scheme Shareholders would pass the non-portfolio interest test and no CGT liability should therefore arise. However, to avoid any withholding, foreign resident Bardoc Scheme Shareholders should complete a foreign resident capital gains withholding – vendor declaration form and provide this to St Barbara prior to the Implementation Date.

Foreign resident Bardoc Scheme Shareholders should seek independent professional tax advice in relation to the vendor declaration and the application of an exemption from CGT withholding in respect of this transaction.

#### **4. GST – Share Scheme**

No GST will be payable by Bardoc Scheme Shareholders on the acquisition of their Participating Bardoc Shares by St Barbara under the Scheme, or on the receipt of St Barbara shares as Scheme Consideration. Bardoc Scheme Shareholders who are registered for GST may not be entitled to input taxed credits (or only entitled to reduced input taxed credits) for any GST incurred on costs associated with the disposal of their Participating Bardoc Shares. They should seek independent professional tax advice in relation to their individual circumstances.

#### **5. Duty – Share Scheme**

No Australian duty should be payable by Bardoc Scheme Shareholders on the acquisition of their Participating Bardoc Shares under the Scheme or on the receipt of St Barbara shares as Scheme Consideration.

## 12. Implementing the Scheme

This Section provides an overview of the Scheme Conditions, the Scheme Meeting, and other steps required to implement the Scheme.

### 12.1 Actions already undertaken by Bardoc and St Barbara

Bardoc and St Barbara entered into the Scheme Implementation Deed on 19 December 2021 in which they agreed (among other things) their respective obligations in implementing the Scheme. The key terms of the Scheme Implementation Deed not otherwise addressed in this Section, are summarised in Section 13. A full copy of the Scheme Implementation Deed was released on ASX on 20 December 2021 and is available on Bardoc's website ([www.bardocgold.com](http://www.bardocgold.com)). Since signing the Scheme Implementation Deed, Bardoc and St Barbara have undertaken the following activities to progress the implementation of the Scheme.

#### (a) Appointment of Independent Expert

Bardoc commissioned the Independent Expert, RSM Corporate Australia Pty Ltd, to prepare a report on whether the Scheme is in the best interests of Bardoc Scheme Shareholders.

The Independent Expert has concluded that, in the absence of a Superior Proposal, the Scheme is fair and reasonable and therefore in the best interests of Bardoc Scheme Shareholders.

The Independent Expert's Report is set out in Annexure A of this Scheme Booklet.

#### (b) Execution of Deed Poll by St Barbara

On 21 February 2022, St Barbara executed the Deed Poll in favour of each Bardoc Scheme Shareholder, pursuant to which St Barbara covenants to perform its obligations under the Scheme Implementation Deed and the Scheme. The key obligation of St Barbara under the Scheme is to issue the Scheme Consideration to each Bardoc Scheme Shareholder, subject to satisfaction of the Scheme Conditions.

The Deed Poll may be relied upon by a Bardoc Scheme Shareholder, despite the fact that they are not a party to it, and each Bardoc Scheme Shareholder appoints Bardoc as its agent to enforce their rights under the Deed Poll against St Barbara.

The Deed Poll is governed by the laws of Western Australia.

A copy of the Deed Poll is set out in full at Annexure C of this Scheme Booklet.

#### (c) Execution of Option Cancellation Deeds

St Barbara and Bardoc entered into the Option Cancellation Deed with the Bardoc Optionholders (which together hold 100% of Bardoc Options on issue), pursuant to which the Bardoc Optionholders have agreed to the cancellation of their Bardoc Options in exchange for the following consideration:

- (i) \$0.0073 per Bardoc Option which is exercisable at \$1.20 each on or before 11 September 2022; and
- (ii) \$0.051 per Bardoc Option which is exercisable at \$0.72 each on or before 27 September 2022.

Bardoc has obtained a waiver from ASX of the requirements of Listing Rule 6.23.2 to permit the Bardoc Options to be cancelled for consideration without requiring Bardoc Shareholder approval to be obtained. Refer to Section 14.17 for further details.

**(d) Execution of Bardoc Loan Share Deeds**

Under the Scheme Implementation Deed, St Barbara and Bardoc have entered into a Bardoc Loan Share Deed with each holder of Bardoc Loan Shares, under which it has been agreed that, with effect on the Implementation Date and conditional on the Scheme becoming Effective:

- (i) all existing Bardoc Loan Shares held by Bardoc Loan Share Holders will be exchanged for the Bardoc Loan Share Consideration;
- (ii) the corresponding loan made under the Bardoc Loan Plan Share Transfer Deed is forgiven by Bardoc; and
- (iii) any holding lock placed on the Bardoc Loan Shares will be removed.

**(e) Lodgement of draft Scheme Booklet with ASIC**

On 22 February 2022, Bardoc lodged a draft of this Scheme Booklet with ASIC pursuant to section 411(2)(b) of the Corporations Act. Following lodgement with ASIC, ASIC registered the Scheme Booklet for the purposes of section 412(6) of the Corporations Act.

Bardoc has requested ASIC provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. If ASIC provides that statement, it will be produced to the Court at the time of the Second Court Hearing.

Bardoc has also lodged a copy of this Scheme Booklet with ASX.

Neither ASIC, ASX nor any of their officers takes any responsibility for the contents of this Scheme Booklet.

**(f) First Court Hearing**

On 22 February 2022, the Supreme Court of Western Australia ordered Bardoc to convene a meeting of Bardoc Scheme Shareholders to consider and vote on the Scheme.

The Scheme Meeting to consider the Scheme will be held virtually on 30 March 2022. The Scheme Meeting will commence at 1:00pm (Perth Time). You (or your proxy, corporate representative or attorney) may attend the virtual Scheme Meeting through an online platform. To attend the Scheme Meeting online:

- (i) go to <https://meetnow.global/MXQJWVY>; and
- (ii) login with your username and password or click “register” if you haven’t already created an account. Shareholders are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting.

For the Scheme to proceed, the Scheme Resolution must be passed at the Scheme Meeting.

Details of how to vote at the Scheme Meeting are set out at the beginning of this Scheme Booklet in the Section entitled “Meeting details and how to vote”.

A copy of the Notice of Scheme Meeting is set out in Annexure D of this Scheme Booklet.

The fact that under section 411(1) of the Corporations Act the Court ordered on 22 February 2022 that a meeting of Bardoc Scheme Shareholders be convened by Bardoc to consider and vote on the Scheme and has approved the Scheme Booklet does not mean that the Court:

- (i) has formed any view as to the merits of the proposed Scheme or as to how Bardoc Scheme Shareholders should vote (on this matter, Bardoc Scheme Shareholders must reach their own decision); and
- (ii) has prepared, or is responsible for, the content of this Scheme Booklet.

## 12.2 Scheme Conditions

Implementation of the Scheme is subject to satisfaction of the applicable Scheme Conditions. The Scheme Conditions are set out in clause 3.1 of the Scheme Implementation Deed.

Certain of the Scheme Conditions set out in the Scheme and the Scheme Implementation Deed have already been satisfied. The Scheme Conditions that remain outstanding as at the date of this Scheme Booklet are set out in the table below.

Scheme Condition	
<b>1. Bardoc Scheme Shareholder approval</b>	Bardoc Scheme Shareholders approve the Scheme by the requisite majorities under the Corporations Act.
<b>2. Court approval</b>	The Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act.
<b>3. Regulatory Approvals</b>	All Regulatory Approvals which St Barbara and Bardoc (acting reasonably) agree are necessary or desirable to implement the Scheme are obtained and those approvals have not been withdrawn or revoked by 8.00am on the Second Court Date.
<b>4. Government Intervention</b>	No Governmental Authority (including any court) has issued an order, temporary restraining order, preliminary or permanent injunction, decree or ruling enjoining, restraining or otherwise imposing a legal restraint or prohibition preventing the Scheme and none of those things is in effect as at 8.00am on the Second Court Date.
<b>5. Independent Expert</b>	The Independent Expert issues a report which concludes that the Scheme is in the best interests of Bardoc Scheme Shareholders before the date on which the Scheme Booklet is lodged with ASIC and the Independent Expert does not publicly withdraw, qualify or change that opinion at any time prior to 8.00am on the Second Court Date.
<b>6. No Bardoc Prescribed Event</b>	No Bardoc Prescribed Event occurs between the date of the Scheme Implementation Deed and 8.00am on the Second Court Date.

Scheme Condition	
<b>7. Performance of Obligations by Bardoc</b>	Bardoc Group shall have performed or complied in all material respects with the obligations, covenants, and agreements required to be performed or complied with by it under the Scheme Implementation Deed prior to 8.00am on the Second Court Date.
<b>8. Bardoc Representations and Warranties</b>	Each of the Bardoc Representations and Warranties is true and correct in all material respects, in each case as of the date of the Scheme Implementation Deed and as of 8.00am on the Second Court Date, except where expressed to be operative at another date and except where the failure of such Bardoc Representation and Warranty to be true and correct has not and would not reasonably be expected to have, individually or in the aggregate, a Bardoc Material Adverse Effect.
<b>9. No St Barbara Prescribed Event</b>	No St Barbara Prescribed Event occurs between the date of the Scheme Implementation Deed and 8.00am on the Second Court Date.
<b>10. St Barbara Representations and Warranties</b>	Each of the St Barbara Representations and Warranties is true and correct in all material respects, in each case as of the date of the Scheme Implementation Deed and as of 8.00am on the Second Court Date, except where expressed to be operative at another date and except where the failure of such Bardoc Representation and Warranty to be true and correct has not and would not reasonably be expected to have, individually or in the aggregate, a St Barbara Material Adverse Effect.
<b>11. Bardoc Material Adverse Effect</b>	No Bardoc Material Adverse Effect has occurred between the date of the Scheme Implementation Deed and 8.00am on the Second Court Date.
<b>12. St Barbara Material Adverse Effect</b>	No St Barbara Material Adverse Effect has occurred between the date of the Scheme Implementation Deed and 8.00am on the Second Court Date.

For the Scheme to be implemented, each Scheme Condition must be satisfied by the due date (if any) fixed for its satisfaction as set out in the above table (or otherwise waived to the extent it is capable of waiver).

As at the date of this Scheme Booklet, Bardoc is not aware of any circumstances that would cause the Scheme Conditions to not be satisfied. Bardoc Shareholders will receive an update on the status of the Scheme Conditions at the Scheme Meeting.

Bardoc will also announce to ASX any relevant matter that affects the Scheme or the likelihood of a Scheme Condition being satisfied or not being satisfied, in accordance with Bardoc's continuous disclosure obligations. These details will be published on ASX's website ([www.asx.com.au](http://www.asx.com.au)) and will also appear on Bardoc's website ([www.bardocgold.com](http://www.bardocgold.com)).

### 12.3 Court approval

In accordance with section 411(4)(b) of the Corporations Act, in order to become Effective, the Scheme (with or without modification) must be approved by an order of the Court. If the Scheme is approved at the Scheme Meeting, Bardoc intends to apply to the Court on the Second Court Date (expected to be 1 April 2022) for the necessary orders to give effect to the Scheme.

ASIC has been requested to issue a written statement that it has no objection to the Scheme.

ASIC would not be expected to issue such a statement until shortly before the Second Court Date. If ASIC does not produce a written statement that it has no objection to the Scheme, the Court may still approve the Scheme provided it is satisfied that section 411(17)(a) of the Corporations Act is satisfied.

The Court may refuse to grant the orders referred to above even if the Scheme is approved by the Requisite Majority of Bardoc Scheme Shareholders.

Each Bardoc Shareholder has the right to appear at Court at the hearing of the application by Bardoc for orders approving the Scheme. Any Bardoc Shareholder who wishes to object to the Scheme at that Court hearing or make a complaint to ASIC about the Scheme should note that the Court hearing for approval of the Scheme is expected to be held on 1 April 2022. The Court has an overriding discretion regarding whether or not to approve the Scheme, even if the Scheme is approved by the Requisite Majority of Bardoc Scheme Shareholders at the Scheme Meeting.

## **12.4 Scheme Meeting**

The Scheme Meeting to consider the Scheme is scheduled to be held virtually on 30 March 2022. The Scheme Meeting will commence at 1:00pm (Perth time).

You (or your proxy, corporate representative or attorney) may attend the virtual Scheme Meeting through an online platform. To attend the Scheme Meeting online:

- (a) go to <https://meetnow.global/MXQJWVY>; and
- (b) login with your username and password or click “register” if you haven’t already created an account. Shareholders are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting.

For instructions on how to participate online please view the online meeting user guide at [http:// www.computershare.com.au/virtualmeetingguide](http://www.computershare.com.au/virtualmeetingguide).

The Court has ordered that Bardoc convene the Scheme Meeting for the purposes of the Bardoc Scheme Shareholders considering and voting on the Scheme. The order of the Court to convene the Scheme Meeting is not, and should not be treated as, an endorsement by the Court of (or any other expression of opinion by the Court on) the Scheme.

For the Scheme to be implemented, it is necessary that the Requisite Majority of Bardoc Scheme Shareholders vote in favour of passing the resolution to approve the Scheme at the Scheme Meeting.

To pass the Scheme Resolution, votes in favour of the Scheme must be cast by:

- (a) more than 50% in number of Bardoc Scheme Shareholders present and voting (whether in person, by proxy, by attorney or, in the case of a corporation, by corporate representative); and
- (b) at least 75% of the total number of votes cast on the Scheme Resolution by Bardoc Scheme Shareholders.

## **12.5 Steps after approval of the Scheme by Bardoc Scheme Shareholders at the Scheme Meeting but before the Second Court Date**

If the Requisite Majority of Bardoc Scheme Shareholders approve the Scheme at the Scheme Meeting, Bardoc will, as soon as possible after the Scheme Meeting is held, announce the results of the Bardoc Scheme Shareholders’ vote to ASX and will publish the results on Bardoc’s website ([www.bardocgold.com](http://www.bardocgold.com)).



## 12.6 Steps after Court approval at the Second Court Hearing

Bardoc and St Barbara have agreed that, if the Court makes orders approving the Scheme, Bardoc and St Barbara will take or procure the taking of the steps required for the Scheme to proceed, including:

(a) **Record Date**

Bardoc Scheme Shareholders will be entitled to receive the Scheme Consideration under the Scheme if they are registered as holders of Participating Bardoc Shares at 5:00pm (Perth time) on the Record Date. The Record Date is the second Business Day following the Effective Date or any other date as agreed by Bardoc and St Barbara, expected to be 4 April 2022.

As from the Record Date (and other than for St Barbara following the Implementation Date), the Bardoc Share Register will close for transfers and all share certificates and holding statements for Bardoc Shares will cease to have effect as documents of title. Each entry on the Bardoc Share Register at 5:00pm (Perth time) on the Record Date will cease to have any effect other than as evidence of entitlement to the Scheme Consideration.

(b) **Effective Date**

If the Court approves the Scheme, Bardoc will (pursuant to section 411(10) of the Corporations Act) lodge with ASIC the office copy of the Court order approving the Scheme. Bardoc intends to lodge the office copy of the Court order with ASIC on the Effective Date, which is expected to be 4 April 2022.

If the Scheme Conditions are satisfied or waived, the Scheme will legally come into effect on the Effective Date.

If a Scheme has not become Effective or the relevant Scheme Conditions have not been satisfied or waived by 22 September 2022, or such later date as Bardoc and St Barbara agree in writing, the Scheme will lapse and be of no further force or effect.

(c) **Suspension of trading of Bardoc Shares**

Bardoc will apply to ASX for suspension of trading of Bardoc Shares on ASX after the close of trading on ASX on the Effective Date. It is expected that the suspension will commence on the first Business Day after the day on which Bardoc notifies ASX of the Scheme becoming Effective.

(d) **Transfer of Participating Bardoc Shares**

If the Scheme becomes Effective, on the Implementation Date:

- (i) all Participating Bardoc Shares held by Bardoc Scheme Shareholders will be transferred to St Barbara without any further action required by Bardoc Scheme Shareholders; and
- (ii) Bardoc will enter the name of St Barbara into the Bardoc Share Register in respect of the Participating Bardoc Shares.

If the Scheme becomes Effective, on the Implementation Date, all of the Bardoc Loan Shares will be transferred to St Barbara under the terms of the Bardoc Loan Share

Deeds, and Bardoc will enter the name of St Barbara into the Bardoc Share Register in respect of the Bardoc Loan Shares.

Bardoc will then become a wholly-owned subsidiary of St Barbara and the Bardoc Board will be reconstituted so that it comprises persons nominated by the St Barbara Board.

(e) **Issue of New St Barbara Shares**

If the Scheme becomes Effective, on the Implementation Date the New St Barbara Shares to which Bardoc Scheme Shareholders are entitled under the Scheme will be issued to Bardoc Scheme Shareholders (other than Ineligible Foreign Shareholders). It is expected that:

- (i) Holding Statements and CHESS Confirmation Advices for Bardoc Scheme Shareholders' entitlements to New St Barbara Shares will be despatched to Bardoc Scheme Shareholders whose New St Barbara Shares are held on St Barbara's register by not later than 10 Business Days after the Implementation Date; and
- (ii) New St Barbara Shares will commence trading on ASX initially on a deferred settlement basis from 5 April 2022 and thereafter on a normal settlement basis from 13 April 2022.

For further information regarding the New St Barbara Shares to be issued, refer to Sections 12.8 and 14.5. No securities will be issued on the basis of this Scheme Booklet after the date which is 13 months after the date of this Scheme Booklet, being the expiry date of this Scheme Booklet.

(f) **Cancellation of Bardoc Options**

If the Scheme becomes Effective, on and from 10:00am (Perth time) on the Implementation Date, the existing Bardoc Options will be cancelled.

(g) **De-listing of Bardoc**

After the Implementation Date, Bardoc will apply for termination of the official quotation of Bardoc Shares and have itself removed from the official list of ASX.

(h) **Payments to Ineligible Foreign Shareholders and Relevant Unmarketable Parcel Shareholders**

New St Barbara Shares to which the Ineligible Foreign Shareholders and Relevant Unmarketable Parcel Shareholders would otherwise be entitled will be sold by the Sale Agent as soon as practicable (and in any event not more than 40 days after the Implementation Date) and the proceeds of the sale shall be promptly remitted back to the relevant Ineligible Foreign Shareholders and Relevant Unmarketable Parcel Shareholders.

For more information refer to Section 5.7.

## 12.7 Warranty by Bardoc Scheme Shareholders

Each Bardoc Scheme Shareholder warrants to and is deemed to have authorised Bardoc to warrant to St Barbara as agent and attorney for the Bardoc Scheme Shareholder, that:

- (a) all their Participating Bardoc Shares (including any rights and entitlements attaching to those shares) transferred to St Barbara under the Scheme will, as at the date of the transfer, be fully paid and free from all Encumbrances; and

- (b) they have full power and capacity to sell and to transfer their Participating Bardoc Shares (including any rights and entitlements attaching to those shares) to St Barbara under the Scheme.

## **12.8 New St Barbara Shares**

A summary of the rights attaching to New St Barbara Shares is set out in Section 14.5.

It is expected that:

- (a) all Bardoc Scheme Shareholders who receive New St Barbara Shares will have their names entered on the register of St Barbara Shareholders maintained by Computershare on the Implementation Date;
- (b) holding statements for Bardoc Scheme Shareholders' entitlements to New St Barbara Shares will be despatched to Bardoc Scheme Shareholders by not later than 10 Business Days after the Implementation Date; those holding statements will be sent by prepaid post to the Bardoc Scheme Shareholders' addresses in the Bardoc Share Register as at 5:00pm (Perth time) on the Record Date; and
- (c) New St Barbara Shares are expected to commence trading on ASX initially on a deferred settlement basis from 5 April 2022 and thereafter on a normal settlement basis from 13 April 2022.

Each holder of New St Barbara Shares is responsible for confirming their holding before selling their New St Barbara Shares on a deferred settlement basis. Any sale of New St Barbara Shares before receipt of a holding statement is at the risk of the holder of those securities. To the extent permitted by law, Bardoc, St Barbara and Computershare disclaim all liability, whether in negligence or otherwise, to persons who sell their New St Barbara Shares before receiving their holding statement, whether on the basis of a confirmation of allocation provided by Bardoc, St Barbara, Computershare, a broker or otherwise.

### 13. Key terms of the Scheme Implementation Deed

Bardoc and St Barbara entered into the Scheme Implementation Deed on 19 December 2021.

The Scheme Implementation Deed sets out the obligations of Bardoc and St Barbara in relation to the Scheme.

The Bardoc Directors consider that the Scheme Implementation Deed was entered into on arm's length commercial terms having regard to the fact that Bardoc undertook an assessment of any alternative strategic options available to it.

In making the above statement, the Bardoc Directors note that Bardoc Scheme Shareholders are being given the opportunity to consider and vote on whether the Scheme is implemented at the Scheme Meeting.

This Section sets out a summary of the key terms and conditions of the Scheme Implementation Deed that are not otherwise addressed in this Scheme Booklet.

#### 13.1 Scheme Conditions under the Scheme Implementation Deed

The Scheme is subject to the fulfilment or, in certain cases, waiver of the Scheme Conditions. Refer to Section 12.2 for further details.

#### 13.2 No-shop restriction

The Scheme Implementation Deed includes exclusivity arrangements which apply from the date of the Scheme Implementation Deed until termination of the Scheme Implementation Deed (**Exclusivity Period**).

During the Exclusivity Period, Bardoc must ensure that neither it nor any of its related bodies corporate or representatives directly or indirectly:

- (a) solicits, invites, facilitates, encourages or initiates any enquiries, negotiations or discussions; or
- (b) communicates any intention to do any of these things,

with a view to obtaining any offer, proposal or expression of interest from any person in relation to a Bardoc Competing Transaction.

#### 13.3 No-talk restriction

During the Exclusivity Period, Bardoc must ensure that neither it nor any of its Representatives:

- (a) negotiates or enters into negotiations or discussions regarding; or
- (b) participates in negotiations or discussions with any other person regarding,

a Bardoc Competing Transaction or any agreement, understanding or arrangement that could be reasonably expected to lead to a Bardoc Competing Transaction, even if that person's Bardoc Competing Transaction was not directly or indirectly solicited, invited, encouraged or initiated by Bardoc or any of its Representatives or the person has publicly announced the Bardoc Competing Transaction.

### 13.4 Matching right

During the Exclusivity Period, Bardoc:

- (a) must not enter into any agreement, arrangement or understanding (whether or not in writing) pursuant to which a third party or Bardoc proposes (or both a third party and Bardoc propose) to undertake or give effect to an actual, proposed or potential Bardoc Competing Transaction; and
- (b) must procure that the Bardoc Board does not change its recommendation in favour of the Scheme to publicly recommend an actual, proposed or potential Bardoc Competing Transaction,

unless:

- (a) the Bardoc Board acting in good faith after taking advice from its outside legal adviser and financial adviser, determines that the Bardoc Competing Transaction constitutes a Bardoc Superior Proposal;
- (b) the Bardoc Board, after receiving such legal advice from its external legal advisers, determines that the failure to take such actions specified in the Scheme Implementation Deed would constitute a breach of the Bardoc Board's fiduciary or statutory duties to Bardoc Shareholders;
- (c) Bardoc has provided St Barbara with the material terms and conditions of the Bardoc Competing Transaction to the extent required by the Scheme Implementation Deed and a written explanation as to why it considers that the Bardoc Competing Transaction constitutes a Bardoc Superior Proposal;
- (d) for at least 5 Business Days, Bardoc and its Representatives have negotiated in good faith with St Barbara and its Representatives, to the extent St Barbara wishes to negotiate and make itself reasonably available to negotiate, to enable St Barbara to propose revisions to the terms of the Scheme Implementation Deed; and
- (e) upon the expiry of such negotiation period, the Bardoc Board has considered in good faith any binding proposed revisions to the terms of the Scheme Implementation Deed proposed by St Barbara, and has determined in good faith, after taking advice from its outside legal adviser and financial adviser, that such Bardoc Competing Transaction would nevertheless continue to constitute a Bardoc Superior Proposal if such revisions proposed by St Barbara were to be given effect and that the failure to take the actions specified in the Scheme Implementation Deed would continue to constitute a breach of the Bardoc Board's fiduciary or statutory duties to Bardoc Shareholders.

Bardoc agrees that each successive material modification to the terms of any Bardoc Competing Transaction will constitute a new Bardoc Competing Transaction and accordingly Bardoc must comply in respect of any new Bardoc Competing Transaction.

### 13.5 Break fee

Bardoc agrees to pay the Break Fee to St Barbara without withholding or set off if:

- (a) **(Competing Transaction):** before the Effective Date a Bardoc Competing Transaction is publicly announced or made and within 12 months of the End Date, a Bardoc Competing Transaction is completed;
- (b) **(Change of Recommendation):** St Barbara validly terminates the Scheme Implementation Deed, except where the relevant change, withdrawal or modification of the Bardoc Board's recommendation is made (i) after the Independent Expert

concludes that in the opinion of the Independent Expert the Scheme is not in the best interests of Bardoc Scheme Shareholders (other than where the reason for such opinion is a Bardoc Competing Transaction) or (ii) in circumstances arising as a result of St Barbara's material breach of a term of the Scheme Implementation Deed;

- (c) **(Bardoc Superior Proposal)**: Bardoc validly terminates the Scheme Implementation Deed; or
- (d) **(Material Breach)**: St Barbara validly terminates the Scheme Implementation Deed.

### 13.6 Termination

The Scheme Implementation Deed (and hence the Scheme) may be terminated:

- (a) **(End Date)**: by either party, if the Scheme has not become Effective on or before the End Date, unless the failure of the Scheme to become Effective on or before the End Date is due to the failure of the party seeking to terminate the Scheme Implementation Deed to perform or observe its obligations, covenants and agreements under the Scheme Implementation Deed;
- (b) **(Bardoc Board adverse recommendation change)**: by St Barbara at any time prior to 8.00am on the Second Court Date if the Bardoc Board changes, withdraws or adversely modifies its recommendation to the Bardoc Scheme Shareholders that they vote in favour of the resolution to approve the Scheme or otherwise makes a public statement indicating that it no longer supports the Scheme;
- (c) **(Governmental restraint)**: by either party at any time prior to 8.00am on the Second Court Date if any Governmental Authority who must grant a Regulatory Approval that constitutes a Condition Precedent has denied such Regulatory Approval and such denial has become final and non-appealable or any Governmental Authority of competent jurisdiction shall have issued a final and non-appealable order, injunction, decree or other legal restraint or prohibition permanently enjoining or otherwise prohibiting or making illegal the consummation of the Scheme, unless the failure to obtain the Regulatory Approval or the issuance of any such order, injunction, decree or other legal restraint or prohibition is due to the failure of the party seeking to terminate the Scheme Implementation Deed to perform or observe its obligations, covenants and agreements under the Scheme Implementation Deed;
- (d) **(Material breach)**: by either party at any time prior to 8.00am on the Second Court Date, if the other is in material breach of a term of the Scheme Implementation Deed (excluding any representation and warranty not being true and correct), taken in the context of the Scheme as a whole, provided that St Barbara or Bardoc (as the case may be) has given notice to the other setting out the relevant circumstances of such breach and the relevant circumstances continue to exist 30 Business Days (or any shorter period ending at 8.00am on the Second Court Date) after the time the notice is given;
- (e) **(Bardoc Superior Proposal)**: by Bardoc at any time prior to 8.00am on the Second Court Date if the Bardoc Board determines, in accordance with the Scheme Implementation Deed, that a Bardoc Competing Transaction is a Bardoc Superior

Proposal provided that there has not been a material breach by Bardoc of its obligations under clause the Scheme Implementation Deed;

- (f) **(Consultation or appeal failure)**: by either St Barbara or Bardoc in accordance with the Scheme Implementation Deed; or
- (g) **(Agreement)**: if agreed to in writing by St Barbara and Bardoc.

### 13.7 Amendments to the Scheme

The Scheme or any right created under it may only be varied, altered or otherwise amended if:

- (a) the variation is agreed to by Bardoc and St Barbara in writing; and
- (b) the Court indicates that the variation, alteration or amendment would not itself preclude approval of the Scheme,

in which case, St Barbara must enter into a further deed poll in favour of the Bardoc Scheme Shareholders giving effect to the variation, alteration or amendment.

### 13.8 Representations and warranties

Each of Bardoc and St Barbara have given representations, warranties and covenants to the other that are considered to be standard warranties for an agreement of this kind. The representations, warranties and covenants given by each of Bardoc and St Barbara are set out in full in the Scheme Implementation Deed.

## 14. Additional information

### 14.1 Introduction

This Section 14 sets out additional information required to be disclosed to Bardoc Shareholders pursuant to the Corporations Act and the Corporations Regulations, together with other information that may be of interest to Bardoc Shareholders.

### 14.2 Interests of Bardoc Directors

As at the date of this Scheme Booklet:

- (a) Bardoc Directors held Relevant Interests in marketable securities of Bardoc as set out in Section 6.9; and
- (b) no Bardoc Director holds a Relevant Interest in marketable securities of St Barbara (as set out in Section 6.9).

The following Bardoc Directors have acquired or disposed of a Relevant Interest in Bardoc Shares in the four month period ending on the date immediately before the date of this Scheme Booklet as set out in the table below:

Director	Date	Number Acquired (Post consolidation)	Value
Tony Leibowitz	28 January 2022	350,000	\$148,295

Bardoc Directors who are Bardoc Scheme Shareholders will be entitled to receive New St Barbara Shares in accordance with the terms of the Scheme.

### 14.3 Interests of St Barbara Directors

As at the date of this Scheme Booklet with ASIC:

- (a) St Barbara Directors held Relevant Interests in marketable securities of St Barbara as set out in Section 7.10; and
- (b) no St Barbara Director has any Relevant Interest in marketable securities of Bardoc (as set out in Section 7.10).

No St Barbara Director has acquired or disposed of a Relevant Interest in any St Barbara Shares in the four month period ending on the date immediately before the date of this Scheme Booklet.

### 14.4 Bardoc's interest in St Barbara securities

As at the date of lodgement of this Scheme Booklet with ASIC, neither Bardoc nor any of its Associates has a Relevant Interest in any St Barbara Shares or any other marketable securities of St Barbara.

### 14.5 Rights and liabilities attaching to New St Barbara Shares

If the Scheme becomes Effective, each Bardoc Scheme Shareholder (other than Ineligible Foreign Shareholders and Relevant Unmarketable Parcel Shareholders), will receive 0.3604 New St Barbara Shares for every 1 Participating Bardoc Share they hold as at 5:00 pm (Perth time) on the Record Date.

The New St Barbara Shares issued as Scheme Consideration will be fully paid and, from the date of their issue, will rank equally with existing St Barbara Shares.



The following is a summary of the principal rights attaching to St Barbara Shares. This summary does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of shareholders of St Barbara, which can involve complex questions of law arising from the interaction of the constitution of St Barbara, statutory and common law and the ASX Listing Rules. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to St Barbara Shares are set out in the constitution, a copy of which is available for inspection at the St Barbara's registered office during normal business hours and on the St Barbara website ([www.stbarbara.com.au](http://www.stbarbara.com.au)).

(a) **Quotation on ASX**

Quotation is not guaranteed or automatic on such application, however quotation is expected in the ordinary course as St Barbara is already admitted to the official list of ASX and shares of the same class as those to be issued as the consideration under the Scheme have been granted official quotation by ASX.

It is expected that the New St Barbara Shares will commence trading on ASX, initially on a deferred settlement basis, on 5 April 2021. It is the responsibility of each Bardoc Scheme Shareholder to determine their entitlement to New St Barbara Shares under the Scheme before trading those shares to avoid the risk of selling shares that they do not own. Normal trading of the New St Barbara Shares issued pursuant to the Scheme is expected to commence on 13 April 2022.

(b) **General meetings**

Subject to the rights of the holders of St Barbara Shares issued on special terms and conditions, St Barbara Shareholders are entitled to receive:

- (i) at least 28 days' written notice of every general meeting of St Barbara Shareholders (whether or not the member is entitled to vote at the meeting); and
- (ii) all notices, accounts and other documents required to be sent under the constitution of St Barbara (**St Barbara Constitution**) or the Corporations Act.

(c) **Voting rights**

Subject to certain exceptions, at a general meeting of St Barbara, every St Barbara Shareholder who is entitled to vote and who is present in person or by proxy, attorney or representative has one vote on a show of hands (except that if the St Barbara Shareholder has appointed two proxies, in which case neither proxy may vote) and one vote on a poll for each fully paid St Barbara Share held by that St Barbara Shareholder (or, for each partly paid St Barbara Share held, a fraction of the vote equal to the proportion which the amount paid bears to the total issue price of the St Barbara Share).

Voting at meetings will be on a show of hands, unless a poll is demanded either before or on the declaration of the result of the vote on a show of hands. A poll may be demanded by at least five St Barbara Shareholders, who are present in person or by proxy or representative and entitled to vote on the resolution, by any one or more St Barbara Shareholders who are present holding St Barbara Shares constituting at least 5% of the total votes that may be cast on the resolution on a poll, or by the Chairman. The Chairman does not have a casting vote.

(d) **Dividend rights**

The St Barbara Board may determine that a dividend is payable and to declare dividends in accordance with the Corporations Act. The amount and timing for payment and the method of payment of any dividend will be determined by the St Barbara Directors in accordance with the Constitution. Subject to the Corporations Act, the Constitution and any rights or restrictions attached to a class of St Barbara Shares, dividends are to be apportioned and paid among St Barbara Shareholders in proportion to the amounts paid up on the St Barbara Shares held by each St Barbara Shareholder.

(e) **Winding-up**

In a winding up, the liquidator may, with the sanction of a special resolution of St Barbara:

- (i) divide among St Barbara Shareholders in kind the assets of St Barbara and may for that purpose, fix the value of assets of St Barbara and decide how the division is to be carried out as between the St Barbara Shareholders and different classes of St Barbara Shareholders; and
- (ii) vest the assets of St Barbara in trustees on any trusts for the benefit of the St Barbara Shareholders as the liquidator thinks appropriate.

The liquidator cannot compel a St Barbara Shareholder to accept marketable securities in respect of which there is a liability as part of a distribution of assets of St Barbara.

(f) **Transfer of shares**

Subject to the Corporations Act, the ASX Listing Rules and the ASX Settlement Operating Rules, St Barbara Shareholders may transfer all or any St Barbara Shares by any means permitted by the Corporations Act or by law. In certain circumstances, the St Barbara Board may refuse to register a transfer of St Barbara Shares, including where the transfer would create a new holding of an unmarketable parcel, and may only do so where the refusal would not contravene the ASX Listing Rules or the ASX Settlement Operating Rules. The St Barbara Board must not register a transfer if the Corporations Act, the ASX Listing Rules or the ASX Settlement Operating Rules forbid registration.

(g) **Issue of further shares and other securities**

Subject to any restrictions imposed by the Corporations Act or the ASX Listing Rules, the St Barbara Board may issue, grant options over or otherwise dispose of unissued shares to any person on the terms, with the rights, and at the times that the St Barbara Board decides, and St Barbara may issue St Barbara Shares with any preferential, deferred or special rights, privileges or conditions or with any restrictions provided the rights attaching to such St Barbara Shares include the rights set out in or determined in accordance with the Constitution.

(h) **Variation of rights**

If St Barbara issues different classes of shares, or divides issued shares into different classes, the rights attached to shares in any class may (subject to sections 246C and 246D of the Corporations Act) be varied or cancelled:

- (i) with the written consent of the holders of 75% of the issued shares of the affected class; or

- (ii) by special resolution passed at a meeting of the holders of the issued shares of the affected class.

Subject to their terms of issue, the rights attached to a class of St Barbara Shares are not treated as varied by the issue of further shares of that class.

(i) **Alteration of St Barbara constitution**

The Constitution may only be amended by a special resolution passed by at least 75% of the votes cast by St Barbara Shareholders entitled to vote on the resolution. At least 28 days' written notice specifying the intention to propose the resolution must be given by St Barbara Shareholders.

(j) **St Barbara Directors – Term of office, appointment and removal**

Subject to the Corporations Act, the ASX Listing Rules and the Constitution, a St Barbara Director, other than the Managing Director, must retire from office by no later than the third annual general meeting following their appointment or election.

Subject to the St Barbara Constitution, the St Barbara Directors may appoint a person to be a St Barbara Director to fill a casual vacancy on the St Barbara Board or in addition to the existing St Barbara Directors, who will then hold office until the next annual general meeting, at which time he or she will be eligible for election.

St Barbara may, subject to section 203D of the Corporations Act, by resolution of the members in a general meeting, remove a St Barbara Director from office.

#### 14.6 Benefits to Bardoc officers in connection with retirement from office

Other than the above, there are no other current proposals for any payments or other benefit to be made or given to a director, secretary or executive officer of Bardoc or any Related Body Corporate of Bardoc as compensation for the loss of, or as consideration for or in connection with their retirement from office in Bardoc or any Related Body Corporate of Bardoc as a result of the Scheme.

#### 14.7 Remuneration of Bardoc Directors

The Bardoc Directors are entitled to be paid fees for their services as directors of Bardoc and have been paid the following fees in the past two financial years (inclusive of superannuation entitlements):

Bardoc Director	FY2020	FY2021
Tony Leibowitz	\$649,172 <sup>1</sup>	\$148,510 <sup>2</sup>
John Young	\$239,086 <sup>3</sup>	\$115,249 <sup>4</sup>
Neil Biddle	\$239,086 <sup>5</sup>	\$115,249 <sup>6</sup>
Peter Buttigieg	\$113,940 <sup>7</sup>	\$62,543 <sup>8</sup>
Rowan Johnston	\$273,578 <sup>9</sup>	\$138,518 <sup>10</sup>

**Notes:**

- Includes \$512,297 in Performance Rights.
- Includes \$11,635 in Performance Rights.
- Includes \$147,106 in Performance Rights.
- Includes \$23,269 in Performance Rights.
- Includes \$147,106 in Performance Rights.
- Includes \$23,269 in Performance Rights.

7. Includes \$65,940 in Performance Rights.
8. Includes \$14,543 in Performance Rights.
9. Includes \$147,106 in Performance Rights.
10. Includes \$46,538 in Performance Rights.

#### **14.8 Payments to non-executive St Barbara Directors**

The St Barbara Constitution provides that non-executive directors of St Barbara may be paid, as remuneration for their services as directors of St Barbara, a sum determined from time to time by St Barbara Shareholders in a general meeting, with that sum to be divided amongst the non-executive directors in such manner and proportion as they agree.

As at the date of this Scheme Booklet, the aggregate maximum remuneration for non-executive St Barbara Directors is \$1,200,000 per annum.

#### **14.9 Disclosure of payments and benefits to Bardoc Directors, secretaries and executive officers**

There are no benefits payable to the Executive and Non-Executive Directors of Bardoc following their retirement as Directors on implementation of the Scheme. However, Mr Russell Hardwick who has acted as Company Secretary since 2007 and Chief Financial Officer (2007 to December 2020 and October 2021 to present) will receive a payment equal to 9 months' salary from Bardoc (approximately \$187,500) on implementation of the Scheme.

Other than as set out above, no Bardoc Director, secretary or executive officer of Bardoc (or any of its Related Bodies Corporate) has agreed to receive, or is entitled to receive, any payment or benefit from St Barbara which is conditional on, or is related to, the Scheme other than in their capacity as a Bardoc Shareholder or as set out in Section 14.6.

#### **14.10 Disclosure of interests**

Except as disclosed below or elsewhere in this Scheme Booklet, no:

- (a) Bardoc Director or proposed director of Bardoc;
- (b) St Barbara Director or proposed director of St Barbara;
- (c) person named in this Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet; or
- (d) promoter or underwriter of St Barbara or the Combined Group,

(together "**Interested Persons**") holds, or held at any time during the two years before the date of this Scheme Booklet any interests in:

- (e) the formation or promotion of St Barbara or the Combined Group;
- (f) property acquired or proposed to be acquired by St Barbara in connection with the formation or promotion of St Barbara or the Combined Group or the offer of New St Barbara Shares under the Scheme; or
- (g) the offer of New St Barbara Shares under the Scheme.

#### 14.11 Disclosure of fees and other benefits

Except as disclosed elsewhere in this Scheme Booklet, neither St Barbara nor Bardoc has paid or agreed to pay any fees, or provided or agreed to provide any benefit to:

- (a) a director or proposed director of St Barbara to induce them to become or qualify as a director of St Barbara; or
- (b) any Interested Person for services provided by that person in connection with:
  - (i) the formation or promotion of St Barbara or the Combined Group; or
  - (ii) the offer of New St Barbara Shares under the Scheme.

#### 14.12 Creditors of Bardoc

The Scheme, if implemented, will not affect the interests of creditors of Bardoc.

Bardoc has paid and is paying all its creditors within normal terms of trade. It is solvent and is trading in an ordinary commercial manner.

#### 14.13 Treatment of Bardoc Options

Bardoc has a total of 1,499,998 Bardoc Options on issue.

Under the Scheme Implementation Deed, St Barbara and Bardoc entered into the Option Cancellation Deed with the Bardoc Optionholders (which together hold 100% of Bardoc Options on issue), pursuant to which the Bardoc Optionholders have agreed to cancel their Bardoc Options in exchange for the following consideration:

- (a) \$0.0073 per Bardoc Option which is exercisable at \$1.20 each on or before 11 September 2022; and
- (b) \$0.051 per Bardoc Option which is exercisable at \$0.72 each on or before 27 September 2022.

#### 14.14 Treatment of Bardoc Performance Rights

Bardoc has a total of 5,574,992 Bardoc Performance Rights on issue, of which 1,916,664 Bardoc Performance Rights are held by Bardoc Directors.

Under the Scheme Implementation Deed, St Barbara has acknowledged and agreed that:

- (a) in accordance with their terms, the existing Bardoc Performance Rights will vest and convert into Bardoc Shares on a one for one basis on the Scheme becoming Effective; and
- (b) the Bardoc Shares issued on exercise will be exchanged for New St Barbara Shares under the Scheme.

#### 14.15 Treatment of Bardoc Loan Shares

Of the 290,723,953 Bardoc Shares on issue as at the date of this Scheme Booklet, 1,604,015 are Bardoc Loan Shares, being Bardoc Shares the subject of limited recourse loan arrangements between Bardoc and the 9 Bardoc Loan Share Holders.

Under the Scheme Implementation Deed, St Barbara and Bardoc have entered into a Bardoc Loan Share Deed with each holder of Bardoc Loan Shares, under which it has been agreed

that, with effect on the Implementation Date and conditional on the Scheme becoming Effective:

- (a) all existing Bardoc Loan Shares held by Bardoc Loan Share Holders will be exchanged for the Bardoc Loan Share Consideration;
- (b) the corresponding loan made under the Bardoc Loan Plan Share Transfer Deed is forgiven by Bardoc; and
- (c) any holding lock placed on the Bardoc Loan Shares will be removed.

Each of the acquisitions of the Bardoc Loan Shares by St Barbara under the Bardoc Loan Share Deeds is conditional on the Scheme becoming Effective. If the Scheme becomes Effective, the Bardoc Loan Shares will be acquired on the Implementation Date under arrangements for transfer and payment that are outside of the Scheme.

As a result of the arrangements that have been made under the Bardoc Loan Share Deeds, the Bardoc Loan Shares are not subject to the Scheme and the Bardoc Loan Share Holders are not entitled to vote their Bardoc Loan Shares on the Scheme. However, Bardoc Loan Share Holders will be permitted to vote on the Scheme with regards to any Participating Bardoc Shares held.

#### **14.16 Right to inspect and obtain copies of the Bardoc Share Register**

A Bardoc Shareholder has the right to inspect the Bardoc Share Register, which contains the name and address of each Bardoc Shareholder and certain other prescribed details relating to Bardoc Shares, without charge. A Bardoc Shareholder also has the right to request a copy of the register, upon payment of a fee (if any) up to a prescribed amount.

#### **14.17 Regulatory conditions and relief**

ASX Listing Rule 6.23.2 provides that the cancellation of options for consideration requires the approval of shareholders. Bardoc has been granted a waiver of ASX Listing Rule 6.23.2 to permit the Bardoc Options to be cancelled without requiring the approval of Bardoc Shareholders, subject to the Scheme being approved by the Requisite Majority of Bardoc Scheme Shareholders and the Court. The waiver application was made on the basis that Bardoc Scheme Shareholders are provided with information of the proposed treatment of Bardoc Options in this Scheme Booklet and therefore able to consider this information when determining whether to vote in favour of the Scheme. Refer to Sections 12.1(c) and 14.13 for further information on the proposed treatment of Bardoc Options.

#### **14.18 No administrator**

It is not proposed that any person be appointed to manage or administer the Scheme.

#### **14.19 No relevant restrictions in the constitution of Bardoc**

There are no restrictions on the right to transfer Bardoc Shares in Bardoc's constitution.

#### **14.20 No unacceptable circumstances**

The Bardoc Directors do not believe that the Scheme involves any circumstances in relation to the affairs of any member of Bardoc that could reasonably be characterised as constituting "unacceptable circumstances" for the purposes of section 657A of the Corporations Act.

#### **14.21 Bardoc Scheme Shareholders in jurisdictions outside Australia and New Zealand**

This Scheme Booklet and the Scheme are subject to Australian disclosure requirements that may be different to those applicable in other jurisdictions. This Scheme Booklet and the

Scheme do not in any way constitute an offer of securities in any place in which, or to any person to whom, it would not be lawful to make such an offer.

Any Bardoc Scheme Shareholder whose address as shown in the Bardoc Share Register at 5:00pm (Perth time) on the Record Date is outside of Australia or its external territories or New Zealand will be an Ineligible Foreign Shareholder for the purposes of the Scheme, other than a Bardoc Scheme Shareholder in respect of whom St Barbara is satisfied that the laws of that holder's country of residence (as shown in the Bardoc Share Register) would permit the issue and allotment of New St Barbara Shares, either unconditionally or after compliance with conditions which St Barbara in its sole discretion regards as acceptable and not unduly onerous.

St Barbara will not issue New St Barbara Shares to an Ineligible Foreign Shareholder. If you are an Ineligible Foreign Shareholder, you should refer to Section 5.7 for further information.

## **14.22 Privacy and personal information**

Bardoc and St Barbara, their respective share registries and investor relations advisers may collect personal information about you in the process of implementing the Scheme. The personal information may include the names, contact details and details of the security holdings of Bardoc Shareholders, and the names of individuals appointed by Bardoc Shareholders as proxies, corporate representatives or attorneys at the Scheme Meeting.

The personal information is collected for the primary purpose of implementing the Scheme. The personal information may be disclosed to Bardoc's and St Barbara's share and option registries and investor relations advisers, to securities brokers and to print and mail service providers.

Bardoc Shareholders who are individuals and the other individuals in respect of whom personal information is collected as outlined above have certain rights to access the personal information collected in relation to them. Such individuals should contact Computershare on 1300 850 505 (within Australia) or +61 (03) 9415 4000 (outside Australia) in the first instance if they wish to request access to that personal information.

Bardoc Scheme Shareholders who appoint an individual as their proxy, corporate representative or attorney to vote at the Scheme Meeting should inform that individual of the matters outlined above.

## **14.23 Supplementary information**

Bardoc will issue a supplementary document to this Scheme Booklet if it becomes aware of any of the following between the date of lodgement of this Scheme Booklet for registration by ASIC and the date of the Scheme Meeting:

- (a) a material statement in this Scheme Booklet that is false or misleading;
- (b) a material omission from this Scheme Booklet;
- (c) a significant change affecting a matter included in this Scheme Booklet; or
- (d) a significant new matter arising that would have been required to be included in this Scheme Booklet if it had arisen before the date of lodgement of this Scheme Booklet for registration by ASIC.

The form of the supplementary document and whether a copy will be sent to each Bardoc Shareholder will depend on the nature and timing of the new or changed circumstances. Any such supplementary document will be made available on Bardoc's website ([www.bardocgold.com](http://www.bardocgold.com)). Any such supplementary document will also be released to ASX and accordingly will be available from ASX's website ([www.asx.com.au](http://www.asx.com.au)).

## 14.24 Compliance Statements

### (a) Bardoc Compliance Statement

The information in this Scheme Booklet contains references to Bardoc's:

- (i) ASX announcement titled 'Definitive Feasibility Study delivers 1Moz Ore reserve' dated 31 March 2021;
- (ii) 'ASX Quarterly Activities Report' dated 29 October 2021; and
- (iii) 'ASX Quarterly Activities Report' dated 24th January 2022.

The above reports are available on Bardoc's ASX announcements platform.

The Competent Person (as that term is defined in the Australasian Code for Reporting on Exploration Results, Mineral Resources and Ore Reserves (2012 Edition)) responsible for the above reports was Bradley Toms and Andrew Francis who are employees of Bardoc.

Bardoc confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements. In the case of estimates of Mineral Resources or Ore Reserves, Bardoc confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. In addition, Bardoc confirms that the form and context in which the competent persons' findings are presented have not been materially modified.

### (b) St Barbara Compliance Statement

The information in this Scheme Booklet contains references to St Barbara's:

- (i) Mineral Resource and Ore Reserve estimates, which have been extracted from St Barbara's ASX announcement entitled "Ore Reserves and Mineral Resources Statement as at 31 December 2021" dated 18 February 2022" dated 18 February 2022 (**Estimate Announcement**); and
- (ii) production targets and forecast financial information, which have been extracted from the following St Barbara ASX announcements (**Production Target Announcement**):
  - A. entitled "Q2 December FY22 Quarterly Report" dated 25 January 2022; and
  - B. entitled "Simberi Sulphide Feasibility Study highlights robust project; Board approves pre-investment work" dated 27 April 2021.

The Estimate Announcement and Production Target Announcements are available on St Barbara's ASX announcements platform.

The following Competent Persons (as that term is defined in the Australasian Code for Reporting on Exploration Results, Mineral Resources and Ore Reserves (2012 Edition)) are responsible for the following St Barbara estimates:

- (i) Mineral Resources for Gwalia Deeps, Gwalia Open Pit, Harbour Lights, Tower Hill, Simberi Operations and Touquoy Deposits as reported in the announcement entitled "Ore Reserves and Mineral Resources Statement as at 31 December 2021" dated 18 February 2022 - Jane Bateman.



- (ii) Mineral Resources for Beaver Dam, Fifteen Mile Stream and Cochrane Hill Deposits as reported in the announcement entitled “Ore Reserves and Mineral Resources Statement as at 31 December 2021” dated 18 February 2022 - Neil Schofield.
- (iii) Ore Reserves for Gwalia Deeps as reported in the announcement entitled “Ore Reserves and Mineral Resources Statement as at 31 December 2021” dated 18 February 2022 - Kevin Osborne.
- (iv) Ore Reserves for Simberi Operations as reported in the announcement entitled “Ore Reserves and Mineral Resources Statement as at 31 December 2021” dated 18 February 2022 - Cameron Legg.
- (v) Ore Reserves for Touquoy Deposit as reported in the announcement entitled “Ore Reserves and Mineral Resources Statement as at 31 December 2021” dated 18 February 2022 - Scott Britton
- (vi) Ore Reserves for Beaver Dam, Fifteen Mile Stream and Cochrane Hill Deposits as reported in the announcement entitled “Ore Reserves and Mineral Resources Statement as at 31 December 2021” dated 18 February 2022 - Marc Schulte.

St Barbara confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements. In the case of estimates of Mineral Resources or Ore Reserves, St Barbara confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. In addition, St Barbara confirms that the form and context in which the competent persons’ findings are presented have not been materially modified.

In the case of a production target, St Barbara confirms that all material assumptions underpinning the production target, and any forecast financial information derived from a production target, in the relevant market announcement continue to apply and have not materially changed.

## 14.25 Advisers and experts

### (a) Roles of advisers and experts

The persons named in this Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the Scheme or the preparation or distribution of this Scheme Booklet are:

Name	Role
RSM Corporate Australia Pty Ltd	Independent Expert
Valuation and Resources Management Pty Ltd	Technical Expert
Argonaut PCF	Bardoc’s financial advisor
Steinepreis Paganin	Legal adviser to Bardoc
Macquarie Capital (Australia) Limited	St Barbara’s financial adviser
King & Wood Mallesons	Legal adviser to St Barbara

Name	Role
Computershare Investor Services	Bardoc's share registry
Computershare Investor Services	St Barbara's share registry
Red Cloud Global Pty Ltd	Tax adviser to Bardoc

(b) **Consents of advisers and experts**

RSM Corporate Australia Pty Ltd has given its consent to the inclusion of its Independent Expert's Report in this Scheme Booklet in the form and context in which it appears in Annexure A of this Scheme Booklet and has not withdrawn that consent before the date of this Scheme Booklet.

RSM Corporate Australia Pty Ltd takes no responsibility for the contents of the Scheme Booklet other than the Independent Expert's Report. The interests of RSM Corporate Australia Pty Ltd in its capacity as Independent Expert are disclosed in the Independent Expert's Report.

Valuation and Resources Management Pty Ltd has given its consent to the inclusion in the Independent Expert's Report in this Scheme Booklet of technical information relating to Bardoc and St Barbara in the form and context in which the information appears, and has not withdrawn that consent before the date of this Scheme Booklet.

St Barbara has given its consent to the inclusion of the St Barbara Information in the form and context in which it appears and has not withdrawn that consent before the date of this Scheme Booklet.

Red Cloud Global Pty Ltd has consented to the inclusion of Section 11 of this Scheme Booklet and references to the information set out in that Section in the form and context in which they appear and has not withdrawn that consent before the date of this Scheme Booklet.

Macquarie Capital (Australia) Limited has given its consent to be named in this Scheme Booklet as financial adviser to St Barbara in the form and context in which it appears and has not withdrawn that consent before the date of this Scheme Booklet.

Argonaut PCF has given its consent to be named in this Scheme Booklet as financial adviser to Bardoc in the form and context in which it appears and has not withdrawn that consent before the date of this Scheme Booklet.

Steinepreis Paganin has given its consent to be named in this Scheme Booklet as legal adviser to Bardoc in the form and context in which it appears and has not withdrawn that consent before the date of this Scheme Booklet.

King & Wood Mallesons has given its consent to be named in this Scheme Booklet as legal adviser to St Barbara in the form and context in which it appears and has not withdrawn that consent before the date of this Scheme Booklet.

Computershare has given its consent to be named in this Scheme Booklet as Bardoc's and St Barbara's share registry in the form and context in which it appears and has not withdrawn that consent before the date of this Scheme Booklet.

Each person named in Section 14.25(a) has given, and before the time of registration of this Scheme Booklet with ASIC, has not withdrawn, their consent to being named in this Scheme Booklet in the capacity indicated next to their name.

(c) **Disclaimers of responsibility**

Each person named in Section 14.25(a) as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet:

- (i) has not authorised or caused the issue of this Scheme Booklet or the making of the offer of New St Barbara Shares under the Scheme;
- (ii) does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based, other than a statement included in this Scheme Booklet with the written consent of that person as stated in Section 14.25(b); and
- (iii) makes no representations regarding, and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for, any statements in or omissions from any part of this Scheme Booklet, other than a reference to its name and any statement or report that has been included in this Scheme Booklet with the consent of that person.

(d) **Fees**

Each person named in Section 14.25(a) as performing a function in a professional, advisory or other capacity in connection with the Scheme or the preparation or distribution of this Scheme Booklet will be entitled to receive professional fees charged in accordance with their normal basis of charging.

The total fees expected to be incurred by Bardoc are estimated to be approximately \$2.48 million (in relation to advisory fees, legal fees, expert fees and other transaction related expenses).

The total fees expected to be incurred by St Barbara are estimated to be approximately \$4.2 million (in relation to advisory fees, legal fees and other transaction related expenses).

The fees above are exclusive of GST or equivalent taxes and disbursements, except where stated.

**14.26 Effects of rounding**

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet including but not limited to those in respect of the Scheme Consideration, are subject to the effect of rounding. Accordingly, the actual calculations of these figures may differ from the figures set out in this Scheme Booklet.

**14.27 Data in charts, graphs and tables**

Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the Last Practicable Date. Any discrepancies in any chart, graph or table between totals and sums of amounts presented or listed therein or to previously published financial figures are due to rounding.

**14.28 No other material information**

Other than as set out in this Scheme Booklet, including the Annexures to this Scheme Booklet, there is no information material to the making of a decision in relation to the Scheme or a decision by a Bardoc Scheme Shareholder whether or not to vote in favour of the Scheme, being information that is within the knowledge of any Bardoc Directors or of a

Related Body Corporate of Bardoc and which has not previously been disclosed to Bardoc Shareholders.

## 15. Glossary of defined terms

The following defined terms used throughout this Scheme Booklet have the meaning set out below unless the context otherwise requires.

<b>A\$ or \$</b>	The lawful currency of Australia.
<b>AASB</b>	The Australian Accounting Standards Board, being the Australian Regulatory Authority responsible for developing and issuing accounting standards applicable to Australian entities and the “care and maintenance” of the body of standards as set out in the <i>Australian Securities and Investments Commission Act 2001</i> (Cth).
<b>Annexure</b>	An annexure of this Scheme Booklet.
<b>Announcement Date</b>	20 December 2021, being the date of announcement of the Scheme.
<b>ASIC</b>	The Australian Securities and Investments Commission.
<b>Associate</b>	Has the meaning given to it in section 12 of the Corporations Act.
<b>ASX</b>	ASX Limited ABN 98 008 624 691.
<b>ASX Listing Rules</b>	The official listing rules of ASX.
<b>ASX Settlement Operating Rules</b>	The settlement rules of ASX Settlement Pty Ltd ACN 008 504 532.
<b>Australian Accounting Standards</b>	The Australian Accounting Standards issued by the AASB.
<b>Bardoc or Company</b>	Bardoc Gold Limited (ACN 125 578 743).
<b>Bardoc Board</b>	The board of Bardoc Directors as at the date of this Scheme Booklet.
<b>Bardoc Competing Transaction</b>	Has the meaning given to it in clause 1.1 of the Scheme Implementation Deed.
<b>Bardoc Directors</b>	The directors of Bardoc.
<b>Bardoc Group</b>	Bardoc and its subsidiaries.
<b>Bardoc Loan Plan Share Transfer Deed</b>	The loan plan share transfer deed dated 19 July 2018 between Bardoc (formerly Excelsior Gold Limited), Spitfire Materials Limited and the Bardoc Loan Share Holders.
<b>Bardoc Loan Share</b>	A Bardoc Share that is subject to a loan under and in accordance with the Bardoc Loan Plan Share Transfer Deed between Bardoc and the holder of that Bardoc Share.
<b>Bardoc Loan Share Consideration</b>	The consideration payable by St Barbara to a Bardoc Loan Share Holder for the sale and purchase of the Bardoc Loan Shares, being \$0.0791 multiplied by the number of Bardoc Loan Shares held by that Bardoc Loan Share Holder.

<b>Bardoc Loan Share Deed</b>	A deed between St Barbara, a Bardoc Loan Share Holder and Bardoc pursuant to which all of that Bardoc Loan Share Holder's Bardoc Loan Shares will be acquired by St Barbara for the Bardoc Loan Share Consideration applicable to that Bardoc Loan Share Holder, and the outstanding loan amount associated with those Bardoc Loan Shares is forgiven by Bardoc, with effect on the Implementation Date and conditional on the Scheme becoming Effective.
<b>Bardoc Loan Share Holder</b>	The holder of a Bardoc Loan Share, who has agreed to sell their Bardoc Loan Shares to St Barbara pursuant to a Bardoc Loan Share Deed.
<b>Bardoc Material Adverse Effect</b>	Has the meaning given to that term in clause 1.1 of the Scheme Implementation Deed.
<b>Bardoc Option</b>	An option to subscribe for a Bardoc Share.
<b>Bardoc Option Register</b>	The register of Bardoc Optionholders maintained by Computershare in accordance with the Corporations Act.
<b>Bardoc Optionholder</b>	Each person who is registered in the Bardoc Option Register from time to time as the holder of a Bardoc Option.
<b>Bardoc Performance Right</b>	A right to subscribe for a Bardoc Share on satisfaction of specified performance milestones.
<b>Bardoc Performance Rights Holder</b>	The person who is registered as being the holder of a Bardoc Performance Right.
<b>Bardoc Prescribed Event</b>	Has the meaning given in clause 1.1 of the Scheme Implementation Deed.
<b>Bardoc Scheme Shareholders</b>	Each person who is registered in the Bardoc Share Register as the holder of a Participating Bardoc Share as at 5:00pm (Perth time) on the Record Date.
<b>Bardoc Security</b>	A Bardoc Share, a Bardoc Performance Right or a Bardoc Option.
<b>Bardoc Share</b>	A fully paid ordinary share in the capital of Bardoc.
<b>Bardoc Share Register</b>	The register of Bardoc Shareholders maintained by Computershare in accordance with the Corporations Act.
<b>Bardoc Shareholder</b>	Each person who is registered in the Bardoc Share Register from time to time as the holder of a Bardoc Share.
<b>Bardoc Superior Proposal</b>	Has the meaning given to that term in clause 1.1 of the Scheme Implementation Deed.
<b>Business Day</b>	A day as defined in the ASX Listing Rules other than any day which banks are not open for general banking business in Perth, Western Australia.
<b>CGT</b>	Capital Gains Tax, as defined in the <i>Income Tax Assessment Act 1997</i> .
<b>Combined Group</b>	The corporate group comprising St Barbara and its subsidiaries, including the Bardoc Group, if the Scheme is implemented.
<b>Competing Transaction</b>	An offer, proposal, transaction or arrangement (whether by way of stock purchase, tender offer, exchange offer, merger, consolidation, share exchange, business combination, joint venture, reorganisation, recapitalisation, takeover bid, scheme of arrangement, capital reduction, buy back, sale, lease or assignment of assets, sale or issue of securities, reverse takeover bid, dual listed company structure (or other synthetic

	<p>merger), deed of company arrangement, debt for equity arrangement or otherwise), or a series of any of the foregoing (other than the Scheme), which, if completed, would mean:</p> <p>(a) a person (other than St Barbara or its Related Bodies Corporate), whether alone or together with its Associates, would:</p> <p>(i) directly or indirectly acquire a Relevant Interest in or become the holder of 20% or more of the Bardoc Shares (other than as custodian, nominee or bare trustee);</p> <p>(ii) acquire control of Bardoc, within the meaning of section 50AA of the Corporations Act; or</p> <p>(iii) directly or indirectly acquire, obtain a right to acquire, or otherwise obtain an interest in (including through any license arrangement) 20% or more of the consolidated assets of the Bardoc Group; or</p> <p>(b) St Barbara would be required to abandon, or otherwise fail to proceed with, the Scheme,</p> <p>for the avoidance of doubt, the Spin-out Transaction shall not be a Bardoc Competing Transaction.</p>
<b>Computershare</b>	Computershare Investor Services Pty Limited (ABN 48 078 279 277), the security registry for St Barbara and Bardoc.
<b>Corporations Act</b>	The <i>Corporations Act 2001</i> (Cth).
<b>Corporations Regulations</b>	The <i>Corporations Regulations 2001</i> (Cth).
<b>Court</b>	The Supreme Court of Western Australia.
<b>Deed Poll</b>	The deed poll dated 21 February 2022 executed by St Barbara whereby, among other things, St Barbara covenants to carry out its obligations under the Scheme, as set out in Annexure C.
<b>Edge</b>	Edge Minerals Pty Ltd (ACN 126 632 899)
<b>Effective</b>	When used in relation to the Scheme, means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under sections 411(4)(b) and 411(6) in relation to the Scheme.
<b>Effective Date</b>	The date on which the Scheme becomes Effective.
<b>End Date</b>	19 July 2022 or such other date as St Barbara and Bardoc may agree.
<b>FY21</b>	The period of 12 months (financial year) ending 30 June 2021.
<b>FY22</b>	The period of 12 months (financial year) ending 30 June 2022.
<b>Implementation Date</b>	The date that is the third Business Day after the Record Date.
<b>Independent Expert</b>	RSM Corporate Australia Pty Ltd (ACN 050 508 024)
<b>Independent Expert's Report</b>	The report of the Independent Expert in relation to the Scheme as set out in Annexure A of this Scheme Booklet.
<b>Independent Technical Report</b>	The report of the Technical Expert set out in Appendix 3 of the Independent Expert's Report.

<b>Ineligible Foreign Shareholder</b>	A Bardoc Scheme Shareholder whose address as shown in the Bardoc Share Register at 5:00pm (Perth time) on the Record Date is a place outside Australia or its external territories or New Zealand, other than one in respect of whom St Barbara is satisfied that the laws of the Bardoc Scheme Shareholder's country of residence (as shown in the Bardoc Share Register) would permit the issue and allotment of New St Barbara Shares, either unconditionally or after compliance with conditions which St Barbara in its sole discretion regards as acceptable and not unduly onerous.
<b>Interested Person</b>	A person named in Section 14.10.
<b>Last Practicable Date</b>	18 February 2022, being the last practicable date before the finalisation of this Scheme Booklet.
<b>Mineral Resource</b>	Has the meaning given in the ASX Listing Rules.
<b>Net Sale Proceeds</b>	The sale proceeds of New St Barbara Shares sold under the Sale Facility by the Sale Agent in respect of Ineligible Foreign Shareholders, less any applicable brokerage, selling costs, taxes and charges.
<b>New St Barbara Share</b>	A St Barbara Share to be issued as consideration under the Scheme.
<b>Opt-in Notice</b>	A notice by an Unmarketable Parcel Shareholder electing to receive the Scheme Consideration as New St Barbara Shares.
<b>Option Cancellation Deeds</b>	The deeds between Bardoc, St Barbara and the Bardoc Optionholders dated on or around February 2022 relating to the cancellation of Bardoc Options.
<b>Ore Reserve</b>	Has the meaning given in the ASX Listing Rules.
<b>Participating Bardoc Share</b>	A Bardoc Share other than the Bardoc Loan Share.
<b>Record Date</b>	The second Business Day after the Effective Date.
<b>Regulatory Authority</b>	Includes: (a) ASX; (b) ASIC; (c) the Takeovers Panel; (d) a government or governmental, semi-governmental or judicial entity or authority; (e) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; and (f) any regulatory organisation established under statute.
<b>Related Body Corporate</b>	The meaning given to it in the Corporations Act.
<b>Relevant Interest</b>	The meaning given to it in sections 608 and 609 of the Corporations Act.
<b>Relevant Unmarketable Parcel Shareholder</b>	An Unmarketable Parcel Shareholder who has not provided Computershare with a duly completed Opt-In Notice before 5:00 pm (Perth time) on the Business Day prior to the Record Date.



<b>Requisite Majority</b>	In respect of the Scheme, approval by: (a) more than 50% in number of Bardoc Scheme Shareholders present and voting (whether in person, by proxy, by attorney or, in the case of a corporation, by corporate representative); and (b) at least 75% of the total number of votes cast on the Scheme Resolution by Bardoc Scheme Shareholders.
<b>Sale Agent</b>	Macquarie Equities Limited (ABN 41 002 574 923)
<b>Sale Facility</b>	The mechanism by which Ineligible Foreign Shareholders and Relevant Unmarketable Parcel Shareholders receive the Net Sale Proceeds of any sale of New St Barbara Shares they would otherwise receive, as described in Section 5.8.
<b>Scheme Booklet</b>	This booklet that comprises the explanatory statement in respect of the Scheme to be approved by the Court and despatched to Bardoc Shareholders and includes the Annexures to this booklet.
<b>Scheme Conditions</b>	The conditions for implementation of the Scheme as set out in clause 3.1 to the Scheme Implementation Deed as detailed at Section 12.2.
<b>Scheme</b>	The scheme of arrangement between Bardoc and the Bardoc Scheme Shareholders as described in clause 4 of the Scheme Implementation Deed and set out in Annexure B.
<b>Scheme Consideration</b>	New St Barbara Shares to be issued to Bardoc Scheme Shareholders under the terms of the Scheme in consideration for the transfer to St Barbara of Participating Bardoc Shares or the Net Sale Proceeds equivalent to be paid under the Sale Facility.
<b>Scheme Implementation Deed</b>	The Scheme Implementation Deed dated 19 December 2021 between Bardoc and St Barbara relating to the implementation of the Scheme.
<b>Scheme Meeting</b>	The meeting of Bardoc Scheme Shareholders to be held <b>virtually at 1:00pm (Perth time) on 30 March 2022</b> to consider and vote on the Scheme. The notice convening the Scheme Meeting is set out in Annexure D.
<b>Scheme Resolution</b>	The resolution set out in the Notice of Scheme Meeting set out in Annexure D.
<b>Second Court Date</b>	The first day of the Second Court Hearing.
<b>Second Court Hearing</b>	The hearing of the application made to the Court for an order pursuant to sections 411(4)(b) and 411(6) of the Corporations Act approving the Scheme.
<b>Spin-Out Transaction</b>	The proposed in-specie distribution of all of the fully paid ordinary shares in Edge Minerals Pty Ltd, the holder of the South Woodie Woodie Project, to Bardoc Shareholders.
<b>Section</b>	A section of this Scheme Booklet.
<b>South Woodie Woodie Project</b>	The South Woodie Woodie manganese asset in the East Pilbara region of Western Australia.
<b>St Barbara</b>	St Barbara Limited (ACN 009 165 066).
<b>St Barbara Board</b>	The board of St Barbara Directors as at the date of this Scheme Booklet.

<b>St Barbara Directors</b>	The directors of St Barbara.
<b>St Barbara FY21 Annual Report</b>	The annual financial report of St Barbara for the year ended 30 June 2021.
<b>St Barbara Information</b>	<p>The information relating to St Barbara and the Combined Group provided by St Barbara to Bardoc in writing for inclusion in this Scheme Booklet, being:</p> <ul style="list-style-type: none"> <li>(a) the Letter from St Barbara;</li> <li>(b) the information contained in Section 7;</li> <li>(c) the information contained in Sections 8 and 9 (other than to the extent of financial information provided or published by Bardoc);</li> <li>(d) the information contained in Sections 10.2 and 10.4; and</li> <li>(e) the information contained in Section 14 regarding St Barbara or the interests of St Barbara Directors or their Associates.</li> </ul>
<b>St Barbara NED Rights</b>	An unquoted right to acquire a St Barbara Share issued under St Barbara's Non-Executive Director Equity Plan.
<b>St Barbara Performance Rights</b>	An unquoted right to acquire a St Barbara Share issued under St Barbara's Performance Rights Plan which will vest upon the satisfaction of certain performance milestones.
<b>St Barbara Prescribed Event</b>	Has the meaning given in clause 1.1 of the Scheme Implementation Deed.
<b>St Barbara Rights</b>	St Barbara Performance Rights and St Barbara NED Rights.
<b>St Barbara Share</b>	A fully paid ordinary share in the capital of St Barbara.
<b>St Barbara Shareholder</b>	Each person who is registered in the St Barbara Share Register from time to time as the holder of a St Barbara Share.
<b>Subsidiaries</b>	Has the meaning it has in the Corporations Act.
<b>Superior Proposal</b>	<p>A genuine Competing Transaction (other than a Competing Transaction which has resulted from a material breach of Bardoc's obligations under the Scheme Implementation Deed), which the Bardoc Board, acting in good faith, and after taking advice from its outside legal adviser and financial adviser, determines is:</p> <ul style="list-style-type: none"> <li>(a) reasonably likely of being completed on a reasonable timeline; and</li> <li>(b) of a higher financial value and more favourable to Bardoc Shareholders than the Scheme (as may be revised in accordance with the Scheme Implementation Deed, if applicable),</li> </ul> <p>in each case taking into account all aspects of the Competing Transaction, including the terms of the Competing Transaction, the price and/or value of the Competing Transaction, any conditions, timing considerations and any other matters affecting the probability of the Competing Transaction being completed in accordance with its terms, the identity, expertise, reputation and financial condition of the person making the proposal, and legal, regulatory and financial matters.</p>
<b>Technical Expert</b>	Valuation and Resources Management Pty Ltd

<b>Unmarketable Parcel Shareholder</b>	A Bardoc Scheme Shareholder (other than an Ineligible Foreign Shareholder) who, based on their holding of Bardoc Shares on the Record Date, would, on implementation of the Scheme, be entitled to receive less than a “marketable parcel” (being, at the date of this Scheme Booklet, \$500 worth of shares) of New St Barbara Shares (assessed by reference to the price of St Barbara Shares on ASX at the close of trade on the trading day prior to the Record Date).
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**Annexure A – Independent Expert’s Report**



# BARDOC GOLD LIMITED

Financial Services Guide and Independent Expert's Report

February 2022

*We have concluded that the Scheme is in the Best Interests of Bardoc Scheme Shareholders*

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# FINANCIAL SERVICES GUIDE

## Overview

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 ("RSM Corporate Australia Pty Ltd" or "we" or "us" or "ours" as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ("FSG"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the financial services that we will be providing you under our Australian Financial Services Licence, Licence No 255847;
- remuneration that we and/or our staff and any associates receive in connection with the financial services that we will be providing to you;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

## Financial services we will provide

For the purposes of our report and this FSG, the financial service we will be providing to you is the provision of general financial product advice in relation to securities.

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

## General Financial Product Advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

## Benefits that we may receive

We charge various fees for providing different financial services. However, in respect of the financial service being provided to you by us, fees will be agreed, and paid by, the person who engages us to provide the report and such fees will be agreed on either a fixed fee or time cost basis. You will not pay to us any fees for our services; the Company will pay our fees. These fees are disclosed in the Report.

Except for the fees referred to above, neither RSM Corporate Australia Pty Ltd, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

## Remuneration or other benefits received by our employees

All our employees receive a salary.

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## Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

## Associations and relationships

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia, a large national firm of chartered accountants and business advisers. Our directors are partners of RSM Australia Partners.

From time to time, RSM Corporate Australia Pty Ltd, RSM Australia Partners, RSM Australia and / or RSM Australia related entities may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of their business.

## Complaints resolution

### Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints should be directed to The Complaints Officer, RSM Corporate Australia Pty Ltd, P O Box R1253, Perth, WA, 6844.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination. If a complaint is received in advance of a shareholder meeting or other key date where shareholders or investors may be making decisions which are influenced by our report, we will make all reasonable efforts to respond to complaints prior to that date.

### Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ("AFCA"). AFCA is an independent dispute resolution scheme that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about AFCA are available at the AFCA website [www.afca.org.au](http://www.afca.org.au). You may contact AFCA directly by email, telephone or in writing at the address set out below.

Australian Financial Complaints Authority  
GPO Box 3  
Melbourne VIC 3001  
Toll Free: 1800 931 678  
Email: [info@afca.org.au](mailto:info@afca.org.au)

Time limits may apply to make a complaint to AFCA, so you should act promptly or consult the AFCA website to determine if or when the time limit relevant to your circumstances expires.

## Contact details

You may contact us using the details set out at the top of our letterhead on page 2 of this report.

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18 February 2022

Bardoc Scheme Shareholders  
Bardoc Gold Limited  
130 Stirling Highway  
North Fremantle WA 6159

Dear Bardoc Scheme Shareholders

## INDEPENDENT EXPERT'S REPORT ("REPORT")

### 1. Introduction

- 1.1 On 20 December 2021, Bardoc Gold Limited ("BDC") and St Barbara Limited ("SBM") announced they had entered into a binding scheme implementation deed ("Implementation Agreement") under which SBM will, subject to the satisfaction of various conditions, acquire all of the shares in the capital of BDC by way of a scheme of arrangement under Part 5.1 of the *Corporations Act 2001* (Cth) ("the Act") ("Scheme").
- 1.2 Under the terms of the Scheme, BDC shareholders who are participating in the Scheme ("Bardoc Scheme Shareholders") will receive 0.3604 new SBM shares for every fully paid BDC share they hold. If the Scheme is implemented, BDC will become wholly owned by SBM and Bardoc Scheme Shareholders will hold a 13% interest in the enlarged SBM ("the Merged Group") based on each company's current number of shares on issue. BDC and SBM have executed the Implementation Agreement to give effect to the Scheme if all conditions precedent are satisfied.
- 1.3 The Scheme is subject to the Supreme Court of Western Australia or another court of competent jurisdiction under the Act agreed in writing by BDC and SBM ("Court") convening a meeting of Bardoc Scheme Shareholders where they will consider a resolution seeking approval of the Scheme ("Scheme Meeting"). The Scheme Meeting is to be held on or about 30 March 2022 and, under the Act, it will be approved by Bardoc Scheme Shareholders if the resolution is passed by a majority of Bardoc Scheme Shareholders present (in person or by proxy) and voting at the Scheme Meeting, and by at least 75% of the votes cast on the resolution. If this occurs, a second Court hearing will be held to approve the Scheme which, if approved, will become binding on all Bardoc Scheme Shareholders, irrespective of whether or not they voted for the Scheme.
- 1.4 The Directors of BDC have requested RSM Corporate Australia Pty Ltd ("RSM"), being independent and qualified for the purpose, to express an opinion as to whether the Scheme is in the best interests of Bardoc Scheme Shareholders.

### THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

RSM Corporate Australia Pty Ltd is beneficially owned by the Directors of RSM Australia Pty Ltd. RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 Australian Financial Services Licence No. 255847

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- 1.5 Accordingly, we have prepared this Report for the purpose of stating our opinion as to whether or not the Scheme, and as such the offer under the Scheme, is in the best interests of Bardoc Scheme Shareholders and to set out the reasons for that opinion. Our Report is to be included in the Scheme Booklet and Notice of Meeting to be sent to Bardoc Scheme Shareholders in respect of the Scheme Meeting.
  - 1.6 BDC also announced a spin-out of the South Woodie Woodie Manganese Project (“SWW Project”) at the same time as the Scheme. It is intended that this project will be demerged into a wholly-owned subsidiary of BDC with a pro rata distribution in-specie of the shares in that entity to BDC Shareholders (“Spin-Out Transaction”). Subject to BDC obtaining all necessary approvals, the demerger would result in BDC Shareholders retaining ownership of the SWW Project. The Scheme and the Spin-Out Transaction are not inter-dependent and therefore we do not provide an opinion on the Spin-Out Transaction in this Report, however we do consider the impact on the Bardoc Scheme Shareholders if the Spin-Out Transaction is approved or not.
  - 1.7 This Report represents general financial product advice only and has been prepared without taking into consideration the individual circumstances of Bardoc Scheme Shareholders. The ultimate decision whether to approve the Scheme should be based on an assessment by each Bardoc Scheme Shareholder of their circumstances, including their risk profile, liquidity preference, tax position and expectations as to value and future market conditions. Bardoc Scheme Shareholders should read and have regard to the contents of the Scheme Booklet and Notice of Meeting which have been prepared by the Directors and Management of BDC. Bardoc Scheme Shareholders who are in doubt as to the action they should take with regard to the Scheme and the matters dealt with in this Report, should seek independent professional advice.

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## 2. Summary and Conclusion

### Opinion

- 2.1 In the absence of any other relevant information and/or a superior proposal, RSM considers the Scheme to be **fair and reasonable** to Bardoc Scheme Shareholders, and as such, that the Scheme is **in the best interests** of Bardoc Scheme Shareholders.
- 2.2 A summary of our reasons and the approach we have taken in assessing our opinion is set out in Sections 11 and 12 of our Report.

### Approach

- 2.3 In assessing whether the Scheme is “in the best interests” of Bardoc Scheme Shareholders, we have considered Australian Securities and Investments Commission (“ASIC”) Regulatory Guide 111 – Content of Expert Reports (“RG 111”), which provides specific guidance as to how an expert is to appraise a Scheme of Arrangement.
- 2.4 Schemes of Arrangement can be used as an alternative to a takeover bid under Chapter 6 of the Act to achieve substantially the same outcome. In these circumstances, RG 111 suggests that the form of analysis to be undertaken by the expert should be substantially the same as for a takeover bid.
- 2.5 In effect, the Scheme represents a takeover offer for BDC via an offer of 0.3604 SBM shares for every BDC share. Therefore, consistent with the guidance set out in RG 111, in assessing whether or not we consider the Scheme to be “in the best interests” of Bardoc Scheme Shareholders, we have:
- a) considered whether the Scheme is “fair” to Bardoc Scheme Shareholders by assessing and comparing:
    - the Fair Value of a share in BDC on a controlling basis prior to the Scheme; with
    - the Fair Value of the consideration offered per BDC share on a non-controlling basis immediately after the Scheme; and
  - b) considered whether the Scheme is “reasonable” to Bardoc Scheme Shareholders by undertaking an analysis of the other factors relating to the Scheme which are likely to be relevant to Bardoc Scheme Shareholders in their decision as to whether or not to approve the Scheme.
- 2.6 Further information on the approach we have employed in assessing whether the Scheme is in “the best interests” of Bardoc Scheme Shareholders is set out at Section 3 of this Report.

### Is the Scheme Fair to Bardoc Scheme Shareholders?

- 2.7 In assessing whether we consider the Scheme to be fair to Bardoc Scheme Shareholders, we have valued a share in BDC prior to the implementation of the Scheme and compared it to the value of the consideration offered per BDC share immediately after the Scheme, to determine whether a Bardoc Scheme Shareholder would be better or worse off should the Scheme be approved.
- 2.8 Under the terms of the proposed Scheme, Bardoc Scheme Shareholders will receive 0.3604 SBM shares for each BDC share held prior to implementation (“Scheme Consideration”).
- 2.9 Depending on whether the Spin-Out Transaction is approved by BDC Shareholders or not, Bardoc Scheme Shareholders will either retain their proportionate interest in the SWW Project by virtue of the Spin-Out Transaction (Scenario 1), or the SWW Project will be absorbed into the Merged Group (Scenario 2).
- 2.10 The value of the Scheme Consideration offered by SBM to Bardoc Scheme Shareholders is calculated as 0.3604 of a SBM Share assuming the Scheme is approved and implemented. Therefore the value should reflect the combined value of SBM and BDC (i.e. the Merged Group) adjusted for a minority interest discount since approval of the Scheme will result in Bardoc Scheme Shareholders holding only a 13% interest in the Merged Group.
- 2.11 Further details on our valuation approach are set out in Section 8 of this Report, and the respective valuations of a BDC Share and the Consideration offered are contained within Sections 9 and 10 respectively.

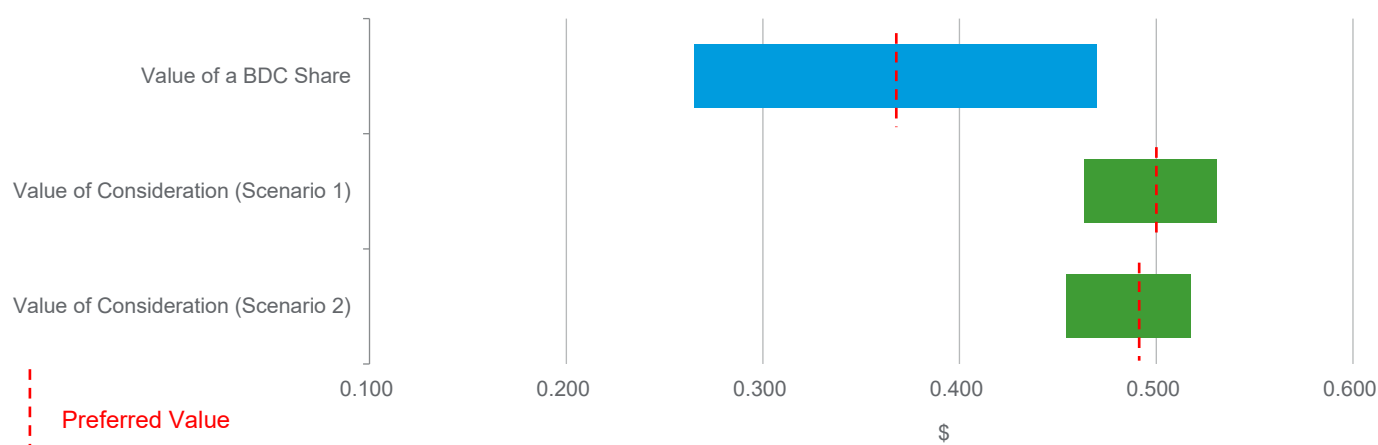
2.12 Our assessment of both scenarios is set out in the table below.

**Table 1 Assessed value of a BDC Share and Consideration (Source: RSM Analysis)**

	Low	High	Preferred
Assessed Fair Value of a BDC Share	0.265	0.470	0.373
Assessed Fair Value of consideration per BDC Share - assuming the Spin-Out Transaction is approved (Scenario 1)	0.463	0.531	0.503
Assessed Fair Value of consideration per BDC Share – assuming the Spin-Out Transaction is not approved (Scenario 2)	0.454	0.517	0.492

2.13 The above comparison is depicted graphically in the table below.

**Figure 1 Assessed value of a BDC Share and Consideration (Source: RSM Analysis)**



2.14 The range of values assessed for the consideration offered per BDC Share under both scenarios is higher than the range of assessed values of a BDC Share on a controlling basis prior to the Scheme, although we note that the ranges do overlap at the higher end of the pre-valuation and the lower end of the post-valuation in each scenario. We consider it relevant to note that the spread in the valuation ranges is predominantly a result of the assessed values of the Bardoc Gold Project, therefore the high end of the pre-value correlates with the high end of the post-value since they are determined by the same asset.

2.15 The preferred values in the ranges are indicated by the red dotted line in each range. We consider that, as the preferred Fair Value of the consideration offered per BDC share immediately after the Scheme under both scenarios is greater than the preferred Fair Value of a BDC share prior to the Scheme, and in the absence of any other relevant information, in our opinion, the Scheme is **fair** to the Bardoc Scheme Shareholders, and as such, in the best interests of the Bardoc Scheme Shareholders.

2.16 Our analysis of the fair value of a BDC Share and the consideration offered is based on a point in time and reflects expectations at that date. The actual fair value of the Scheme Consideration received by Bardoc Scheme Shareholders will be dependent on the traded share price of SBM after implementation of the Scheme.

## Consideration of other factors relating to Scheme

2.17 RG 111 establishes that an offer is reasonable if it is fair. It might also be reasonable if, despite not being fair, there are sufficient reasons for security holders to accept the offer in the absence of a higher bid.

2.18 Section 12 of this Report sets out our consideration of other factors relating to the implementation of the Scheme which are likely to be relevant to the decision of the Bardoc Scheme Shareholders as to whether or not to approve the Scheme. We set out a summary of these factors below.

## The extent to which a control premium is being paid

2.19 Our assessment of the preferred value of consideration offered per BDC share assuming the Spin-Out Transaction is approved is \$0.503 (Scenario 1), and \$0.492 assuming the Spin-Out Transaction is not approved (Scenario 2). These values represent a premium of 22.6% and 19.9% respectively to the closing price of BDC shares of \$0.410 on 17 December 2021 (being the last day shares were available for trading immediately prior to the announcement of the Scheme), and a premium of 34.7% and 31.7% respectively to our assessment of the preferred value of a BDC share of \$0.373 prior to the Scheme.

## Trading in BDC shares after the announcement of the Scheme

2.20 The Scheme was announced to the ASX on 20 December 2021 and resulted in an immediate increase in BDC's share price. BDC's closing price on 17 December 2021, being the last day of trade immediately prior to the announcement of the Scheme, was \$0.410. The closing price on 20 December 2021, being the day the Scheme was announced, was \$0.470, representing a 15% increase following the announcement.

2.21 Since the announcement of the scheme until 2 February 2022, the date at which our analysis was undertaken, BDC's share price has trended towards the relative value of 0.3604 of a SBM Share, being the offered exchange ratio. The closing price of a BDC Share on 2 February 2022 was \$0.46 and SBM's closing share price of \$1.33 on 2 February 2022 equates to \$0.48 based on the exchange ratio.

## Liquidity of Shares

2.22 Historically, the liquidity of BDC's shares has been relatively low with less than 50% of total free-float shares on issue traded over the 180 days prior to the Scheme Announcement. The Scheme provides the Bardoc Scheme Shareholders with an ability to convert their investment in BDC to an investment in SBM. SBM demonstrates a high level of liquidity, with over 1% of shares traded daily and approximately 189% of the free-float shares on issue traded in the 180 days prior to the Scheme Announcement.

## Advantages of approving the Scheme

2.23 The key advantages of the Scheme are:

Advantage	Details
The Scheme is fair	The Scheme is fair to the Bardoc Scheme Shareholders.
Premium on traded share price	Delivery of an immediate and significant premium to the pre-announcement share price of BDC.
Diversification	The Scheme will expose the Shareholders to a more diversified asset portfolio. SBM is an ASX 200 gold producer with a globally diversified asset base across Australia, Papua New Guinea and Canada.
Expected synergies	As a result of the larger Merged Group, the Merged Group is expected to benefit from management and corporate synergies along with synergies arising from the proximity of the Bardoc Gold Project to SBM's processing facility at Leonora.
Access to capital and development of BDC assets	The Merged Group will form a larger listed entity with pooled assets from which to fund future opportunities including the progression of the Bardoc Gold Project thereby reducing funding and development risks.
Increased liquidity	The Scheme may result in a more liquid market for Shareholders to crystallise the value of their shares. Historically, the liquidity of BDC's shares has been low with only 47% of shares traded over the 180 days prior to the announcement of the Scheme. The Scheme provides the Shareholders with an ability to convert their investment in BDC to an investment in SBM. SBM demonstrates high liquidity with 189% of shares traded in the 180 days prior to the announcement of the Scheme.
Increased analysis of operations and expected share price performance	As an ASX 200 company, SBM's operations and share performance are covered by a range of analysts which will enhance the availability of information in relation to the operations and consensus expectations for share price performance.

Advantage	Details
Retention and exposure to South Woodie Woodie Manganese asset	It is proposed that BDC will demerge the SWW Project in the East Pilbara region of Western Australia prior to implementation of the Scheme, with Bardoc Scheme Shareholders retaining their proportionate interest in the project. This proposal is subject to approval by BDC Shareholders and is not contingent on, nor does it form part of the Scheme.
Dividends	BDC has not paid any dividends over the period from FY18 to FY21 as its assets are not yet in production. SBM has paid dividends in each year ranging from \$0.06 to \$0.12 per share, therefore enhancing the probability of Bardoc Scheme Shareholders receiving dividends following the Implementation of the Scheme.

## Disadvantages of approving the Scheme

2.24 The key disadvantages of the Scheme are:

Disadvantage	Details
Dilutionary impact	Bardoc Scheme Shareholders will, collectively, have a diluted ownership of 13% of the Merged Group. This will reduce the Bardoc Scheme Shareholders' ability to influence decisions such as the composition of the Board and the acquisition and disposal of significant assets within the Merged Group. The shareholder base of SBM includes a large proportion of institutional investors who would have the ability to influence decisions, albeit there is no individually significant shareholder.
Change in risk profile	Following the completion of the Scheme, there will be a change in the risk profile of the shares held by the Bardoc Scheme Shareholders with new exposure to exploration assets outside of Australia. This change in risk profile may not meet the investment strategy of some Bardoc Scheme Shareholders.
No Bardoc Board Involvement	Following the completion of the Scheme, no current Bardoc Board members will form part of the Merged Group board.
Possibility that potential synergies will not be realised	Our assessment of the value of the Scheme Consideration is based on the trading prices of SBM's shares post the Announcement Date, which can be considered to reflect the market's view on likely synergies that could be realised. There is a risk that the expected potential synergies are not achieved, take longer than anticipated to realise and/or cost more to implement. Not achieving the potential synergies could potentially have a negative impact on the value of the Merged Group. However, we note that to date SBM has not quantified any of the expected synergies so there is limited information in the public domain to influence market pricing.
Inability to accurately determine the value of the Scheme Consideration	The Scheme Consideration is not fixed but rather determined by the value of a share in SBM as at the implementation of the Scheme. As the shares of SBM will continue to trade between the issue of this Report and the completion of the Scheme the value of the consideration may materially change from that which on we have based our opinion as to the fairness of the proposed Scheme to the Bardoc Scheme Shareholders.
Reduced liquidity for South Woodie Woodie Manganese Project (if Spin-Out Transaction is approved by BDC Shareholders)	It is proposed that the SWW Project will be demerged from BDC to an unlisted entity which will significantly reduce BDC's Shareholder's liquidity in relation to this Project, if BDC Shareholders approve the Spin-Out Transaction.

## Future Prospects of BDC if the Scheme is not approved

2.25 If the Scheme is not approved by the Bardoc Scheme Shareholders, BDC will remain listed on the ASX and continue operations in the same manner in which it is currently operating. The Directors have indicated that BDC will need to raise more capital to develop or enhance its project portfolio and this may include an equity raise. There is no guarantee that such funding will be available on satisfactory terms.

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## Alternative proposals and likelihood of an alternative takeover offer

- 2.26 The Directors have advised us that no formal alternative offers or approaches by potential acquirers have been received since the announcement of the Scheme on 20 December 2021.
- 2.27 The alternative to the Scheme is for the Bardoc Scheme Shareholders to vote against the Scheme in the hope that they can realise greater value from their investment in BDC either through maintaining BDC as an independent company or through the emergence of a superior proposal to the Scheme. BDC has advised that should the Scheme not be successful it will review and reconsider the previous informal proposals received and continue to work with its advisers to identify and pursue the strategy that maximises value for shareholders. These strategies may include consideration of financing opportunities for further exploration activities and working capital.
- 2.28 Whilst there is no evidence to suggest that the Bardoc Scheme Shareholders would be better off under this alternative, it is possible that a superior offer may emerge prior to the Scheme Meeting. However, we are unable to form a view on the likelihood of an alternative offer emerging prior to the Scheme Meeting and the Directors have advised that they have not received any formal alternative offers following the announcement of the Scheme.

## Conclusion

- 2.29 In the absence of any other relevant information and/or a superior proposal, RSM considers the Scheme to be reasonable to the Bardoc Scheme Shareholders and as such, the Scheme to be in the best interests of the Bardoc Scheme Shareholders.
- 2.30 Bardoc Scheme Shareholders should also consider the risks relating to the Merged Group set out in Section 10 of the Scheme Booklet. An individual shareholder's opinion in relation to the Scheme may be influenced by his or her individual circumstances. If in doubt, Bardoc Scheme Shareholders should consult an independent advisor.



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### 3. Scope of the Report

#### Purpose of this Report

- 3.1 The Directors of BDC have requested RSM, being independent and qualified for the purpose, to express an opinion as to whether the Scheme is in the best interests of the Bardoc Scheme Shareholders.

#### Regulatory guidance

- 3.2 It is relevant to note that the expression “in the best interests” is not defined within either the Act or the ASIC Regulatory Guides. Therefore, in determining whether the Scheme is in the best interests of the Bardoc Scheme Shareholders, we have had regard to the views expressed by ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.
- 3.3 RG 111 prescribes that a key matter that an expert needs to consider when determining the appropriate form of analysis is whether or not the effect of the transactions is comparable to a takeover bid and is therefore representative of a change of control transaction. As Bardoc Scheme Shareholders will only hold 13% of the Merged Group and there will be no changes to the Board of SBM post implementation of the Scheme, we consider that the proposed transaction is comparable to a takeover bid.
- 3.4 Where a Scheme would achieve substantially the same outcome as a takeover bid, RG 111 aligns “in the best interests” with the “fair and reasonable” test. While RG 111 does not define “fair and reasonable” it does provide some guidance as to how the terms should be interpreted in a range of circumstances. With respect to a takeover bid RG 111 applies the “fair and reasonable” test as two distinct criteria, stating:
- a takeover offer is considered “fair” if the value of the offer price or consideration is equal to or greater than the value of the securities that are the subject of the offer; and
  - a takeover offer is considered “reasonable” if it is fair or, where the offer is “not fair”, it may still be “reasonable” if the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the close of the offer.
- 3.5 RG 111 contends that if an expert was to conclude that a Scheme is “fair and reasonable” if it was in the form of a takeover bid, it will also be able to conclude that the scheme is in the best interests of the members of the company.

#### Adopted basis of evaluation

- 3.6 In effect, the Scheme represents a scrip for scrip offer by SBM for 100% of the shares in BDC held by Bardoc Scheme Shareholders. Therefore, consistent with the guidance set out in RG 111 as summarised above, in assessing whether or not we consider the Scheme to be in “the best interests” of Bardoc Scheme Shareholders we have considered whether the Scheme is “fair” by assessing and comparing:
- the Fair Value of a share in BDC on a controlling basis prior to the Scheme; with
  - the Fair Value of the consideration offered per BDC share on a non-controlling basis immediately after the Scheme.
- 3.7 On this basis, if the Fair Value of the consideration offered per BDC share immediately after the Scheme is equal to or greater than the Fair Value of a BDC share prior to the Scheme, in our opinion, the Scheme would be “fair” and, as such, in the best interests of Bardoc Scheme Shareholders.
- 3.8 Our assessment of the Fair Value of a share in BDC has been prepared on a basis which is consistent with the following definition of Fair Value:
- “the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction”



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- 3.9 In assessing whether the Scheme is in the “best interests” of the Bardoc Scheme Shareholders, in addition to considering whether or not the Scheme is “fair” to the Bardoc Scheme Shareholders, we have also considered whether the Scheme is “reasonable” by undertaking an analysis of the following factors:
- the potential advantages and disadvantages of the Scheme;
  - the extent to which a control premium is being paid;
  - the intentions of SBM;
  - the price of BDC’s shares post the announcement of the Scheme;
  - the future prospects of BDC if the Scheme is not implemented;
  - the liquidity the Scheme provides;
  - the existence of alternative proposals;
  - the likelihood of a superior proposal emerging; and
  - the likely market price of BDC shares if the Scheme is not implemented.
- 3.10 Our assessment of the proposed Scheme is based on economic, market and other conditions prevailing at the date of this Report.

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## 4. Summary of the Scheme

### Overview

- 4.1 On 20 December 2021, BDC and SBM announced they had entered into an Implementation Agreement under which SBM will, subject to the satisfaction of various conditions, acquire all of the issued share capital of BDC by way of a scheme of arrangement.
- 4.2 Under the terms of the Scheme, the Bardoc Scheme Shareholders will receive 0.3604 new SBM shares for every fully paid share they hold.
- 4.3 The Scheme is subject to the Court convening a meeting of Bardoc Scheme Shareholders where they will consider a resolution seeking approval of the Scheme. The Scheme Meeting is to be held on or about 30 March 2022 and, under the Act, it will be approved by Bardoc Scheme Shareholders if the resolution is passed by a majority of Bardoc Scheme Shareholders present (in person or by proxy) and voting at the Scheme Meeting, and by at least 75% of the votes cast on the resolution. If this occurs, a second Court hearing will be held to approve the Scheme which, if approved, will become binding on all Bardoc Scheme Shareholders, irrespective of whether or not they voted for the Scheme.
- 4.4 If the Scheme is implemented, BDC will become a wholly subsidiary of SBM.

### *BDC Options*

- 4.5 As announced on 20 December 2021, all existing BDC Options will be cancelled pursuant to agreed Option Cancellation Deeds in exchange for the following cash consideration:
- \$0.0073 per Bardoc Option exercisable at \$1.20 each on or before 11 September 2022; and
  - \$0.051 per Bardoc Option exercisable at \$0.72 each on or before 27 September 2022.
- 4.6 The Option Cancellation Deeds are separate agreements to the Scheme and therefore the option holders are not considered to be Bardoc Scheme Shareholders for the purpose of this Report. Further details are provided in Appendix F.

### *BDC Performance Rights*

- 4.7 As announced on 20 December 2021, un-lapsed BDC Performance Rights will convert into BDC shares prior to the implementation of the Scheme so that the BDC shares issued on exercise will be exchanged for new SBM shares under the Scheme. The BDC Performance Rights holders will become Bardoc Scheme Shareholders.

### *BDC Loan Shares*

- 4.8 All existing BDC Loan Shares held by BDC Loan Share Holders will be exchanged for cash consideration of \$0.0791 pursuant to the agreed BDC Loan Share Deeds. The BDC Loan Share Deeds will come into effect on the Implementation Date and are conditional on the Scheme becoming Effective.
- 4.9 If the Scheme becomes effective, the BDC Loan Share Deeds will also be effective and will result in the corresponding loan being forgiven by BDC and any holding locks placed on the BDC Loan Shares will be removed.
- 4.10 The BDC Loan Share Deeds represent separate arrangements to the Scheme and therefore the BDC Loan Shareholders are not considered to be Bardoc Scheme Shareholders for the purpose of this Report. Further details are provided in Appendix G.

### *South Woodie Woodie Manganese Project*

- 4.11 As announced on 20 December 2021, subject to BDC making the necessary arrangements and obtaining approval from BDC Shareholders and regulatory authorities, BDC Shareholders will retain full ownership of BDC's SWW Project in the East Pilbara region of Western Australia through the Spin-Out Transaction.

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- 4.12 Prior to implementation of the Scheme, BDC intends to demerge the SWW Project by way of an in-specie distribution of all of the fully paid ordinary shares in Edge Minerals Pty Ltd ("Edge"), being the holder of the South Woodie Woodie Project, to BDC Shareholders. On completion of the Spin-Out Transaction, BDC Shareholders will collectively own 100% of Edge, and by extension will retain full ownership of the SWW Project. BDC Shareholders should refer to the BDC Notice of Meeting for further information on the Spin-Out Transaction.
- 4.13 The Scheme is not conditional on completion of the Spin-Out Transaction, which will occur (or not occur, as the case may be) independently of and prior to the Scheme becoming Effective, and the status of the Spin-Out Transaction will not influence the timing of the Scheme transaction.

#### *Estimated Transaction Costs*

- 4.14 BDC has estimated transaction costs of approximately \$2.5m will be incurred on the implementation of the Scheme, and SBM estimates direct transaction costs of \$4.15m together with stamp duty payable of \$7.85m.

#### **Key conditions of the Scheme**

- 4.15 The implementation of the Scheme is subject to a number of conditions precedent. The conditions precedent which must be satisfied or waived are:
- (a) **Shareholder Approval:** BDC shareholders approve the Scheme by the requisite majorities in accordance with the Corporations Act;
  - (b) **Court Approval:** The Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act;
  - (c) **Regulatory Approvals:** All regulatory approvals which SBM and BDC (acting reasonably) agree are necessary or desirable to implement the Scheme are obtained and those approvals have not been withdrawn or revoked by 8:00am on the Second Court Date (as defined in the Implementation Agreement);
  - (d) **Government Intervention:** No Governmental Authority (as defined in the Implementation Agreement) including any court has issued an order, temporary restraining order, preliminary or permanent injunction, decree or ruling enjoining, restraining or otherwise imposing a legal restraint or prohibition preventing the Scheme and none of those things is in effect as at 8:00am on the Second Court Date;
  - (e) **Independent Expert:** The Independent Expert issues a report which concludes that the Scheme is in the best interests of Bardoc Scheme Shareholders before the date on which the Scheme Booklet is lodged with ASIC and the Independent Expert does not publicly withdraw, qualify or change that opinion at any time prior to 8:00am on the Second Court Date;
  - (f) **No Prescribed Event:** No Bardoc Prescribed Event or St Barbara Prescribed Event (as those terms are defined in the Implementation Agreement) occurs between the date of the Implementation Agreement and 8:00am on the Second Court Date;
  - (g) **Performance of Obligations:** BDC shall have performed or complied in all material respects with the obligations, covenants, and agreements required to be performed or complied with by it under the Implementation Agreement prior to 8:00am on the Second Court Date;
  - (h) **Representations and Warranties:** Each of the Bardoc Representations and Warranties and St Barbara Representations and Warranties (as those terms are defined in the Implementation Agreement) is true and correct in all material respects, in each case as of the date of the Implementation Agreement and as of 8:00am on the Second Court Date, except where expressed to be operative at another date and except where the failure of such Bardoc Representation and Warranty or St Barbara Representation and Warranty to be true and correct has not and would not reasonably be expected to have, individually or in the aggregate, a Bardoc Material Adverse Effect or St Barbara Material Adverse Effect (as those terms are defined in the Implementation Agreement) respectively;
  - (i) **Performance Rights:** Prior to the First Court Date (as defined in the Implementation Agreement), each Bardoc Performance Right (as defined in the Implementation Agreement) is the subject of a legally binding arrangement (in a form acceptable to SBM, acting reasonably) for the exercise of that Bardoc Performance

Right in accordance with paragraphs (i) or (ii) (as applicable) of clause 4.8(b) of the Implementation Agreement;

- (j) **Options:** Prior to 8:00am on the Second Court Date, each holder of Bardoc Options (as defined in the Implementation Agreement) has entered into a Bardoc Option Deed (as defined in the Implementation Agreement) in accordance with clause 4.9 of the Implementation Agreement;
- (k) **Loan Shares:** Prior to 8:00am on the Second Court Date, each holder of Bardoc Loan Shares (as defined in the Implementation Agreement) has entered into a Bardoc Loan Share Deed (as defined in the Implementation Agreement) in accordance with clause 4.10 of the Implementation Agreement; and
- (l) **No Material Adverse Effect:** No Bardoc Material Adverse Effect or St Barbara Material Adverse Effect has occurred between the date of the Implementation Agreement and 8:00am on the Second Court Date.

## Capital Structure of BDC

4.16 Outlined below is a summary of the capital structure of BDC as at the date of this Report and the adjustments to arrive at the total number of Bardoc Scheme Shareholders:

**Table 2 Bardoc Share Capital (Source: Management of BDC)**

Class of Shares	Current	Adjustments	Ref	Bardoc Scheme Shareholders
<b>Ordinary Shares on issue</b>	289,119,938	-		289,119,938
Loan Plan Shares on issue	1,604,015	(1,604,015)	4.17	-
<b>Total Ordinary Shares on issue</b>	<b>290,723,953</b>	<b>(1,604,015)</b>		<b>289,119,938</b>
<b>Share Options</b>				
Share options exercisable at \$1.20 expiry 11 Sept 2022	499,998	(499,998)	4.18	-
Share options exercisable at \$0.72 expiry 27 Sept 2022	1,000,000	(1,000,000)	4.18	-
<b>Total Share Options on issue</b>	<b>1,499,998</b>	<b>(1,499,998)</b>		<b>-</b>
<b>Performance Rights</b>				
Performance Rights (various classes)	5,574,992	-	4.19	5,574,992
<b>Total Performance Rights on issue</b>	<b>5,574,992</b>	<b>-</b>		<b>5,574,992</b>
<b>Fully Diluted</b>	<b>297,798,943</b>	<b>(3,104,013)</b>		<b>294,694,930</b>

4.17 Pursuant to the BDC Loan Share Deeds, all BDC Loan Shares will be exchanged for \$0.0791 cash consideration on the Implementation Date of the Scheme and therefore the BDC Loan Plan Shares will not form part of the Scheme.

4.18 Pursuant to the Option Cancellation Deeds, the BDC Options on issue will be exchanged for the following cash consideration, and therefore will not form part of the Scheme:

- \$0.0073 per Bardoc Option exercisable at \$1.20 each on or before 11 September 2022; and
- \$0.0510 per Bardoc Option exercisable at \$0.72 each on or before 27 September 2022.

4.19 All existing BDC Performance Rights will convert into BDC Shares prior to the Record Date so that the BDC Shares issued on exercise will be exchanged for new SBM shares under the Scheme.

4.20 There will be 294,694,930 BDC Shares eligible to participate in the Scheme.

## Strategic Rationale for the Scheme

- 4.21 As outlined in the Scheme Booklet, the strategic rationale for the Scheme is the combination of the BDC Gold Project and SBM's Leonora Operations which will give the Merged Group the opportunity to advance the development of the Bardoc Gold Project deposits quicker and utilising existing SBM infrastructure.
- 4.22 Following implementation of the Scheme, SBM will obtain access to the advanced Aphrodite and Zoroastrian underground deposits lying immediately adjacent to the rail line which runs to SBM's Leonora 1.4 Mtpa processing plant. This provides the Merged Group with increased flexibility, processing optionality and the opportunity to accelerate SBM's Leonora Province Plan including:
- integration of the Zoroastrian underground project into the Leonora Province Plan as a source of near-term mill feed; and
  - the mining of the ore from the Aphrodite underground refractory deposit provides a high margin opportunity to accelerate the installation of refractory treatment capacity at the Leonora processing plant ahead of developing the SBM Harbour Lights deposit.
- 4.23 As announced by BDC on 27 September 2021, the Board initiated a strategic review of the Bardoc Gold Project in light of the rapidly escalating cost environment due to rising materials and input costs, the tightening WA labour market and other COVID-19 related supply challenges. BDC would need to seek significant equity and debt funding to develop the Bardoc Gold Project in its own right.

## Capital Structure of the Scheme

- 4.24 As outlined in the table below, SBM will have approximately 815,735,102 Shares and 5,895,560 SBM Rights on issue upon implementation of the Scheme assuming that:
- a) the Scheme becomes effective; and
  - b) no other BDC Shares (other than as a result of the vesting and exercise of BDC Performance Rights) or SBM Shares are issued,

**Table 3 Proposed Share Capital (Source: Management of BDC & SBM)**

	Ordinary Shares	% Interest
Existing SBM shares on issue - Pre Scheme	709,527,049	87.0%
294,694,930 BDC Shares exchanged for new SBM shares at 0.3604 exchange ratio	106,208,053	13.0%
<b>SBM Shares on issue - Post Scheme</b>	<b>815,735,102</b>	<b>100%</b>

- 4.25 If the Scheme becomes effective, approximately 106,208,053 New SBM Shares will be issued as Scheme Consideration to the Bardoc Scheme Shareholders. This assumes that:
- a. all existing BDC Options will be cancelled pursuant to the Option Cancellation Deeds;
  - b. all existing BDC Performance Rights (other than the expiring Performance Rights) will convert into BDC Shares prior to the Record Date; and
  - c. all existing BDC Loan Shares will be acquired by SBM for \$0.0791 per BDC Loan Share on the terms of the BDC Loan Share Deeds.
- 4.26 Bardoc Scheme Shareholders will hold approximately 13% of the total number of SBM Shares that will be on issue following implementation of the Scheme and current SBM Shareholders will hold approximately 87% of the total number of SBM Shares that will be on issue following implementation of the Scheme.

## 5. Profile of Bardoc Gold Limited

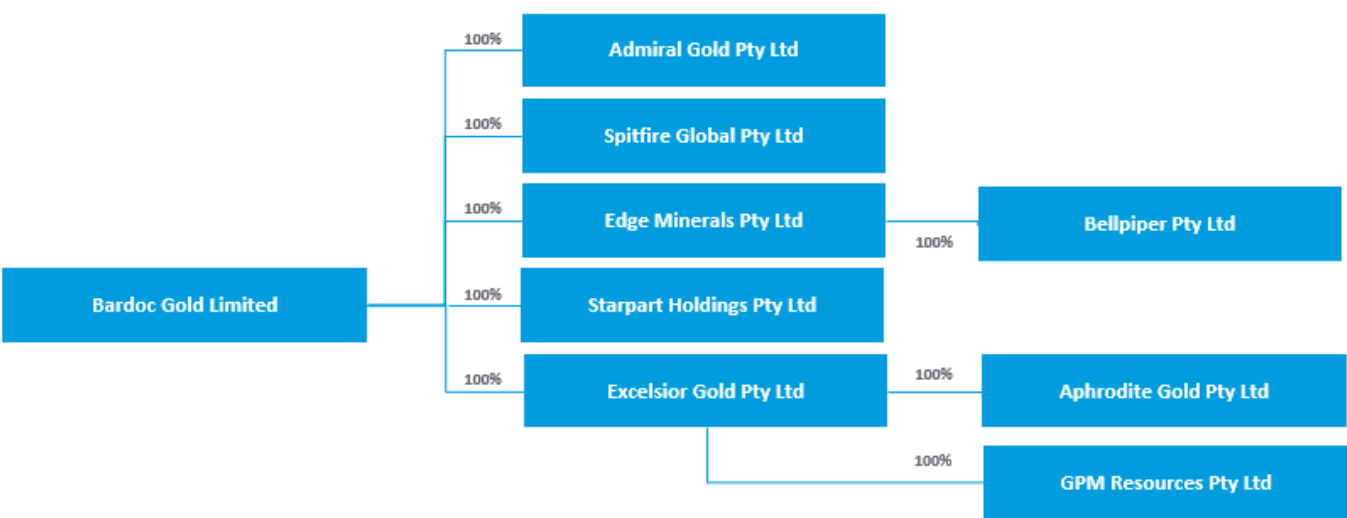
### Overview

- 5.1 Bardoc Gold Limited (“BDC”) engages in the exploration and development of mineral properties in Australia. The company primarily explores for gold and manganese deposits.
- 5.2 The market capitalisation of BDC at the date of this Report was approximately \$145m.
- 5.3 BDC’s flagship project is the Bardoc Gold Project covering an area of 250km<sup>2</sup> located in the Eastern Goldfields region of Western Australia approximately 40km north of the city of Kalgoorlie in Western Australia. The project tenements straddle the Goldfields highway, the major transport route linking Kalgoorlie to Menzies, Leonora and Laverton mining regions. The Bardoc Gold Project is well positioned to leverage the established road networks, logistics routes, mining contractors, suppliers and skilled resources based in Kalgoorlie.
- 5.4 BDC has consolidated 250km<sup>2</sup> of granted Mining Leases and Prospecting Licences in the Bardoc Gold Project, containing a declared Ore Reserve of 1Moz within a Mineral Resource Estimate that totals 3.07Moz (as stated in the BDC ASX Announcement on 29 March 2021).
- 5.5 The SWW Project comprises eight granted exploration licences, one granted retention licence and one exploration licence application. The SWW Project contains a total inferred Mineral Resource of 14.2Mt, as reported under JORC 2004 Code but no updates have been declared under JORC 2012 Code. Due to the manganese pricing environment there has been no significant exploration at South Woodie Woodie since 2014.
- 5.6 Further details on the SWW Project are contained in the Technical Report by VRM at Appendix H.

### Legal structure

- 5.7 The corporate structure of BDC is outlined in the diagram below:

Figure 2 Bardoc Corporate Structure

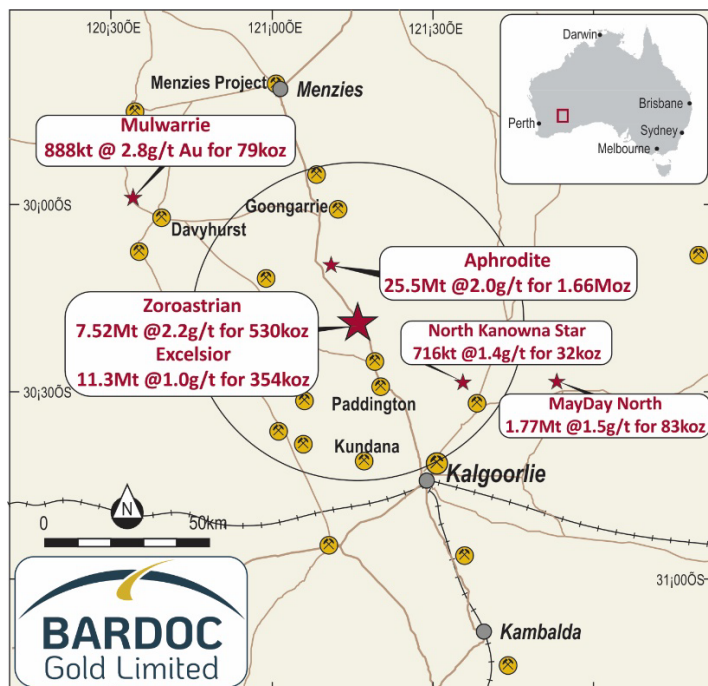


- 5.8 BDC intends to demerge the SWW Project by way of an in-specie distribution of all of the fully paid ordinary shares in Edge Minerals Pty Ltd (“Edge”), being the holder of the SWW Project, to BDC Shareholders.

## Bardoc Gold Project

- 5.9 The Bardoc Gold Project is located 40km north of the city of Kalgoorlie in Western Australia with tenements straddling the Goldfields highway.
- 5.10 The Bardoc Gold Project covers 250km<sup>2</sup> of granted mining leases and prospecting licences over the intersection of the well-mineralised Bardoc Tectonic Zone greenstone sequence with the cross-cutting Black Flag Fault system. These two deep-seated crustal structures host many multi-million-ounce deposits, including the world-renowned Golden Mile.
- 5.11 There are three main gold deposits (Aphrodite, Zoroastrian, and Excelsior) in the Bardoc Gold Project and several satellite deposits within the landholding as outlined in the figure below:

Figure 3 Bardoc Gold Deposits (Source: Scheme Booklet)



- 5.12 Ore Reserves have been estimated for seven open pits and with two underground developments proposed beneath the Aphrodite and Zoroastrian deposits.

### Aphrodite Deposit

- 5.13 The Aphrodite Deposit is a significant greenfields gold deposit in Western Australia. It has a Mineral Resource Estimate of 1.7 million ounces of gold.
- 5.14 Ore Reserves at Aphrodite are estimated at:
- Open Pit Ore Reserves – 4.0 Mt at 1.8 g/t Au for 229 koz of gold; and
  - Underground Ore Reserves – 3.1 Mt at 3.4 g/t Au for 344 koz of gold.
- 5.15 Aphrodite is located 15 kilometres north of Zoroastrian/Excelsior complex and is largely unmined, has strong grade/geological continuity and is comprised of multiple lodes.
- 5.16 Work during FY21 concentrated on exploring and better defining the Sigma, Omega and Gamma Lode systems. These three lodes are not included in the current mine plan and provide an opportunity to be able to grow Mineral Resources and Ore Reserves over time outside of the Alpha and Phi Lodes.



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### *Zoroastrian/Excelsior complex*

- 5.17 The Zoroastrian/Excelsior complex is an area of significant mineralisation that contains Mineral Resources over 1 million ounces of gold (historical production plus current Mineral Resources). The two deposits are only 500 metres apart and are linked by a northeast trend that is part of the underlying mineralisation for the area.
- 5.18 The Zoroastrian Deposit is a cornerstone deposit of the Bardoc Gold Project and has a current Mineral Resource of 0.53 million ounces of gold and Ore Reserves of:
- Open Pit Ore Reserves – 1.1Mt at 1.9 g/t Au for 65k oz of gold
  - Underground Ore Reserves – 0.8 Mt at 3.6 g/t Au for 98 koz of gold
- 5.19 The Zoroastrian deposit is a multiple lode system with the underground Ore Reserve only including three of the lodes. These lodes, and the ones not included in current mine plans, are open along strike and at depth with potential for both Mineral Resource and Ore Reserve growth. Metallurgical test work during the year confirmed gold recoveries above 94% through the current processing plant design.
- 5.20 Drilling in FY21 focused on both exploration and resource definition areas. The exploration drilling has demonstrated that the Blueys South and Zoroastrian South (the two main drivers and production areas for the underground Ore Reserves) are still present ~150 metres further down plunge, which presents an opportunity for further exploration.
- 5.21 The Excelsior Deposit is located northeast of the Zoroastrian Deposit. It is a large, moderate grade, free milling ore body that has Ore Reserves of 5.7 Mt at 1.1 g/t Au for 203 koz of gold.
- 5.22 The geology and milling characteristics of Excelsior are well understood with metallurgical test work showing recoveries of 95% through BDC's proposed designed processing facility.
- 5.23 During FY21, BDC focused on Mineral Resource definition areas where material could be upgraded from Inferred to Indicated for possible inclusion in Ore Reserves, as well as providing samples for metallurgical test work and material for assessment of waste rock properties.

### *Definitive Feasibility Study*

- 5.24 On 29 March 2021 BDC announced the results of its 2021 Definitive Feasibility Study ("DFS"), delivering production of 1.10 Moz of contained gold over a 10-year mining operation. The DFS was based on the development of a standalone mining and development operation, with a 2.1Mtpa CIL plant and flotation circuit to be constructed on site.
- 5.25 The estimated development capex was \$177.4m and the operation had an estimated peak production of 140,000oz per annum for six years.
- 5.26 A subsequent Optimisation Study was released by BDC on 2 September 2021 to accelerate production growth and increase cashflow, based on an additional 80,000 oz being produced in the first five years by expediting development of the Aphrodite deposit and relocating the processing plant there.
- 5.27 As part of the study, BDC also took into account the rising costs across the mining industry, with expected development capex increased to \$232m including contingencies. The revisions to the mining schedule also resulted in an increase in forecast peak production to 150,000 ozpa from year 3.
- 5.28 BDC had been in discussions with debt financiers, secured an offtake agreement for the concentrate and had engaged key contractors, anticipating a Final Investment Decision in December 2021.
- 5.29 However, in light of the rapidly escalating cost environment due to rising materials and input costs, the tightening WA labour market and other COVID-19 related supply challenges, the BDC Board announced on 27 September 2021 that a strategic review of the development strategy for the Bardoc Gold Project was being initiated. This review was intended to consider alternative ways to unlock value from the Project, and led to the proposal from SBM.



5.30 A summary of BDC's declared Mineral Resource Estimate at 29 March 2021 across its deposits is shown below.

**Table 4 Summary of BDC Resources (BDC Announcement of 29 March 2021)**

Bardoc Gold Project: Resources														
Deposit	Type	Cut-Off (g/t AU)	MEASURED			INDICATED			INFERRED			TOTAL RESOURCES		
			Tonnes (,000t)	Grade (g/t AU)	Ounces (,000t)	Tonnes (,000t)	Grade (g/t AU)	Ounces (,000t)	Tonnes (,000t)	Grade (g/t AU)	Ounces (,000t)	Tonnes (,000t)	Grade (g/t AU)	Ounces (,000t)
Aphrodite	OP	various				13,458	1.5	666	5,321	1.3	229	18,780	1.5	895
Aphrodite	UG	1.7				4,156	3.7	497	2,571	3.3	271	6,726	3.6	768
<b>Aphrodite</b>	<b>TOTAL</b>					<b>17,614</b>	<b>2.1</b>	<b>1,163</b>	<b>7,892</b>	<b>2.0</b>	<b>500</b>	<b>25,506</b>	<b>2.0</b>	<b>1,663</b>
Zoroastrian	OP	0.3				3,987	1.8	231	1,918	1.5	90	5,904	1.7	321
Zoroastrian	UG	1.6				800	4.7	120	812	3.4	90	1,612	4.0	209
<b>Zoroastrian</b>	<b>TOTAL</b>					<b>4,787</b>	<b>2.3</b>	<b>351</b>	<b>2,730</b>	<b>2.0</b>	<b>180</b>	<b>7,516</b>	<b>2.2</b>	<b>530</b>
Excelsior	OP	0.3				9,645	1.0	313	1,685	0.8	41	11,330	1.0	354
Mayday North	OP	0.5				1,303	1.6	66	431	1.2	17	1,778	1.5	83
Talbot North	OP	0.4				698	1.8	40	123	1.8	7	820	1.8	47
Bulletin South	OP	0.4	152	2	11	546	2.1	36	150	2.1	10	849	2.1	57
Duke North	OP	0.4				851	1.0	28	795	1.0	25	1,646	1.0	53
Lochinvar	OP	0.4				423	1.8	24	57	1.6	3	480	1.7	27
El Dorado	OP	0.5				203	1.4	9	383	1.5	18	586	1.5	28
El Dorado	UG	2							51	6.5	11	51	6.5	11
<b>El Dorado</b>	<b>TOTAL</b>					<b>203</b>	<b>1.4</b>	<b>9</b>	<b>434</b>	<b>2.1</b>	<b>29</b>	<b>637</b>	<b>1.9</b>	<b>39</b>
North Kanowna Star	OP	0.5				157	1.6	8	559	1.3	24	716	1.4	32
South Castlereagh	OP	0.5				111	1.6	6	369	1.3	15	481	1.4	21
Mulwarrie	OP	0.5							881	2.8	79	881	2.8	79
Nerrin Nerrin	OP	0.5							651	1.3	26	651	1.3	26
Vettersburg South	OP	0.6							552	1.5	26	552	1.5	26
Windanya	OP	0.6							360	1.5	17	360	1.5	17
Grafters	OP	0.5							319	1.3	14	319	1.3	14
Ophir	OP	0.6							75	1.9	5	75	1.9	5
<b>Total Resources</b>			<b>152</b>	<b>2.3</b>	<b>11</b>	<b>36,338</b>	<b>1.7</b>	<b>2,044</b>	<b>18,063</b>	<b>1.8</b>	<b>1,018</b>	<b>54,597</b>	<b>1.8</b>	<b>3,073</b>

5.31 As outlined in BDC's announcement of 29 March 2021 and summarised below, BDC has declared 1Moz Ore Reserve across its deposits.

**Table 5 Summary of BDC Reserves (BDC Announcement of 29 March 2021)**

Bardoc Gold Ore Reserves						
PROJECT	PROBABLE			TOTAL		
	Tonnes (kt)	Grade (g/t)	Gold (koz)	Tonnes (kt)	Grade (g/t)	Gold (koz)
Excelsior OP	5,690	1.1	203	5,690	1.1	203
Zoroastrian North OP	365	2.1	25	365	2.1	25
Zoroastrian Central OP	276	1.8	16	276	1.8	16
Zoroastrian South OP	417	1.8	24	417	1.8	24
Bulletin South OP	561	2.0	35	561	2.0	35
Aphrodite Stage 1 OP	1,050	1.8	61	1,050	1.8	61
Aphrodite Stage 2 OP	2,916	1.8	168	2,916	1.8	168
Mayday OP	622	1.6	32	622	1.6	32
Zoroastrian UG	839	3.6	98	839	3.6	98
Aphrodite UG	3,139	3.4	344	3,139	3.4	344
<b>TOTAL</b>	<b>15,874</b>	<b>2.0</b>	<b>1,007</b>	<b>15,874</b>	<b>2.0</b>	<b>1,007</b>

## Directors and management

5.32 The directors and key management of BDC are summarised in the table below.

**Table 6 Bardoc Directors and Key Management personnel**

Name	Title		Experience
Neil Biddle	Executive Director		<p>Mr Biddle is a geologist and Corporate Member of the Australasian Institute of Mining and Metallurgy and has over 30 years' professional and management experience in the exploration and mining industry. Mr Biddle was a founding Director of Pilbara Minerals Limited, serving as Executive Director from May 2013 to August 2016, and as a Non-Executive Director from August 2016 to 26 July 2017.</p> <p>Over his career, Mr Biddle has served on the Board of several ASX listed companies, including Managing Director of TNG Ltd from 1998 - 2007, Border Gold NL from 1994 - 1998 and Consolidated Victorian Mines from 1991 – 1994.</p>
Tony Leibowitz	Director, Non-Executive Chairman		<p>Mr Leibowitz has over 30 years of corporate finance, investment banking and broad commercial experience. Mr Leibowitz's previous roles include Chandler Macleod Limited and Pilbara Minerals Limited, where he was the Chairman and an early investor in both companies. Mr Leibowitz was a global partner at PricewaterhouseCoopers and is a Fellow of the Institute of Chartered Accountants in Australia.</p>
John Young	Non-Executive Director		<p>Mr Young is an experienced geologist who has worked on exploration and production projects encompassing gold, uranium and specialty metals, including tungsten, molybdenum, tantalum and lithium. Mr Young's corporate experience includes appointments as Chief Executive Officer of Marenica Energy Limited and CEO and Director of Thor Mining PLC. Mr Young was Pilbara Minerals Exploration Manager from June 2014 until August 2015, appointed Technical Director in September 2015 and transitioned to Non-Executive Director in July 2017 until his resignation in April 2018. Mr Young is also a Non-executive director of AIM listed Mosman Oil and Gas.</p>
Rowan Johnston	Non-Executive Director		<p>Mining Engineer and experienced executive director, most recently being the Managing Director of Excelsior Gold Limited. Previous positions included Acting CEO and Executive Director of Operations for ASX listed Mutiny Gold Limited prior to the takeover by Doray Minerals Limited, previously Executive Director of Integra Mining.</p>
Peter Buttigieg	Non-Executive Director		<p>Mr Buttigieg is an IT professional with over 30 years experience. Mr Buttigieg is the Founder and Managing Director of RMS (Aust.) Pty Ltd, a successful and widely used business that designs IT Systems for the global hospitality, mining, defence and shopping centre industries. Mr Buttigieg holds a Bachelor of Applied Science (Information Technology) and graduated with Distinction from Monash University.</p>
Andrew Francis	Chief Operating Officer		<p>Mr Francis is a mining engineer with over 15 years' technical, operational and management experience across a variety of commodities obtained globally in both company and contractor settings. Mr Francis has been involved in several underground, open pit and shaft sinking project studies and start-up's, including the Rubicon-Hornet-Pegasus and Millennium underground mines, Janet Ivy, Matts Dam and Mt Jewell open pit mines and the K2 Shaft at the Goswong mine. Prior to joining Bardoc Gold, Mr Francis worked in technical and management roles within Northern Star Resources and has previously held senior and management roles with companies such as Barrick, Byrnecut, Entech, MMG and Goldfields.</p> <p>Mr Francis holds a Bachelor of Engineering (Mining) with honours from the Western Australian School of Mines, a WA First Class Mine Manager's Certificate and is a member of the AusIMM.</p>
Russell Hardwick	Chief Financial Officer, Company Secretary		<p>Mr Hardwick is a Certified Practising Accountant with 20 years' experience in a variety of private and public companies. Mr Hardwick is a member of the Australian Institute of Company Directors and is a Chartered Secretary. Mr Hardwick has extensive experience in corporate secretarial, capital raising and commercial management. He has held the positions of Director or Company Secretary for both AIM listed and ASX listed companies as well as senior executive positions within private companies. Mr Hardwick is a graduate of the AICD Company Directors' Course.</p>
Bradley Toms	Exploration Manager		<p>Mr Toms is a geologist with over 30 years of exploration experience which includes 20 years in the North Eastern Goldfields of Western Australia. Mr Toms has held senior exploration positions on projects in close proximity to the Kalgoorlie North Gold Project including roles with Kalgoorlie Consolidated Gold Mines and with Centaur Mining and Exploration Limited between 1994 and 2000 at the Mount Pleasant and Ora Banda gold operations.</p>

5.33 If the Scheme is implemented, none of the current BDC directors will hold a position on the Board of SBM. However, the majority of the BDC Board will form part of the Board of Edge Minerals Pty Ltd, the entity which will contain the demerged SWW Project.

## Financial Performance

5.34 The following table sets out a summary of the financial performance of BDC for the years ended 30 June 2018 ("FY18"), 30 June 2019 ("FY19"), 30 June 2020 ("FY20") and 30 June 2021 ("FY21") extracted from the audited consolidated financial statements of the Company.

**Table 7 Bardoc Gold's Financial Performance (Source: BDC financial statements)**

\$'000	FY21	FY20	FY19	FY18
<b>Continuing Operations</b>				
Interest received	135	581	54	60
Finance income	-	368	327	-
Other income	168	79	85	1
<b>Total Income</b>	<b>304</b>	<b>1,027</b>	<b>467</b>	<b>60</b>
Acquisition premium / duty / goodwill expensed	-	-	(3,232)	(18,960)
Administrative expenses	(2,341)	(1,471)	(1,373)	(1,536)
Consulting expenses	(54)	(53)	(443)	(499)
Depreciation expense	(169)	(166)	(101)	(44)
Exploration and evaluation costs expensed	(18,043)	(7,637)	(7,051)	(5,108)
Exploration and evaluation assets acquired	(24)	(1,601)	(26,499)	(13,514)
Provision for rehabilitation expense	-	(1,037)	(100)	-
Occupancy costs	(23)	(17)	(118)	(75)
Share based payments	(614)	(1,666)	(49)	(2,039)
Finance expenses	(922)	(187)	(172)	-
Merger expenses	-	-	(66)	-
Travel expenses	(41)	(46)	(89)	(138)
<b>Loss before income tax</b>	<b>(21,926)</b>	<b>(12,854)</b>	<b>(38,826)</b>	<b>(41,854)</b>
Income tax expense	-	-	-	-
<b>Loss from continuing operations</b>	<b>(21,926)</b>	<b>(12,854)</b>	<b>(38,826)</b>	<b>(41,854)</b>
<b>Discontinued Operations</b>	-	-	-	-
Loss from discontinued operations after tax	-	-	-	-
<b>Loss for the year</b>	<b>(21,926)</b>	<b>(12,854)</b>	<b>(38,826)</b>	<b>(41,854)</b>
Other comprehensive income	-	-	-	11
<b>Total comprehensive loss for the period</b>	<b>(21,926)</b>	<b>(12,854)</b>	<b>(38,826)</b>	<b>(41,843)</b>

5.35 We note the following in relation to BDC's financial performance:

- BDC did not generate revenue from its gold or manganese projects in FY18, FY19, FY20 or FY21 with income derived from interest revenue from financial institutions, government COVID-19 subsidies, the sale of property, plant and equipment, fuel tax rebates, rental income and other passive income sources.
- BDC disclosed a loss before income tax of \$21.9m, \$12.85m, \$38.8m and \$41.9m in FY21, FY20, FY19 and FY18 respectively.
- BDC incurred significant exploration and evaluation costs of \$18.0m, \$7.6m, \$7.1m and \$5.1m in FY21, FY20, FY19 and FY18 respectively.
- On 3 October 2018, BDC acquired 100% of the ordinary share capital and voting rights in Excelsior Gold Limited by way of a Scheme of Arrangement. This accounted for \$25.54m of the \$26.50m exploration and evaluation assets acquired expense in FY19.

- e. On 20 December 2017, BDC acquired 100% of the ordinary share capital and voting rights in Aphrodite Gold Limited by way of a Scheme of Arrangement. The implementation of the Scheme was completed on 4 January 2018. This accounted for \$12.5m of the \$13.5m Exploration and evaluation assets acquired expense in FY18.

## Dividends

5.36 BDC has not declared or paid any dividends from FY18 to FY21.

## Financial Position

5.37 The table below sets out a summary of the consolidated financial position of BDC as at 30 June 2021 and 30 June 2020.

**Table 8 Financial Position of Bardoc Gold (Source: BDC Financial Statements)**

\$'000	Ref	30 June 2021	30 June 2020
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents		12,889	11,853
Trade and other receivables	b.	388	257
Other assets		219	118
<b>Total Current Assets</b>		<b>13,496</b>	<b>12,228</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	c.	365	414
Right-of-use assets	d.	102	187
<b>Total Non-current assets</b>		<b>467</b>	<b>601</b>
<b>Total Assets</b>		<b>13,963</b>	<b>12,829</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	e.	1,128	717
Lease liabilities	d.	87	95
Provisions	f.	285	1,565
Borrowings	g.	250	250
<b>Total Current Liabilities</b>		<b>1,749</b>	<b>2,627</b>
<b>Non-Current Liabilities</b>			
Lease liabilities	d.	22	98
Provisions	f.	5,705	4,803
Borrowings	g.	1,036	1,266
<b>Total Non-Current Liabilities</b>		<b>6,763</b>	<b>6,167</b>
<b>Total Liabilities</b>		<b>8,512</b>	<b>8,795</b>
<b>Net Assets</b>	a.	<b>5,451</b>	<b>4,035</b>
<b>Equity</b>			
Issued capital		153,328	129,104
Reserves		1,545	3,192
Accumulated losses		(149,422)	(128,261)
<b>Total Equity</b>		<b>5,451</b>	<b>4,035</b>

5.38 We note the following in relation to BDC's financial position:

- BDC disclosed a net assets position of \$4.04m as at 30 June 2020 increasing to \$5.45m as at 30 June 2021.
- Trade and other receivables of \$388k as at 30 June 2021 predominantly relate to GST receivable and security deposits.

- c. The property, plant and equipment balance of BDC as at 30 June 2021 of \$0.37m is comprised of plant and equipment and vehicles owned.
- d. The Right-of-use assets of \$0.1m, the current lease liabilities of \$87k and the non-current lease liability of \$22k relates to the right of use asset and corresponding liabilities for BDC's office lease at 130 Stirling Highway in North Fremantle WA.
- e. Trade and other payables of \$1.13m as at 30 June 2021 includes trade creditors of \$0.77m as well as liabilities for payroll tax, Pay-As-You-Go Withholding, superannuation, credit cards and other minor payables including audit fees and accrued wages.
- f. BDC had a \$0.29m provision for employee benefits owing as at 30 June 2021. The majority of the \$5.71m non-current provision balance as at 30 June 2021 relates to a rehabilitation provision.
- g. The current and non-current borrowings balances as at 30 June 2021 of \$0.25m and \$1.04m respectively relate to an interest free royalty advance from Franco-Nevada to Aphrodite Gold Limited from 2012. The advance required no prepayment for the first 5 years and if production commences a royalty of 2.5% is payable from 1 November 2017, the minimum annual royalty is \$250k per annum and this is reflected in the current borrowings balance as at 30 June 2021.

## Capital Structure

5.39 At the date of this Report, BDC had 290,723,953 ordinary shares on issue including 1,604,015 Loan Plan Shares. The top 20 shareholders of BDC as at the date of this Report are set out below.

**Table 9 Bardoc Gold top 20 shareholders (Source: Bardoc Gold's Top 20 Shareholders Listing 31 January 2022)**

Rank		Shares	%
1	Citicorp Nominees Pty Limited	19,125,251	6.58%
2	HSBC Custody Nominees (Australia) Limited	15,794,633	5.43%
3	HSBC Custody Nominees (Australia) Limited - A/C 2	11,651,290	4.01%
4	P & J Buttigieg Nominees Pty Ltd <Buttigieg Family A/C>	9,153,539	3.15%
5	HSBC Custody Nominees (Australia) Limited-Gsco Eca	8,598,612	2.96%
6	Biddle Partners Pty Ltd <Biddle Super Fund A/C>	5,559,082	1.91%
7	BNP Paribas Nominees Pty Ltd <Ib Au Noms Retailclient Drp>	4,794,891	1.65%
8	Kalonda Pty Ltd <Leibowitz Super Fund A/C>	4,366,183	1.50%
9	UBS Nominees Pty Ltd	3,555,740	1.22%
10	P & J Buttigieg Nominees Pty Ltd <Buttigieg Super Fund A/C>	3,421,145	1.18%
11	Mr John Alexander Young + Mrs Cheryl Kaye Young <Forever Young Family A/C>	3,400,000	1.17%
12	Nohuni Pty Ltd <Super Fund A/C>	3,383,333	1.16%
13	BNP Paribas Nominees Pty Ltd Six Sis Ltd <Drp A/C>	3,032,807	1.04%
14	Mr Alex Jordan <The Jordan A/C>	3,000,000	1.03%
15	Edlyn Developments Pty Ltd <Farrah Gold Super Fund A/C>	2,629,121	0.90%
16	Neweconomy Com Au Nominees Pty Limited <900 Account>	2,577,311	0.89%
17	BNP Paribas Nominees Pty Ltd Acf Clearstream	2,517,990	0.87%
18	Mr Shenghao Qi	2,500,000	0.86%
19	Freight Show Pty Ltd <The Gracha A/C>	2,261,250	0.78%
20	Freight Show Pty Ltd <Gracha Super Fund A/C>	2,070,000	0.71%
<b>Other Shareholders</b>		<b>177,331,775</b>	<b>61.00%</b>
<b>Total</b>		<b>290,723,953</b>	<b>100%</b>

5.40 At the date of this report BDC had:

- 1,499,998 unlisted options on issue as summarised in the table below:

**Table 10 Bardoc Gold Unlisted Options (Source: Bardoc Gold's Announcement 7 January 2022, Management)**

Unlisted Options	Exercise Price	Expiry Date
499,998	\$1.20	11-Sep-22
1,000,000	\$0.72	27-Sep-22
<b>1,499,998*</b>		

\* As per the Option Cancellation Deeds, the option holders have agreed to cancel the above BDC Options in exchange for the Option Consideration as outlined in section 5.9 of the Scheme Booklet and 4.6 of this report above.

- 5,574,992 performance rights on issue as summarised in the table below:

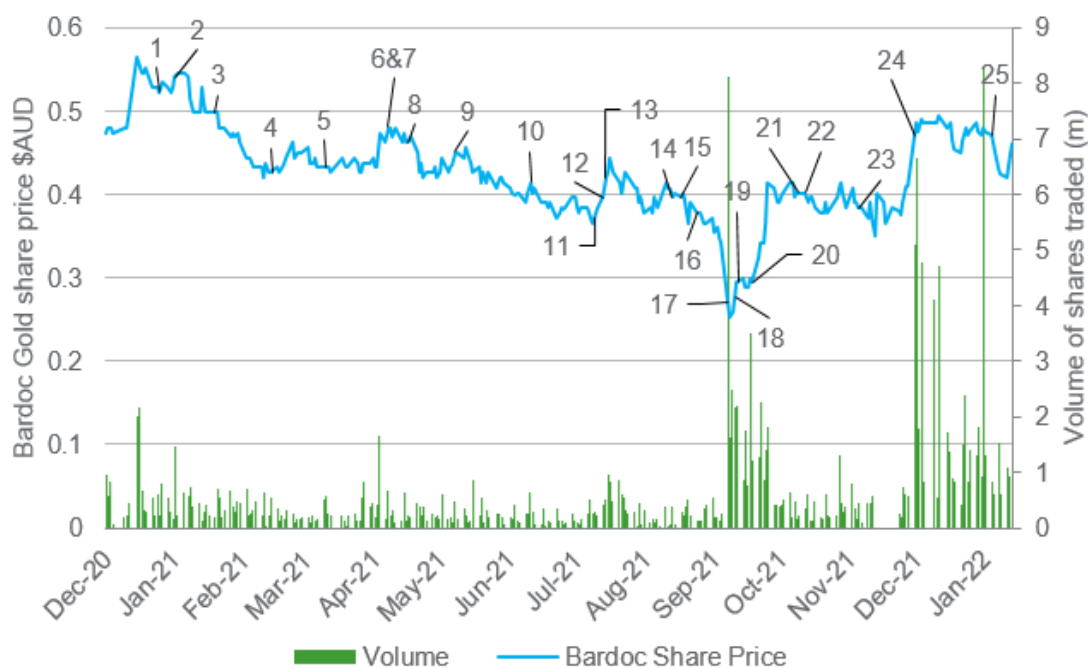
**Table 11 Bardoc Gold Performance Rights (Source: Bardoc Gold's Announcement 7 January 2022, Management)**

Class	Number	Expiry Date
F	208,333	10-Jun-23
G	2,533,329	10-Jun-23
H	250,000	18-Nov-23
I	250,000	18-Nov-23
J	125,000	20-Oct-24
K	416,666	20-Oct-24
L	583,333	19-Nov-24
M	999,998	19-Nov-24
O	208,333	8-Mar-25
<b>Total</b>	<b>5,574,992</b>	

## Share price performance

5.41 A summary of BDC's share price movements for the 12 months prior to the announcement of the Scheme and to 2 February 2022 post announcement is set out in the figure below.

**Figure 4 Bardoc Gold's recent share trading history (Source: S&P Capital IQ)**



5.42 We note the following announcements made by BDC during the reviewed period:

**Table 12 Annotations to Bardoc Gold share price graph (Source: ASX Announcements)**

No	Date	Comments
1	14-Jan-21	BDC released its quarterly cash flow report showing - \$6.69m net cash used in operating activities and a cash and cash equivalents position at the end of the quarter of \$22.86m. Quarterly activity report released with drilling results highlighting potential for further resource growth and binding gold concentrate off-take agreement.
2	21-Jan-21	BDC announced drilling results for both Excelsior and Zoroastrian deposits.
3	8-Feb-21	BDC announces drilling results for North Kanowna Star.
4	5-Mar-21	BDC released its half yearly report and accounts.
5	29-Mar-21	BDC announced the results of its definitive feasibility study of the Bardoc Gold Project showing 1Moz ore reserve with a forecast average production of 136kozpa at AISC of A\$1,188/oz.
6	27-Apr-21	BDC released its quarterly cash flow report showing - \$5m net cash used in operating activities and a cash and cash equivalents position at the end of the quarter of \$17.96m. Quarterly activity report released to show results of definitive feasibility study and development plan of ore reserve.
7	27-Apr-21	BDC announced drilling results of Sigma Lode and Gama Lode.
8	6-May-21	BDC announced drilling results from Aphrodite Omega Lode.
9	27-May-21	BDC announced drilling results from Aphrodite Omega Lode.
10	30-Jun-21	BDC released its sustainability report to stakeholders which outlines the Company's commitments to operating sustainably.
11	29-Jul-21	BDC released announcement outlining debt funding proposal for development of Bardoc Gold Project.
12	2-Aug-21	BDC released presentation ahead of Diggers and Dealers conference outlining ore reserve and development plans.
13	2-Aug-21	BDC announced new drilling program at Zoroastrian
14	2-Sep-21	BDC released findings of an optimisation study on the Bardoc Gold Project which validates production growth from an alternative mining schedule.
15	6-Sep-21	BDC released optimisation study.
16	13-Sep-21	BDC released drill results which highlight potential to grow mine life at Zoroastrian
17	27-Sep-21	BDC initiated a strategic review of Bardoc Gold Project in light of the rapidly escalating cost environment due to rising materials and input costs, the tightening WA labour market and other COVID-19 related supply challenges.
18	30-Sep-21	BDC released its Annual Report to shareholders.
19	1-Oct-21	BDC announced that the Company's Chief Executive Officer, Robert Ryan, will leave the company by mutual agreement with the Board.
20	8-Oct-21	BDC proposed consolidation of issued capital through conversion of every six existing shares in to one share.
21	29-Oct-21	Quarterly Activities report released.
22	1-Nov-21	BDC released latest drilling results which indicate more than ten high priority targets within the North Kanowna Star district, significantly upgrading the potential scale of the project.
23	25-Nov-21	BDC released high-grade results which confirm extensions of Zoroastrian Deposit
24	20-Dec-21	St Barbara's acquisition of BDC via Board recommended scheme of arrangement announced.
25	24-Jan-22	BDC released its quarterly cash flow report showing - \$2.92m net cash used in operating activities and a cash and cash equivalents position at the end of the quarter of \$7.61m. Quarterly activity report also released with drilling results highlighting potential for further resource growth.

## December 2021 Quarterly Report

5.43 The BDC December 2021 quarterly report shows cash on hand of \$7.6m at 31 December 2021 and operating expenditure of \$2.92m in the quarter, primarily on exploration and evaluation activities.

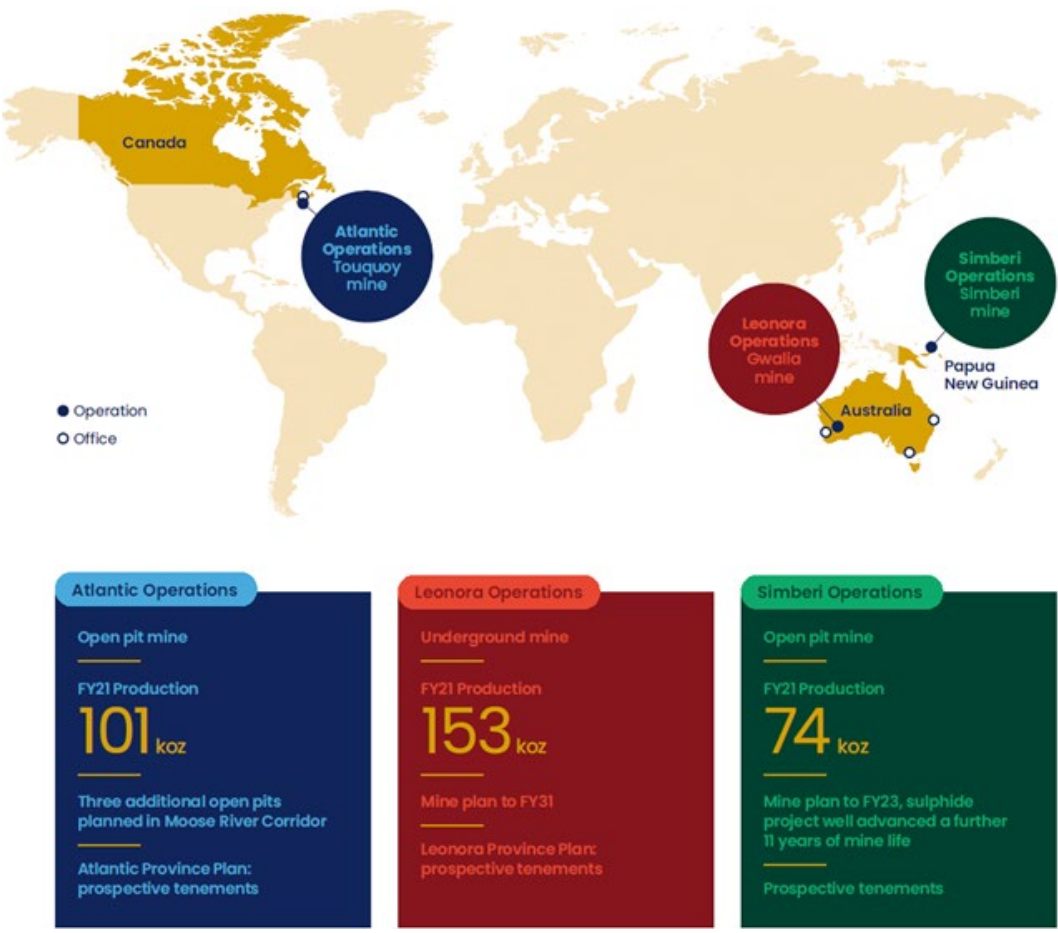


## 6. Profile of St Barbara Limited

### Overview

- 6.1 St Barbara Limited is an Australian-based, Australian Securities Exchange-listed gold producer and explorer.
- 6.2 The market capitalisation of SBM at the date of this Report was approximately \$1,039m.
- 6.3 In FY21 St Barbara produced 327,662 ounces of gold with an All-In Sustaining Cost (“AISC”) of \$1,616 AUD per ounce, generating a net cash flow of \$227m from operating activities.
- 6.4 St Barbara has three major operations in Australia, Canada and Papua New Guinea: the Leonora Operation, the Atlantic Operation and the Simberi Operation respectively as highlighted in the figure below.

Figure 5 SBM’s operations (Source: St Barbara Ltd 2021 Annual Report)

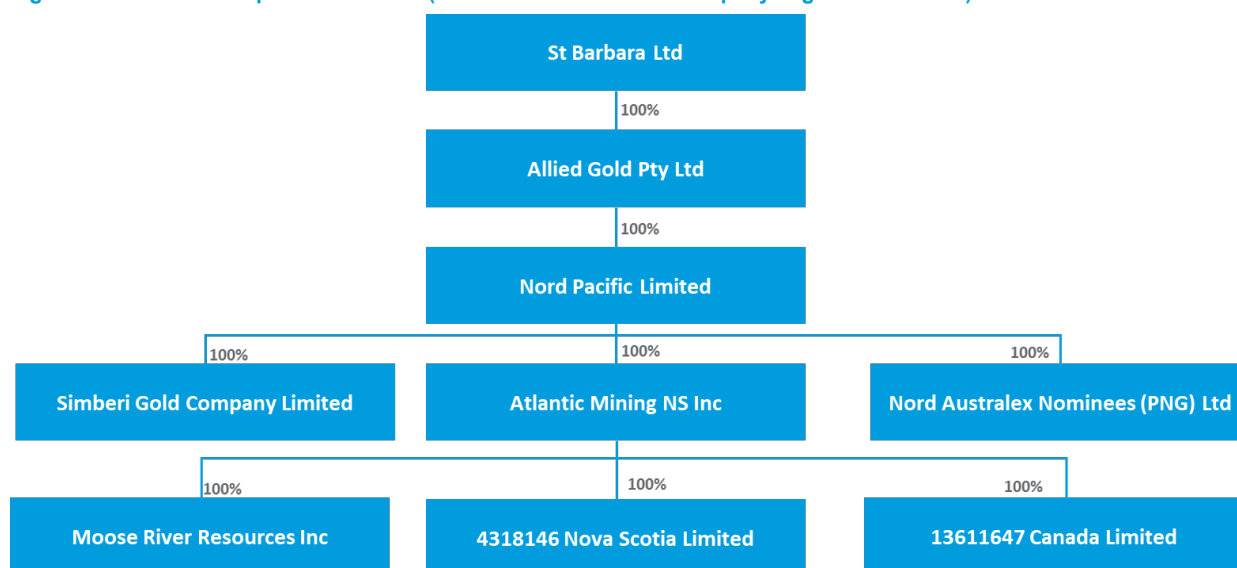




## Legal structure

6.5 The corporate structure of St Barbara Limited is outlined in the diagram below:

Figure 6 St Barbara Corporate Structure (Source: St Barbara Ltd Company Org Chart 10.01.22)



## Summary of Projects

### Leonora Operation

- 6.6 St Barbara's Leonora Operation in Western Australia consists of the Gwalia underground mine and 1.4 Mtpa processing plant, as well as nearby development opportunities. The operation is developing an ore body that has produced over six million ounces from open cut and underground operations to date.
- 6.7 The cornerstone of the Leonora operations is the Gwalia underground mine. The Gwalia underground mine is located outside Leonora, 235 kilometres from Kalgoorlie, Western Australia. Gwalia is the deepest underground trucking mine in Australia and has been operating for over a century, first established in 1896.
- 6.8 St Barbara employs approximately 164 people through the Leonora operations.
- 6.9 Gwalia produced 152,696 ounces of gold in FY21 with an average milled ore grade of 6.6 g/t Au.
- 6.10 In December 2020, SBM announced the Leonora Province Plan with a three-stage plan for growing sustainable production at a lower cost profile. A key part of this plan is to expand the production base at Leonora through other ore sources and evaluate expanding the capacity of Leonora's processing plant.

### Atlantic Operations

- 6.11 St Barbara's Atlantic Operations in Nova Scotia, Canada primarily consists of the open pit Touquoy mine, along with three additional planned projects nearby at Beaver Dam, Fifteen Mile Stream and Cochrane Hill. Collectively, the operations and projects have an estimated mine life to FY31, with strong exploration potential in the region.
- 6.12 During FY21 St Barbara assumed full control of the Atlantic Operations, completing transition to 100% ownership of Touquoy mine and surrounding exploration tenements following the acquisition of Moose River Resources Incorporated.
- 6.13 St Barbara employs around 333 people through its Atlantic Operations.
- 6.14 The Atlantic Operations delivered to expectations in FY21 with production of 101,243 ounces of gold at an average milled grade of 1.15 g/t Au.

## Simberi Operations

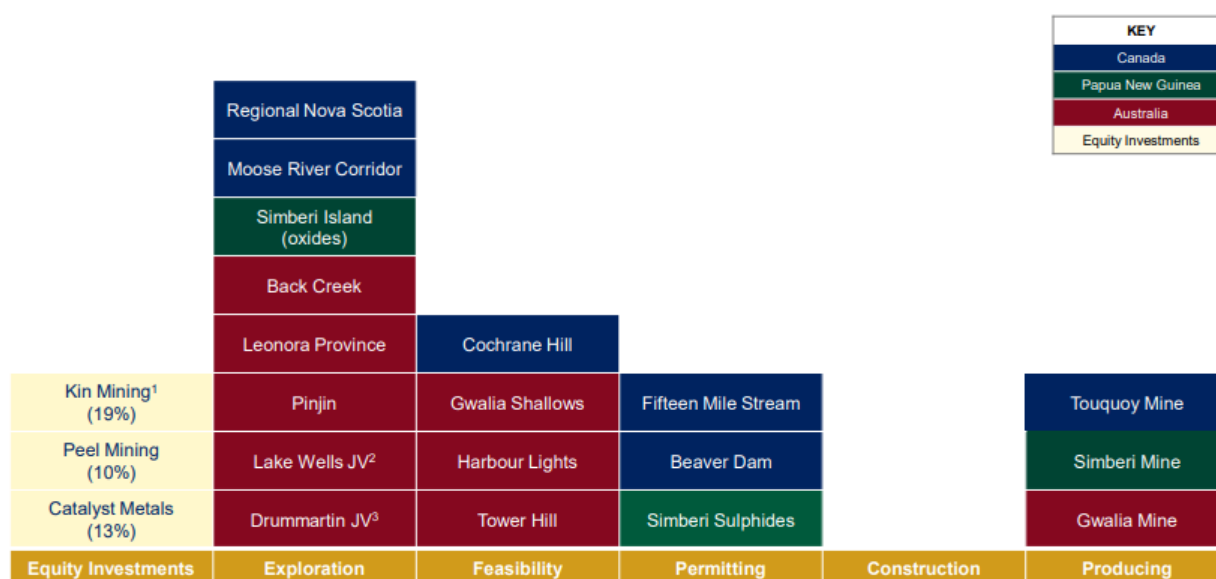
- 6.15 The Simberi Operations consist of an open cut mine on the northernmost island in the Tabar group of islands in the province of New Ireland in Papua New Guinea. An upcoming sulphide project has the potential to extend the life of mine by at least 10 years.
- 6.16 In April 2021, the Board approved pre-investment work of US\$13 million, with submission of the Simberi Sulphide Project front end engineering and design study to the St Barbara Board on schedule for March 2022.
- 6.17 St Barbara employs around 767 employees through their Simberi Operations. Almost 96% of the workforce are from Simberi Island, the nearby Tabar Islands, and other parts of PNG, meaning sustainable economic opportunities for local families, businesses, and suppliers
- 6.18 The Simberi Operations produced 73,723 ounces in FY21, with average milled grade of 1.25 g/t.
- 6.19 A routine inspection of the deep-sea tailings pipeline ("DSTP") in the fourth quarter of FY21 identified pipe damage and the placement of tailings was ceased. This led to a temporary break in operations which has allowed for maintenance and plant upgrades to take place whilst the DSTP was replaced. SBM is also undertaking work to transition to the sulphide expansion project at Simberi.
- 6.20 On 18 February 2022, SBM announced the withdrawal of FY22 guidance due to a COVID-19 outbreak at Simberi. While gold production is continuing at the Simberi Operations, this is at a reduced rate and uncertainty remains as to when full workforce participation can resume.

## Project Pipeline

- 6.21 The current project pipeline for SBM is included below as outlined in the 2021 AGM Presentation. The pipeline shows the stage of development for each of SBM's Projects.

Figure 7 Project Pipeline (Source: St Barbara Ltd 2021 AGM Presentation)

### Project pipeline



1. Equity interest announced 15 July 2021

2. Earn-in and Joint Venture Agreement with Australian Potash announced 8 October 2018

3. Earn-in and Joint Venture Agreement with Catalyst Metals announced 25 November 2020

6.22 As outlined in SBM's 31 December 2021 Ore Reserves and Mineral Resources Statements, which were released to the ASX on 18 February 2022 and summarised below, SBM has total Mineral Resources of 13.5Moz across its deposits.

**Table 13 Summary of SBM's Gold Ore Resources (SBM Announcement of 18 February 2022)**

SBM's Gold Ore Resources												
Project	Measured			Indicated			Inferred			Total		
	Tonnes ('000)	Gold (g/t)	Ounces ('000)	Tonnes ('000)	Gold (g/t)	Ounces ('000)	Tonnes ('000)	Gold (g/t)	Ounces ('000)	Tonnes ('000)	Gold (g/t)	Ounces ('000)
Gwalia Deep, (WA)	3,776	5.8	704	18,946	5.7	3,492	2,485	6.8	540	25,206	5.8	4,736
Gwalia Open Pit, (WA)	2,221	2.3	164	6,218	2.9	600	-	-	-	8,439	2.8	764
Harbour Lights, (WA)	-	-	-	12,268	1.4	569	616	1.7	33	12,884	1.5	602
Tower Hill, (WA)	-	-	-	20,682	1.8	1,177	-	-	-	20,682	1.8	1,177
Simberi Oxide, (PNG)	3,600	1.2	138	9,800	1.1	335	5,200	1.1	177	18,600	1.1	650
Simberi Sulphide, (PNG)	4,000	1.6	191	47,500	1.5	2,452	19,900	1.6	932	71,400	1.6	3,575
Atlantic Operations, (NS)	23,393	1.1	834	28,815	1.0	936	6,428	1.1	221	58,636	1.1	1,990
<b>Total All Projects</b>	<b>36,990</b>	<b>1.7</b>	<b>2,031</b>	<b>144,229</b>	<b>2.1</b>	<b>9,561</b>	<b>34,628</b>	<b>1.7</b>	<b>1,903</b>	<b>215,847</b>	<b>1.9</b>	<b>13,494</b>

6.23 SBM also declared 5.78Moz of Ore Reserves across its deposits in the announcement on 18 February 2022.

**Table 14 Summary of SBM Reserves (SBM Announcement of 18 February 2022)**

SBM's Gold Ore Reserves									
Project	Proved			Probable			Total		
	Tonnes ('000)	Gold (g/t)	Ounces ('000)	Tonnes ('000)	Gold (g/t)	Ounces ('000)	Tonnes ('000)	Gold (g/t)	Ounces ('000)
Gwalia, (WA)	1,543	7.3	361	11,318	4.8	1,761	12,862	5.1	2,121
Simberi Oxide, (PNG)	2,718	1.2	108	6,244	1.1	222	8,962	1.1	330
Simberi Sulphide, (PNG)	2,530	1.8	143	24,808	2.0	1,582	27,338	2.0	1,726
Simberi Stockpile, (PNG)	-	-	-	403	1.9	25	403	1.9	25
Atlantic Mining, (NS)	21,680	1.1	782	20,501	1.1	711	42,182	1.1	1,493
Atlantic Mining Stockpile, (NS)	6,040	0.5	90	-	-	-	6,040	0.5	90
<b>Total All Projects</b>	<b>34,511</b>	<b>1.3</b>	<b>1,484</b>	<b>63,275</b>	<b>2.1</b>	<b>4,301</b>	<b>97,788</b>	<b>1.8</b>	<b>5,784</b>

## Directors and management

6.24 The directors and key management of SBM are summarised in the table below.

**Table 15 St Barbara Directors and Key Management personnel**

Name	Title		Experience
Tim Netscher	Independent Chairman	Non-Executive	Mr Netscher is an experienced international mining executive with extensive operational, project development, transactional and sustainability experience gained in senior executive and board roles over many years. His key executive positions during the past 25 years included Managing Director and CEO of Gindalbie Metals Ltd, Senior Vice President Asia Pacific Region of Newmont Inc., Managing Director of Vale Coal Australia, President of P T Inco and Executive Director of Refining & New Business at Impala Platinum Ltd. Mr Netscher's experience covers a wide range of resources including platinum group metals, nickel, coal, iron ore, uranium and gold in Africa, Asia, USA and Australia.
Craig Jetson	Managing Director and Chief Executive Officer		Mr Jetson is a highly experienced career mining executive, having most recently served as Executive General Manager Cadia, Lihir and Global Technical Services at Newcrest Mining Limited (ASX: NCM). Previously, he was GM Lihir and prior to that held long-term senior operating roles at Nyrstar and Zinifex in Australia, USA, Canada and Europe.
Steven Dean	Independent Director	Non-Executive	Steven has extensive experience internationally in mining, including as President of Teck Cominco Limited (now Teck Resources Ltd, (TSX: TECK.A and TECK.B, NYSE: TECK). Prior to joining Teck, Steven was a founding member of management of the Normandy Poseidon Group, (which became Normandy Mining). He was also a co-founder and former chairman of Amerigo Resources Ltd, and is the former Chairman and a director of Sierra Metals Inc. (TSX:SMT), and Chairman of Oceanic Iron Ore Corp. (TSX-V:FEO). Mr Dean is currently Chairman and CEO of Artemis Gold Inc.
Kerry Gleeson	Independent Director	Non-Executive	Ms Gleeson is an experienced non-executive director following a 25-year career as a senior executive and as a lawyer in both UK and Australia. She has experience in international governance, strategic mergers and acquisitions and complex corporate finance transactions, as well as in risk and crisis management.
Stef Loader	Independent Director	Non-Executive	Ms Stefanie (Stef) Loader is a company director, geologist and former mining executive with experience in mining operations, mineral exploration and project development. Ms Loader's experience covers a wide range of commodities and regions including copper and gold in Australia, Laos, Chile and Peru, and diamonds in Canada and India. Ms Loader held the role of Managing Director of Northparkes copper and gold mine for CMOIC International and Rio Tinto from 2012 to 2017 and Chair of the NSW Minerals Council from 2015 to 2017. Ms Loader has also served in the office of the CEO for Rio Tinto supporting the Executive Committee and as Exploration Executive.
David Moroney	Independent Director	Non-Executive	Mr Moroney is a finance executive with more than 30 years' experience in senior corporate finance roles, including 15 years in the mining industry, and international work experience with strong skills in finance, strategic planning, governance, risk management and leadership. Mr Moroney's executive positions included CFO of Co-Operative Bulk Handling, CFO of First Quantum Minerals Ltd, General Manager Group Business Services at Wesfarmers Ltd, CFO of Wesfarmers CSBP Ltd, Deputy CFO/Executive GM Accounting of Normandy Mining Ltd and CFO at Aurora Gold Ltd.
Lucas Welsh	Chief Financial Officer		Lucas Welsh is a chartered Accountant with over 20 years experience, Lucas previously worked at PwC in their Transaction Services department, before developing a Sarbanes-Oxley risk management compliance framework and toolset at WMC Resources. Lucas's experience has predominantly been in the resources sector, however, he has also provided financial due diligence services for oil and gas companies, electricity generators and network operators in Australia and China.

## Financial Performance

6.25 The following table sets out a summary of the consolidated financial performance of SBM for FY18, FY19, FY20 and FY21 extracted from the audited financial statements of the Company.

**Table 16 St Barbara Financial Performance (Source: SBM Financial Statements)**

\$'000	FY21	FY20	FY19	FY18
<b>Operations</b>				
Revenue	740,247	827,726	650,321	679,204
Mine operating costs	(371,837)	(384,820)	(299,075)	(275,695)
<b>Gross profit</b>	<b>368,410</b>	<b>442,906</b>	<b>351,246</b>	<b>403,509</b>
Interest revenue	1,103	2,306	10,073	5,283
Other income	1,113	56	115	2,053
Exploration expensed	(34,596)	(23,596)	(18,725)	(9,149)
Corporate costs	(26,621)	(27,156)	(21,859)	(23,840)
Royalties	(25,764)	(27,174)	(21,441)	(23,015)
Depreciation and amortisation	(187,870)	(165,366)	(79,643)	(87,276)
Expenses associated with acquisition	-	(7,538)	(3,865)	-
Share based payments	(1,765)	(2,472)	(3,099)	(3,636)
Other expenses	(22,695)	(4,735)	(3,855)	(608)
Impairment loss on assets	(349,296)	-	-	-
<b>Operating Profit/(loss)</b>	<b>(277,981)</b>	<b>187,231</b>	<b>208,947</b>	<b>263,321</b>
Finance costs	(7,996)	(13,255)	(946)	(918)
Net foreign exchange (loss)/gain	5,316	(2,377)	(3,707)	200
Gold instrument fair value adjustments	22,897	(9,152)	-	-
<b>Profit/(Loss) before income tax</b>	<b>(257,764)</b>	<b>162,447</b>	<b>204,294</b>	<b>262,603</b>
Income tax (expense)/benefit	81,168	(34,217)	(60,131)	(35,605)
<b>Net profit/(loss) after tax</b>	<b>(176,596)</b>	<b>128,230</b>	<b>144,163</b>	<b>226,998</b>

6.26 We note the following in relation to SBM's financial performance:

- SBM reported a loss after tax of \$176.6m for FY21 and a net profit after tax of \$128.2m, \$144.2m and \$227.0m for the years FY20, FY19 and FY18 respectively.
- In FY21, SBM's revenue from operations comprised \$329.9m from its Leonora Operations, \$204.8m from its Simberi Operations and \$205.6m from its Atlantic Operations.
- Total group production in FY21 was 327,662 ounces of gold, a reduction from 381,887 ounces in FY20 with AISC of \$1,616 per ounce in FY21 and \$1,369 in FY20. Gold production in FY19 was 362,346 ounces and 403,089 ounces in FY18 with AISC of \$1,080 per ounce in FY19 and \$891 in FY18.
- Gold sales amounted to 332,786 ounces in FY21 compared to 381,105 ounces in FY20. Gold sales in FY19 were 368,444 ounces and 400,956 ounces in FY18.
- The impairment loss of \$349m in FY21 represents the write down of mineral rights in relation to Atlantic Gold. Following an assessment of the recoverable amount of the Group's cash generating units (CGUs) as at 30 June 2021, it was determined that the Atlantic Gold CGU carrying value exceeded its recoverable amount of \$623m.
- SBM has hedging agreements in place for the forward sale of gold production and records fair value movements on call options through the profit and loss statement.

## Dividends

6.27 SBM has declared and paid the following dividends from FY18 to FY21.

**Table 17 SBM Dividends FY18 to FY21 (Source: SBM Financial Statements)**

Dividend History (per share)	FY21	FY20	FY19	FY18
Dividends paid and declared for the financial year	\$0.06	\$0.08	\$0.08	\$0.12

## Financial Position

6.28 The table below sets out a summary of the audited consolidated financial position of SBM as at 30 June 2021 and 30 June 2020.

**Table 18 SBM's Financial Position (Source: SBM Financial Statements)**

\$'000	Ref	30 June 2021	30 June 2020
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	b.	133,370	405,541
Deposits held to maturity		-	5,999
Trade and other receivables		40,301	11,225
Inventories	c.	86,628	87,401
Deferred mining costs		2,987	2,039
<b>Total Current Assets</b>		<b>263,286</b>	<b>512,205</b>
<b>Non-Current Assets</b>			
Inventories	c.	40,077	33,335
Property, plant and equipment	d.	344,314	324,279
Financial assets	e.	42,163	42,906
Trade and other receivables		4,250	-
Deferred mining costs		3,173	4,386
Mine properties	f.	206,189	172,165
Exploration and evaluation	g.	153,943	149,949
Mineral rights	h.	569,230	922,118
Deferred tax assets		9,136	13,670
<b>Total Non-current assets</b>		<b>1,372,475</b>	<b>1,662,808</b>
<b>Total Assets</b>		<b>1,635,761</b>	<b>2,175,013</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables		69,583	66,970
Interest bearing liabilities	i.	93,543	12,199
Rehabilitation provision		8,160	354
Other provisions	j.	13,931	19,922
Derivative financial liabilities		8,750	5,760
Current tax liability		14,538	10,893
<b>Total Current Liabilities</b>		<b>208,505</b>	<b>116,098</b>
<b>Non-Current Liabilities</b>			
Interest bearing liabilities	k.	15,709	319,567
Rehabilitation provision	l.	61,701	53,162
Deferred tax liabilities	m.	228,555	303,584
Derivative financial liabilities		5,338	31,688
Other provisions		2,286	1,937
<b>Total Non-Current Liabilities</b>		<b>313,589</b>	<b>709,938</b>
<b>Total Liabilities</b>		<b>522,094</b>	<b>826,036</b>
<b>Net Assets</b>	a.	<b>1,113,667</b>	<b>1,348,977</b>
<b>Equity</b>			
Issued capital		1,434,573	1,422,290
Reserves		(50,137)	(35,091)
Accumulated losses		(270,769)	(38,222)
<b>Total Equity</b>		<b>1,113,667</b>	<b>1,348,977</b>

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6.29 We note the following in relation to SBM's financial position:

- a. St Barbara disclosed a net assets position of \$1.35b as at 30 June 2020 decreasing to \$1.11b as at 30 June 2021. The decrease is largely attributable to the impairment write-down of the Atlantic Operations.
- b. SBM held cash and cash equivalents of \$133.4m as at 30 June 2021, a significant decrease from \$405.5m at 30 June 2020 as a result of settling \$220m of a syndicated loan facility.
- c. The current assets inventory balance of \$86.6m as at 30 June 2021 primarily comprised of Consumables at \$61.4m and Gold in circuit of \$18.1m. The non-current assets inventory balance of \$40.1m as at 30 June 2021 comprised of Ore stockpiles.
- d. The property, plant and equipment balance of \$344.3m as at 30 June 2021 relates to property, equipment, right-of use assets and associated accumulated depreciation.
- e. The financial assets of \$42.2m as at 30 June 2021 represented investments in shares listed on the ASX.
- f. The Mine properties balance of \$206.2m as at 30 June 2021 represents mine development expenditure comprising the acquisition cost and/or accumulated exploration, evaluation and development expenditure in respect of areas of interest in which mining has commenced. Mine development costs are deferred until commercial production commences, at which time they are amortised on a unit-of-production basis over mineable reserves.
- g. The Exploration and evaluation balance of \$153.9m as at 30 June 2021 was mainly comprised of capitalised mine exploration costs.
- h. The mineral rights balance of \$569m as at 30 June 2021 comprised identifiable exploration and evaluation assets, mineral resources and ore reserves that were acquired as part of a business combination or a joint venture acquisition. As noted previously, an impairment charge of \$349m was taken up in FY21 in relation to the Atlantic Operations.
- i. Current Interest-bearing liabilities of \$93.5m as of 30 June 2021 primarily comprise of a syndicated facility, which was reclassified from non-current borrowings at the year-end.
- j. Other provisions of \$13.9m as at 30 June 2021 primarily related to annual leave and long service leave.
- k. Non-current interest-bearing liabilities of \$15.7m of as at 30 June 2021 comprised lease liabilities.
- l. The rehabilitation provision of \$61.7m as at 30 June 2021 is an estimated cost of rehabilitation and restoration of areas disturbed during mining operations up to reporting date but not yet rehabilitated.
- m. SBM had a deferred tax liability of \$228.6m as at 30 June 2021.

## Cash Flow Statement

6.30 The following table sets out the audited consolidated cashflow statements of SBM for the years ended 30 June 2020 and 30 June 2021.

**Table 19 SBM's Cash Flow Statement** (Source: SBM Financial Statements)

\$'000s	FY21	FY20
<b>Cashflow from operating activities</b>		
Receipts from customers	737,195	831,788
Payments to suppliers	(454,455)	(477,135)
Payments for exploration and evaluation	(26,596)	(23,596)
Interest received	1,103	2,306
Interest paid	(5,565)	(10,550)
Borrowing costs	(2,432)	(2,036)
Net income tax payments	(22,152)	(41,244)
<b>Net cash inflow from operating activities</b>	<b>227,098</b>	<b>279,533</b>
<b>Cashflow from investing activities</b>		
Movements in deposits held to maturity	-	10,000
Proceeds from sale of property, plant and equipment	2	-
Payment for property, plant and equipment	(67,425)	(26,331)
Payments for development of mining properties	(58,414)	(85,881)
Payments for exploration and evaluation	(7,593)	(22,142)
Divestment/(investment) in shares	(3,717)	3,261
MRRI acquisition (2020: Atlantic Gold Corporation)	(62,176)	(779,857)
Cash acquired	58	4,065
<b>Net cash outflow from investing activities</b>	<b>(199,265)</b>	<b>(896,885)</b>
<b>Cashflow from financing activities</b>		
Movement in restricted cash	-	2,400
Dividend payments	(45,357)	(37,510)
Principal elements of lease payments	(12,704)	(13,899)
Repayment of lease facility	-	(10,635)
Loan to Linden Gold Alliance Pty Ltd	(15,750)	-
Syndicate loan facility (payments)/drawn	(219,973)	207,014
<b>Net cash (outflow)/inflow from financing activities</b>	<b>(293,784)</b>	<b>147,370</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(265,951)</b>	<b>(469,982)</b>
Cash and cash equivalents at the start of the year	405,541	880,199
Net movement in foreign exchange rates	(6,220)	(4,676)
<b>Cash and cash equivalents at the end of the year</b>	<b>133,370</b>	<b>405,541</b>

6.31 We note the following in relation to SBM's cash flow:

- a. Net cashflow from operating activities was \$227m in FY21 and \$280m in FY20;
- b. In FY20, SBM completed the acquisition of Atlantic Gold Corporation resulting in an acquisition cash outflow of \$780m in the year, and a \$470m overall reduction in cash reserves during the year;
- c. In March 2020, SBM drew-down \$200m from the syndicated loan facility in response to COVID-19 concerns;



- d. Cash held at 30 June 2021 reduced significantly as a result of the acquisition of Moose River Resources Incorporated ("MRRI") to consolidate 100% of ownership of the Touquoy mine and the repayment of the \$200 Australian tranche of the syndicated facility.

## December 2021 Quarterly Report

- 6.32 The SBM December 2021 quarterly report stated steady gold production of 65,523 oz for the quarter at an AISC of A\$1,587 per ounce. The realised gold price for the quarter was A\$2,423 per ounce.
- 6.33 During the quarter, the replacement Simberi DSTP pipeline was completed enabling the restarting of the process plant in early January 2022.
- 6.34 The Group production guidance for FY22 was narrowed to between 305koz and 335koz (previously 305koz to 355koz), with delays in waste rock permitting combined with heavy rainfall at Atlantic primarily leading to a reduced production expectation. We note that on 18 February 2022, SBM subsequently announced the withdrawal of FY22 guidance due to a COVID-19 outbreak at the Simberi Operations.
- 6.35 Operational cash flow for the quarter was \$49m. At 31 December 2021, SBM had cash at bank of \$94m and total debt owing of \$137m under the syndicated facility, which was drawn down as a prudent measure to maintain liquidity in light of ongoing COVID-19 operational challenges.
- 6.36 During the quarter, SBM agreed to acquire 100% of NSGold Corporation at a cost of C\$8m; its primary asset is an advanced exploration property in Nova Scotia approximately 14km south of SBM's Touquoy mine.

## Capital Structure

- 6.37 At the date of this Report, SBM has 709,527,049 ordinary shares on issue. The top 20 shareholders of SBM as at the date of this report are set out below.

**Table 20 SBM top 20 shareholders (Source: St Barbara Management)**

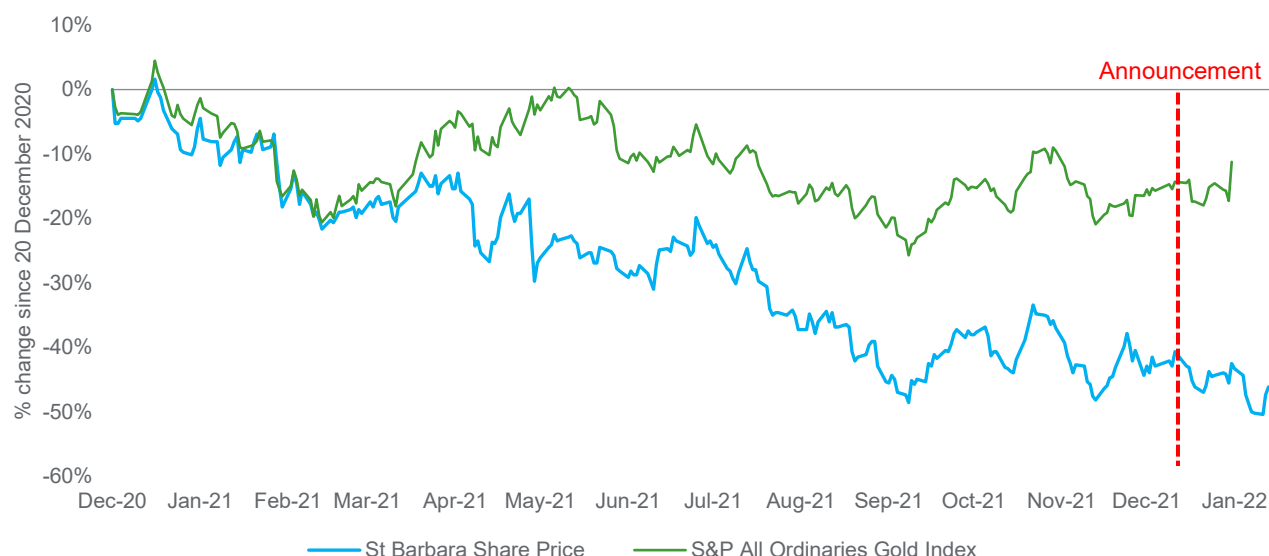
Number	Shareholder Name	Shares	%
1	HSBC Custody Nominees	263,597,929	37.15%
2	CS Third Nominees Pty Limited	69,971,533	9.86%
3	J P Morgan Nominees Australia	67,347,949	9.49%
4	Citicorp Nominees Pty Limited	54,955,516	7.75%
5	BNP Paribas Noms Pty Ltd	45,004,595	6.34%
6	Rover Investments Pty Ltd	7,190,000	1.01%
7	BNP Paribas Nominees Pty Ltd ACF Clearstream	5,988,227	0.84%
8	National Nominees Limited	5,805,143	0.82%
9	BNP Paribas Nominees Pty Ltd - Six Sis Ltd	5,710,547	0.80%
10	BNP Paribas Nominees Pty Ltd	4,381,590	0.62%
11	BNP Paribas Nominees Pty Ltd	3,248,867	0.46%
12	J & A Vaughan Super Pty Ltd	2,370,000	0.33%
13	Citicorp Nominees Pty Limited	1,708,755	0.24%
14	BNP Paribas Nominees Pty Ltd	1,694,980	0.24%
15	Mr Robert Scott Vassie	1,064,109	0.15%
16	Merrill Lynch (Australia) Nominees Pty Ltd	959,889	0.14%
17	Cuba Pty Ltd	895,000	0.13%
18	HSBC Custody Nominees	857,697	0.12%
19	Cranfield Properties Pty Ltd	820,033	0.12%
20	Mr Joe Yang	800,000	0.11%
<b>Other Shareholders</b>		<b>165,154,690</b>	<b>23.28%</b>
<b>Total</b>		<b>709,527,049</b>	<b>100%</b>

6.38 In addition to the 709,527,049 ordinary shares on issue, SBM currently has 5,895,560 employee performance rights on issue.

## Share price performance

6.39 The following chart illustrates the relative movement in St Barbara's share price against the S&P/ASX All Ordinaries Gold Index over the 12 months prior to the announcement and subsequent period to 2 February 2022.

**Figure 8 Relative movements in SBM's share price (Source: S&P Capital IQ)**



6.40 SBM's share price has trended down over the period of review from \$2.47 on 21 December 2020 to \$1.47 on 17 December 2021, a decline of 40%. The All Ordinaries Gold Index has also trended down over the period of review from 7,595.19 on 21 December 2020 to 6,351.58 on 17 December 2021, but at a much slower rate with a decline of only 16%.

6.41 Our analysis indicates that, whilst SBM's share price broadly tracked the S&P/ASX All Ordinaries Gold Index from 20 December 2020 to 15 April 2021, it has underperformed the index since, and in particular from mid-2021 onwards.

6.42 Broker commentary attributes this underperformance to higher operating costs than many of SBM's competitors, guidance downgrades, reliance on the sulphide expansion at Simberi to continue viable operations post FY24 and tight permitting timelines for satellite deposits at Atlantic which has led to delays in the commencement of mining.

6.43 Operational issues such as the replacement of the DSTP pipeline and an employee fatality at Simberi within the last 10 months appear to have negatively impacted investor sentiment, together with a significant impairment charge relating to the Atlantic Operations in FY21 arising from the delays in commencement of mining.

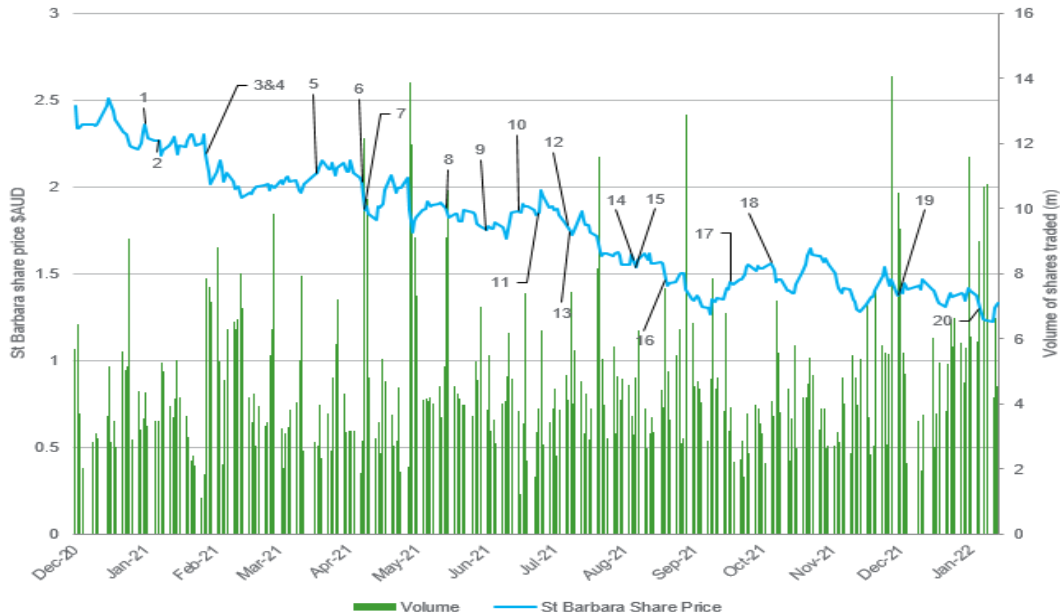
6.44 The table below sets out the Volume Weighted Average Price ("VWAP") of SBM Shares for the 1, 5, 10, 30, 60, 90, 120 and 180 days prior to announcement of the Scheme.

**Table 21 VWAP of SBM (Source: S&P Capital IQ)**

# of Days	1 Day	5 Day	10 Day	30 Day	60 Day	90 Day	120 Day	180 Day
<b>VWAP</b>	<b>1.480</b>	<b>1.481</b>	<b>1.429</b>	<b>1.460</b>	<b>1.449</b>	<b>1.467</b>	<b>1.548</b>	<b>1.671</b>
Total Volume (000's)	14,090	33,740	57,075	136,390	253,696	394,057	524,905	817,297
Volume as a % of Total Shares	3.26%	7.81%	13.21%	31.56%	58.71%	91.20%	121.48%	189.14%
Low Price	1.470	1.415	1.295	1.255	1.255	1.255	1.255	1.255
High Price	1.525	1.540	1.540	1.670	1.670	1.670	1.985	2.160

6.45 Trading in SBM Shares prior to announcement of the Scheme along with key announcements are illustrated in the graph below.

**Figure 9 SBM's recent share trading history (Source S&P Capital IQ)**



6.46 We note the following announcements made by SBM during the reviewed period:

**Table 22 Annotations to SBM'S recent trading history graph (Source: S&P Capital IQ)**

Ref	Date	Annotation
1	Jan-21-2021	Australian Potash Limited announced drilling results in the joint venture with St Barbara for the Lake Wells Gold Project confirming strong potential for the project to host a significant gold deposit.
2	Jan-27-2021	St Barbara Limited announces Q2 2021 Results
3	Feb-17-2021	St Barbara Limited announces Ordinary Distribution for 6 months ended 31 December 2021
4	Feb-17-2021	St Barbara Limited, H1 2021 Earnings Call, Feb 17, 2021
5	Apr-07-2021	St Barbara Limited Acquires 70% Interest in Lake Wells Gold Project
6	Apr-27-2021	St Barbara Limited Announces the results of the Simberi Sulphide Feasibility Study which highlights a robust project with strong financial returns
7	Apr-28-2021	St Barbara Limited announces Q3 2021 Results
8	Jun-03-2021	St Barbara Limited Announces Simberi Operations Update, including withdrawal of guidance due to identified tailings pipeline failure and investigation into employee fatality
9	Jun-21-2021	St Barbara Limited Announces Progress on the Leonora Province Plan
10	Jul-05-2021	St Barbara Limited Announces CFO Changes, Effective August 27 2021
11	Jul-14-2021	St Barbara Limited acquired 19.8% stake in Kin Mining NL from Harman Family Trust and others for AUD 25.3 million.
12	Jul-27-2021	St Barbara Limited Reports Production Results for the Fourth Quarter and Year Ended 2021
13	Jul-28-2021	St Barbara Limited announces Q4 2021 Results
14	Aug-20-2021	St Barbara Limited announces expected impairment charge on Atlantic Operations in FY21 in the range of \$250m to \$300m arising from the delay in commencement of mining due to permitting issues.
15	Aug-26-2021	St Barbara Limited, Fiscal Year 2021 Results
16	Sep-08-2021	St Barbara Limited, 0.02 (AUD), Cash Dividend announced
17	Oct-07-2021	St Barbara Limited cancelled the acquisition of the remaining 80.2% stake in Kin Mining NL.
18	Oct-25-2021	St Barbara Limited announces Q1 2022 Results
19	Dec-20-2021	St Barbara Limited entered into a binding scheme implementation deed to acquire Bardoc Gold Limited for approximately AUD 160 million.
20	Jan-25-2022	St Barbara Limited announces Q2 2022 Results

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## 7. Profile of the Merged Group

### Overview & Summary of Projects

7.1 Upon implementation of the Scheme, SBM and BDC will bring together with their complementary assets in the Leonora region of Western Australia to form a Merged Group with three main operating hubs, being the enhanced Leonora Operations in Western Australia, the Simberi Operations in Papua New Guinea and the Atlantic Operations in Canada.

7.2 The Combined Group will have the following key operations:

#### *Expanded Leonora Operations*

- Following implementation of the Scheme, SBM intends to integrate the Bardoc Gold Project into its existing Leonora Operations.
- The addition of the Bardoc Gold Project is expected to unlock substantial value through the processing of BDC's ore at the Leonora processing plant alongside high-grade ore from SBM's Gwalia underground mine.

#### *Atlantic Operations*

- SBM's operations and progression of its development projects at the Atlantic Operations will remain unchanged following implementation of the Scheme.

#### *Simberi Operations*

- SBM's operations and progression of its development projects at the Simberi Operations will remain unchanged following implementation of the Scheme.

7.3 Upon implementation of the Scheme, SBM's production guidance for FY22 will remain unchanged. SBM's total gold Mineral Resources are expected to increase by approximately 23% to 16.6 Moz of gold and total Ore Reserves to increase by approximately 17% to 6.8 Moz of gold (based on SBM's and BDC's published estimates of its Mineral Resources and Ore Reserves).

### Intentions of the Merged Group

7.4 As outlined in the Scheme Booklet, SBM's intentions for the integration of BDC into the Merged Group if the Scheme is implemented are detailed below.

7.5 It is intended that the business of BDC will be integrated into SBM's existing business and the Bardoc Gold Project will be combined with SBM's existing Leonora Operations.

7.6 If the Scheme is implemented SBM intends to expand the Leonora Processing Plant as follows:

- Current Pre-Feasibility Study (PFS) work has identified cost effective opportunities to expand the Leonora processing plant capacity from 1.4 Mtpa to 2.1 Mtpa. SBM will progress the expansion of the Leonora processing plant to 2.1Mtpa at an estimated cost of c\$30 million. Aphrodite and Harbour Lights are refractory ore bodies and SBM intends to install the necessary plant modifications to process this material at an estimated capital cost of \$110 million to 120 million. The installation of refractory ore treatment capability was already being planned for processing of the Harbour Lights refractory orebody. The ability to process refractory ore will be unique to the Leonora processing plant, within a 200 kilometres radius, providing new opportunities for acquisition and discovery.
- The comminution circuit modifications include upgrading the conveyor drives in the crushing circuit, the addition of a new ball mill in the grinding circuit and the addition of intertank screens through an expanded carbon-in-leach (CIL) circuit, including an extra leach tank. With the installation of Glencore Technology's Albion Process™ technology, the expanded plant is expected to be able to efficiently treat refractory ore.

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Metallurgical test work has already been conducted on BDC's Aphrodite deposit and has been determined to be amenable to this processing option.

7.7 SBM has the following intentions for the Aphrodite and Zoroastrian deposits, if the Scheme is Implemented:

- As part of its due diligence enquiries SBM reviewed the Feasibility Studies that BDC had completed on the construction of the Zoroastrian and Aphrodite underground mines. These studies will form the basis for SBM's PFS for each mine with the key differences relating to material being transported 180km by rail to the Leonora processing plant for production of gold ore (instead of a concentrate product produced on site, as proposed by BDC for the Aphrodite refractory ore).
- SBM aims to commence construction of the Zoroastrian underground mine in Quarter 4 of FY23 at an estimated capital cost of \$15 million. The estimate assumes portal access via the existing Zoroastrian pit, with longhole open stoping as the mining method. The mine is expected to produce free milling ore with SBM targeting first ore to be transported to the Leonora processing plant in the second half of FY24.
- SBM aims to commence construction of the Aphrodite underground mine in Quarter 1 of FY24 at an estimated capital cost of \$30 million. The estimate assumes construction of a boxcut portal and the utilisation of a top-down mining method with conventional sub-level longhole open stoping techniques. It is anticipated that the refractory ore produced from the mine will be railed to the Leonora processing plant.
- At this stage, SBM is envisaging contract mining operations for the Aphrodite and Zoroastrian mines, with the majority of personnel being based in Kalgoorlie (located 40km from the mine sites) and working on a daily drive in and out roster. No camp infrastructure is being planned for the mines.

7.8 Should the Scheme be implemented, the following is proposed in relation to the rail haulage of ore:

- In November 2021, SBM submitted a Mining Proposal for construction of a dedicated rail siding adjacent to the Leonora processing plant to be built in 2022. The intention is to utilise rail transportation once rail siding and loading/offloading infrastructure is complete. Both the Zoroastrian and Aphrodite underground deposits and the Leonora processing plant are immediately adjacent to the Kalgoorlie-to-Leonora railway facilitating low-cost development of the necessary rail infrastructure at both ends.

7.9 The Aphrodite and Zoroastrian underground projects will be the priority for development by SBM should the Scheme proceed, while SBM examines opportunities across the broader Bardoc Gold Project comprising:

- Aphrodite Open-Pit Project
- Zoroastrian Open-Pit Project
- Excelsior Open-Pit Project
- Bulletin South Project
- Mayday North Open-Pit Project
- Mulwarrie Project
- North Kanowna Star Project
- Other smaller deposits such as Talbot North, Duke North, Lochinvar and Eldorado.

## **Management of the Merged Group**

5.1 It is the present intention of SBM to continue with the employment of the majority, if not all, of BDC's existing employees.

5.2 No changes to the SBM Board or key management of SBM are intended as a consequence of the Scheme.

## Proforma Consolidated Statement of Financial Position

7.10 We have been provided with a copy of the Proforma Balance Sheet for the Merged Group as at 30 June 2021 as detailed below:

**Table 23 Proforma Merged Group Balance Sheet (Source: Scheme Booklet)**

A\$'000	Historical SBM (audited)	Historical BDC (audited)	Notes	Pro forma adjustments	Merged Group pro forma I
<b>Current assets</b>					
Cash and cash equivalents	133,370	12,889		-	146,259
Trade and other receivables	40,301	388		-	40,689
Inventories	86,628	-		-	86,628
Deferred mining costs	2,987	-		-	2,987
Other assets	-	219		-	219
<b>Total current assets</b>	<b>263,286</b>	<b>13,496</b>		<b>-</b>	<b>276,782</b>
<b>Non-current assets</b>					
Inventories	40,077	-		-	40,077
Property, plant and equipment	344,314	467		-	344,781
Financial assets	42,163	-		-	42,163
Trade and other receivables	4,250	-		-	4,250
Deferred mining costs	3,173	-		-	3,173
Mine properties	206,189	-		-	206,189
Exploration and evaluation	153,943	-		-	153,943
Mineral rights	569,230	-	b	162,675	731,905
Deferred tax assets	9,136	-		-	9,136
<b>Total non-current assets</b>	<b>1,372,475</b>	<b>467</b>		<b>162,675</b>	<b>1,535,617</b>
<b>Total assets</b>	<b>1,635,761</b>	<b>13,963</b>		<b>162,675</b>	<b>1,812,399</b>
<b>Current liabilities</b>					
Trade and other payables	69,583	1,128	c	12,000	82,711
Interest bearing liabilities	93,543	337		-	93,880
Rehabilitation provision	8,160	-		-	8,160
Other provisions	13,931	284		-	14,215
Derivative financial liabilities	8,750	-		-	8,750
Current tax liability	14,538	-		-	14,538
<b>Total current liabilities</b>	<b>208,505</b>	<b>1,749</b>		<b>12,000</b>	<b>222,254</b>
<b>Non-current liabilities</b>					
Interest bearing liabilities	15,709	1,058		-	16,767
Rehabilitation provision	61,701	5,695		-	67,396
Deferred tax liabilities	228,555	-		-	228,555
Derivative financial liabilities	5,338	-		-	5,338
Other provisions	2,286	10		-	2,296
<b>Total non-current liabilities</b>	<b>313,589</b>	<b>6,763</b>		<b>-</b>	<b>320,352</b>
<b>Total liabilities</b>	<b>522,094</b>	<b>8,512</b>		<b>12,000</b>	<b>542,606</b>
<b>Net assets</b>	<b>1,113,667</b>	<b>5,451</b>		<b>150,675</b>	<b>1,269,793</b>
<b>Equity</b>					
Contributed equity	1,434,573	153,328		2,798	1,590,699
Reserves	(50,137)	1,545		(1,545)	(50,137)
Accumulated losses	(270,769)	(149,422)		149,422	(270,769)
<b>Total equity</b>	<b>1,113,667</b>	<b>5,451</b>		<b>150,675</b>	<b>1,269,793</b>

7.11 We note the following about the Proforma Balance Sheet of the Merged Group as at 30 June 2021:

- The Merged Group pro forma historical financial information has been derived from the historical consolidated statements of financial position of SBM and BDC as at 30 June 2021, adjusted for the effects of certain events and transactions (Pro Forma Adjustments) as if those events and transactions had occurred at 30 June 2021. The Pro Forma Adjustments relate to the implementation of the Scheme.

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- b. The uplift in the carrying value of the mineral rights is the indicative allocation of acquisition costs relating to BDC.
- c. The increase to the trade and other payables of \$12m recognises the accrual for SBM's estimated transaction costs in relation to the Scheme.
- d. The pro forma historical financial information has not been adjusted to reflect the trading activities of either SBM or BDC since 30 June 2021, except for the Pro Forma Adjustments as set out above.
- e. Several matters have occurred, and will continue to occur, since 30 June 2021 that would otherwise impact the Combined Group pro forma historical financial information. These matters include, but are not limited to, the financial impact of:
- SBM's ordinary course operations including the operation of Leonora and Atlantic;
  - the re-establishment of the deep sea tailings placement pipeline at Simberi and return to production in January 2022;
  - SBM's investment in Kin Mining NL;
  - payment of dividends by SBM; and
  - draw-down of debt in the ordinary course of business.
- f. Subject to BDC Shareholder approval, the SWW Project will be demerged from BDC through the Spin-Out Transaction, being a capital reduction by BDC to be satisfied by the in-specie distribution of all of the shares in Edge Minerals Pty Ltd, a wholly-owned subsidiary of Bardoc which holds the SWW Project. It is not expected that any assets or liabilities of a material value will be transferred into Edge, and no material value is currently ascribed to the SWW Project in the financial statements of BDC. Accordingly, no adjustments have been made to the Combined Group pro forma historical financial information in connection with the Spin-Out Transaction.



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## 8. Valuation Approach

### Valuation methodologies

- 8.1 In assessing the Fair Value of an ordinary BDC share on a control basis, we have considered a range of valuation methodologies. RG 111 proposes that it is generally appropriate for an expert to consider using the following methodologies:
- the discounted cash flow (“DCF”) method and the estimated realisable value of any surplus assets;
  - the application of earnings multiples to the estimated future maintainable earnings or cash flows added to the estimated realisable value of any surplus assets;
  - the amount which would be available for distribution on an orderly realisation of assets;
  - the quoted price for listed securities; and
  - any recent genuine offers received.
- 8.2 We consider that the valuation methodologies proposed by RG 111 can be split into three valuation methodology categories, as follows.

### Market Based Methods

- 8.3 Market based methods estimate Fair Value by considering the market value of a company’s securities or the market value of comparable companies. Market based methods include:
- the quoted price for listed securities; and
  - industry specific methods.
- 8.4 The recent quoted price for listed securities method provides evidence of the Fair Value of a company’s securities where they are publicly traded in an informed and liquid market.
- 8.5 Industry specific methods usually involve the use of industry rules of thumb to estimate the Fair Value of a company and its securities. Generally, rules of thumb provide less persuasive evidence of the Fair Value of a company than other market based valuation methods because they may not account for company specific risks and factors.

### Income Based Methods

- 8.6 Income based methods estimate value by calculating the present value of a company’s estimated future stream of earnings or cash flows. Income based methods include:
- discounted cash flow methods; and
  - capitalisation of future maintainable earnings.
- 8.7 The DCF technique has a strong theoretical basis, valuing a business on the net present value of its future cash flows. It requires an analysis of future cash flows, the capital structure and costs of capital and an assessment of the residual value or the terminal value of the company’s cash flows at the end of the forecast period. This method of valuation is appropriate when valuing companies where future cash flow projections can be made with a reasonable degree of confidence.
- 8.8 The capitalisation of maintainable earnings methodology estimates the Fair Value of a business as being the product of a company’s Future Maintainable Earnings (“FME”) multiplied by an appropriate earnings multiple. The methodology is commonly applied where earnings are stable and a FME stream can be established with a degree of confidence. Capitalisation multiples can be applied to either estimates of future maintainable operating cash flows, EBITDA, EBIT or net profit after tax. The earnings from any non-trading surplus assets are excluded from the estimate of FME and the value of such assets is separately added to the value of the business in order to derive the total value of the company. The appropriate multiple to be applied is usually derived from an analysis of stock



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market trading multiples of comparable companies (which do not include a control premium) and the implied multiples paid in comparable transactions (which include a control premium).

## **Asset based methods**

- 8.9 Asset based methodologies estimate the Fair Value of a company's securities based on the realisable value of its identifiable net assets. Asset based methods include:
- orderly realisation of assets method;
  - liquidation of assets method; and
  - net assets on a going concern basis.
- 8.10 The value achievable in an orderly realisation of assets is estimated by determining the net realisable value of the assets of a company which would be distributed to security holders after payment of all liabilities, including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner. This technique is particularly appropriate for businesses with relatively high asset values compared to earnings and cash flows.
- 8.11 The liquidation of assets method is similar to the orderly realisation of assets method except the liquidation method assumes that the assets are sold in a shorter time frame, reflecting a distressed liquidation value. The liquidation of assets method will result in a value that is lower than the orderly realisation of assets method, and is appropriate for companies in financial distress or when a company is not valued on a going concern basis.
- 8.12 The net assets on a going concern method estimates the market values of the net assets of a company but unlike the orderly realisation of assets method it does not take into account realisation costs. Asset based methods are appropriate when companies are not profitable, a significant proportion of the company's assets are liquid, or for asset holding companies.

## **Selection of Valuation Methodologies**

### **Valuation of a BDC Share prior to the Scheme**

#### *Sum of the Parts*

- 8.13 In valuing a share in BDC prior to the Scheme we have utilised the sum of the parts methodology by aggregating the Fair Value of the following:
- The Bardoc Gold Project based on the mine plan;
  - Bardoc Gold Project resources that are outside of the mine plan, as assessed by Valuation & Resource Management ("VRM") in their Independent Technical Assessment and Valuation Report (refer Appendix H) ("VRM Report");
  - The SWW Project, as assessed by VRM in the VRM Report; and
  - BDC corporate costs; and
  - Net surplus assets not otherwise included above.
- 8.14 We have selected the DCF methodology to assess the Fair Value of the Bardoc Gold Project due to the availability of detailed cash flow forecasts, which underpin the DFS completed by BDC in March 2021 and a subsequent Cash Flow Optimisation Study in September 2021 ("the Bardoc Gold Project Model").
- 8.15 Under RG 111, ASIC recognises that there may be reasonable grounds for use of the DCF methodology before a project generates cashflows, as long as the expert has reasonable grounds for forward looking information, as at the date of the report.

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- 8.16 As BDC completed a DFS for its Bardoc Gold Project in March 2021, followed by a Cash-Flow Optimisation Study in September 2021, and announced its results, we consider that we have a reasonable basis under Regulatory Guide 170 Prospective Financial Information (“RG 170”) and Information Sheet 214 Mining and Resources – Forward – looking statements to apply the DCF methodology.
- 8.17 We have instructed VRM to act as an independent technical specialist to review the technical assumptions contained in the Bardoc Gold Project Model in order for us to calculate the Fair Value of the Bardoc Gold Project.
- 8.18 We have also instructed VRM to provide the valuations of BDC resources outside of the mine plan and the SWW Project as a standalone project.

#### *Quoted Price of Listed Securities*

- 8.19 Prices at which a company’s shares have been traded on the ASX can, in the absence of low liquidity or unusual circumstances, provide an objective measure of the value of the company, excluding a premium for control.
- 8.20 As a secondary methodology, we have utilised the quoted market price by considering the historical VWAP of BDC shares and the volatility of the share price prior to the announcement of the Scheme. In accordance with RG 111, we have assessed the value of BDC shares on the basis of a 100% controlling interest.

#### **Valuation of Consideration per BDC Share immediately after the Scheme**

- 8.21 The value of the Scheme Consideration offered by SBM to Bardoc Scheme Shareholders is calculated as 0.3604 of a SBM Share per BDC Share, assuming the Scheme is approved and implemented. Therefore the value should reflect the combined value of SBM and BDC (i.e. the Merged Group) adjusted for a minority interest discount since approval of the Scheme will result in Bardoc Scheme Shareholders holding only a 13% interest in the Merged Group.
- 8.22 In assessing the value of the Scheme Consideration, we have adopted a market approach by reviewing the recent trading of SBM shares and adjusting for the Scheme exchange ratio. The Bardoc Scheme Shareholders will receive SBM shares under the proposed Scheme, and therefore the value of the consideration they receive will be dependent on the traded share price of SBM after implementation of the Scheme.
- 8.23 As a cross check to our assessed value using the quoted market price methodology, we have also had regard to a sum of parts valuation of the Merged Group.
- 8.24 It is intended that Bardoc Scheme Shareholders will also retain their interest in the SWW Project by virtue of the Spin-Out Transaction, although the Scheme is not conditional on this occurring and the Spin-Out Transaction is subject to approval by BDC Shareholders. Accordingly, there are two potential outcomes for Bardoc Scheme Shareholders.
- 8.25 The first scenario assumes both the Spin-Out Transaction and the Scheme are approved; accordingly we have included the pro rata value of the SWW Project per BDC Share in our assessment of the total consideration to Bardoc Scheme Shareholders (since the value of this Project is included in our assessment of the value of a BDC Share prior to the Scheme).
- 8.26 The second scenario assumes the Spin-Out Transaction is not approved prior the Scheme completing and therefore the SWW Project becomes part of the Merged Group along with all other BDC assets and liabilities.

## 9. Valuation of Bardoc Gold Limited

9.1 As stated in paragraphs 8.13 to 8.20, we have assessed the value of BDC prior to the Scheme utilising the sum of the parts methodology and have also considered the recent quoted price of its listed securities.

### Sum of the Parts Methodology

9.2 In adopting the sum of the parts methodology, we have aggregated the Fair Value of the following:

- The Bardoc Gold Project based on the mine plan;
- Bardoc Gold Project resources that are outside of the mine plan, as assessed by VRM in the VRM Report;
- The South Woodie Manganese Project, as assessed by VRM in the VRM Report;
- BDC corporate costs; and
- Net surplus assets not otherwise included above.

### Assessment of the Fair Value of the Bardoc Gold Project

9.3 We have assessed the Fair Value of the Bardoc Gold Project as summarised in the table below.

**Table 24 Assessed Value of the Bardoc Gold Project (Source: RSM Analysis)**

	Fair Value Low \$'000	Fair Value High \$'000	Fair Value Mid-point \$'000
NPV of Bardoc Gold Project	35,766	71,116	52,501

9.4 We have been provided with the Bardoc Gold Project Model which sets out detailed cash flow projections and technical and operational assumptions for the Bardoc Gold Project based on current mine and operational plans. The Bardoc Gold Project Model comprises AUD denominated, real, after-tax cash flows over a 9 year mine life.

9.5 VRM has reviewed the technical assumptions included in the Bardoc Gold Project Model and has recommended changes to a number of these assumptions. We have incorporated these changes in our DCF valuation to arrive at an adjusted model ("Adjusted Model") for the Bardoc Gold Project. The assumptions reviewed by VRM include resources and reserves, ore recovery and grade, processing assumptions including throughput and recoveries, mining dilution and losses, operating costs and capital costs.

9.6 A copy of VRM's Independent Technical Assessment & Valuation Report is attached at Appendix H.

### Forecast cash flows

9.7 We have performed an analysis of the cash flow projections in the Bardoc Gold Project Model prepared by management based on the existing mine plan, including:

- a. undertaking a methodology logic check (however we have not performed a detailed review nor audit of the Bardoc Gold Project Model);
- b. reviewing the basis of the underlying assumptions such as revenue, operating expenditure, capital expenditure and royalties;
- c. updating the Bardoc Gold Project Model for changes arising from VRM's review of technical assumptions and our own work; and
- d. conducting independent research on certain economic inputs such as exchange rates, inflation rates, commodity prices and the discount rate applicable to the future cashflows of the Bardoc Gold Project.

- 9.8 The key assumptions adopted in the preparation of the cash flow projections, and the adjustments we have made, are discussed below.
- 9.9 We note that any prospective financial information is dependent upon the outcome of many assumptions, some of which are outside the control of directors and management and may be affected by unforeseen events. Assumptions relating to the prospective financial information can be reasonable at the time of their preparation but can change materially over a relatively short period of time. Accordingly, actual results may vary materially from the forecasts included in the Adjusted Model.

#### *Inflation*

- 9.10 Management has provided us with the Bardoc Gold Project Model, which includes projected life of mine (“LOM”) cash flows in real terms.
- 9.11 We have converted the costs provided in the Adjusted Model in real February 2021 terms to real December 2021 terms, based on the historical rate of inflation over the 10 month period to December 2021, then applied our assessed forecast inflation rates as summarised below to convert them to nominal cash flows.

**Table 25 Forecast AUD and USD inflation rates as at 31 December 2021 (Source: IMF, OECD, S&P Capital IQ, Reserve Bank of Australia, Federal Reserve Bank of Philadelphia, Federal Open Market Committee and RSM Analysis)**

Inflation %	2022	2023	Long term
AUD inflation	2.4	2.4	2.5
USD inflation	3.7	2.5	2.0

- 9.12 Our forecast inflation rates have been assessed having regard to forecasts prepared by economic analysts and commentators, as well as the long term target inflation rates set by the Reserve Bank of Australia and the US Federal Reserve.

#### *Commodity Prices*

- 9.13 The Bardoc Gold Project Model assumes a base case long-term price for gold of USD 1,500 per ounce on a real basis.
- 9.14 We have adopted forecast nominal gold prices in the Adjusted Model as summarised below.

**Table 26 Forecast gold prices as at 31 December 2021 (Source: S&P Capital IQ, Refinitiv Eikon, Consensus Economics and RSM Analysis)**

Gold (Au) Price USD/Troy oz						
Nominal	2022	2023	2024	2025	2026	Long-term
Gold	1,811	1,763	1,727	1,703	1,672	1,656

- 9.15 In assessing the gold price assumptions, we have had regard to consensus price forecasts sourced from Consensus Economics and other broker and analyst estimates. Beyond 2026 we have adopted the long term view of Consensus Economics.

#### *Foreign exchange*

- 9.16 Gold is predominantly traded in USD and current market prices together with consensus analyst price forecasts are denominated in USD.

9.17 We have converted forecast USD gold prices to AUD terms in the Adjusted Model, using our forecast exchange rate assumptions as shown below.

**Table 27 Forecast AUD/USD Exchange Rates as at 31 December 2021 (Source: Refinitiv Eikon and RSM Analysis)**

Exchange Rates					
Nominal	2022	2023	2024	2025	2026
AUD/USD	0.7281	0.7275	0.7246	0.7202	0.7151
USD/AUD	1.3734	1.3746	1.3801	1.3885	1.3984

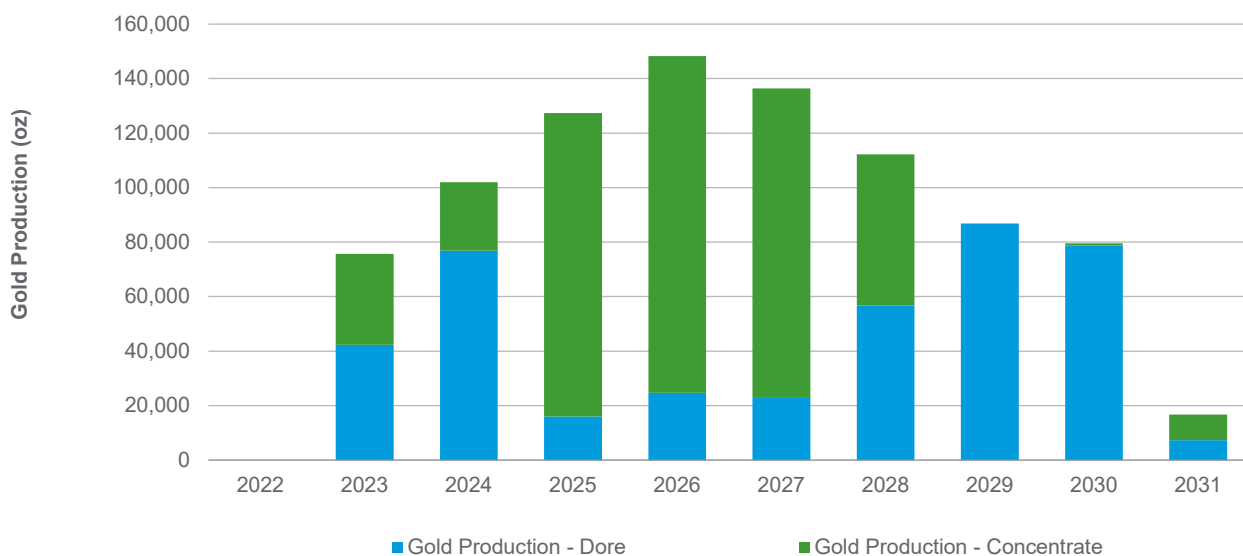
9.18 In deriving the exchange rates shown above, we have considered forecasts provided by Refinitiv Eikon. Beyond 2026 we have assumed the nominal exchange rate is driven by the relative purchasing power parity between the AUD and USD such that the exchange rate remains constant in real terms.

#### Revenue

9.19 Total revenue over the life of the mine is projected to be approximately A\$2.0 billion in nominal terms in the Adjusted Model.

9.20 Revenue is derived from the sale of gold dore and concentrate. The figure below shows the production profile over the LOM in the Adjusted Model.

**Figure 10 Bardoc Gold Project – Gold Production (Source: Adjusted Model and RSM Analysis)**



9.21 We note the following in relation to the figure above:

- In the Adjusted Model, mining is scheduled to commence in June 2022 and processing in March 2023. Operations are forecast to continue for approximately 9 years until April 2031.
- Approximately 885,000 ounces (koz) of gold is projected to be recovered over the life of mine, 412 koz from gold dore and 473 koz in concentrate.
- The Adjusted Model incorporates the following adjustments, as recommended by VRM in the VRM Report:
  - Inferred and unclassified resources have been removed from the open pit and underground mine schedules, as it was considered that these resources are more appropriate to be valued separately by VRM given there is less certainty over economic recovery of such deposits;
  - Free milling and refractory recovery and mass pull rates have been adjusted based on the factors recommended by VRM to reflect a longer six month ramp up profile, as VRM considered the three month ramp up in the Bardoc Gold Project Model to be optimistic;

- Throughput rates, whilst also recommended by VRM to be moderated to reflect a six month ramp up profile, were not adjusted as we considered the value impact of delaying processing through the plant would be immaterial given:
  - The processing plant is underutilised in the first 18 months, therefore any throughput reductions in the first six months can be processed in the subsequent months;
  - The impact on value of a timing difference of a few months is minimal (less than 1% of our assessed NPV of the Bardoc Gold Project).
- Recovered ounces for some of the open pit and both of the underground mines have been reduced based on the factors recommended by VRM to account for further mining dilution and mining losses.

9.22 Further details of the adjustments recommended by VRM are outlined in their report at Appendix H.

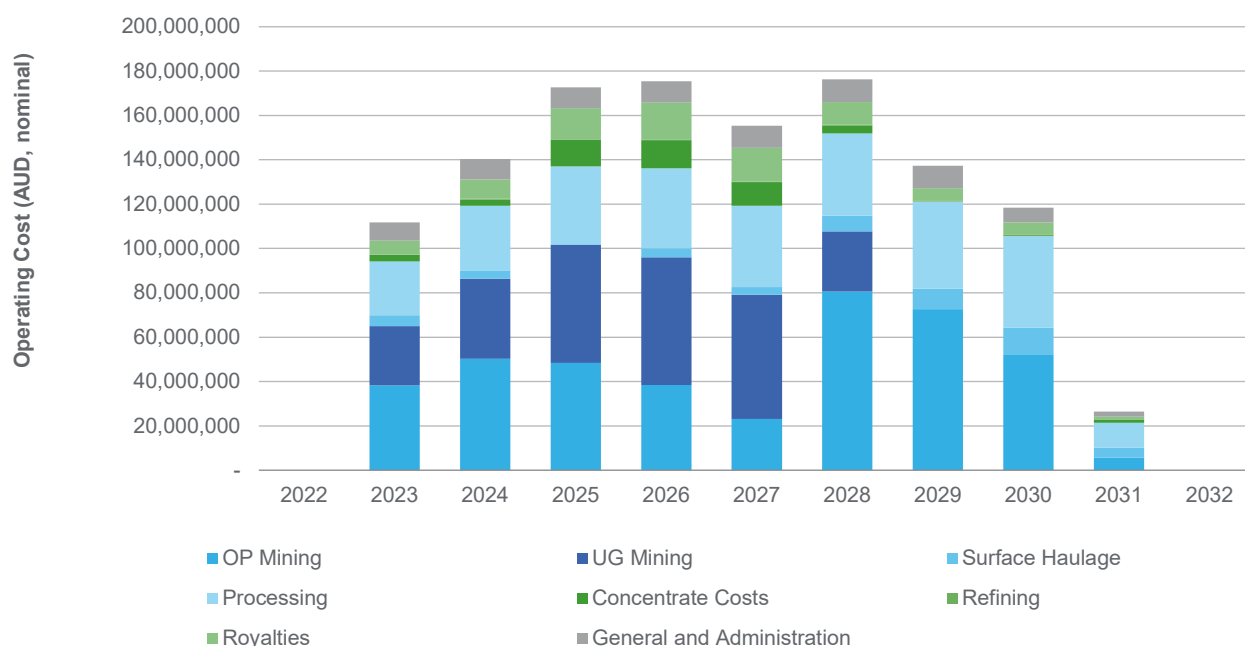
### Operating Costs

9.23 Operating costs consist of mining, surface haulage, processing, concentrate, refining, royalty and general and administrative costs.

9.24 Total operating costs over the life of mine are projected to be A\$1.2 billion in nominal terms in the Adjusted Model.

9.25 The following figure sets out the projected operating expenditure in the Adjusted Model in nominal terms.

**Figure 11 Bardoc Gold Project – Operational Expenditure (Source: Adjusted Model and RSM Analysis)**



9.26 We note the following in relation to the figure above:

- VRM has recommended some adjustments to operating expense items which we have reflected in the Adjusted Model:
  - We have increased the variable processing costs at some of the open pit and both of the underground mines by 3% to account for additional costs associated with further mining dilution and mining losses; and
  - We have also tested the sensitivity of mining and processing operating costs to a 10% increase (see paragraphs 9.43 to 9.51 below).

9.27 Further details of the adjustments recommended by VRM are outlined in their report at Appendix H.

9.28 Mining costs for open pit and underground represent approximately 55% of total operating expenses, while processing costs account for approximately 24% of total operating expenses in the Adjusted Model.

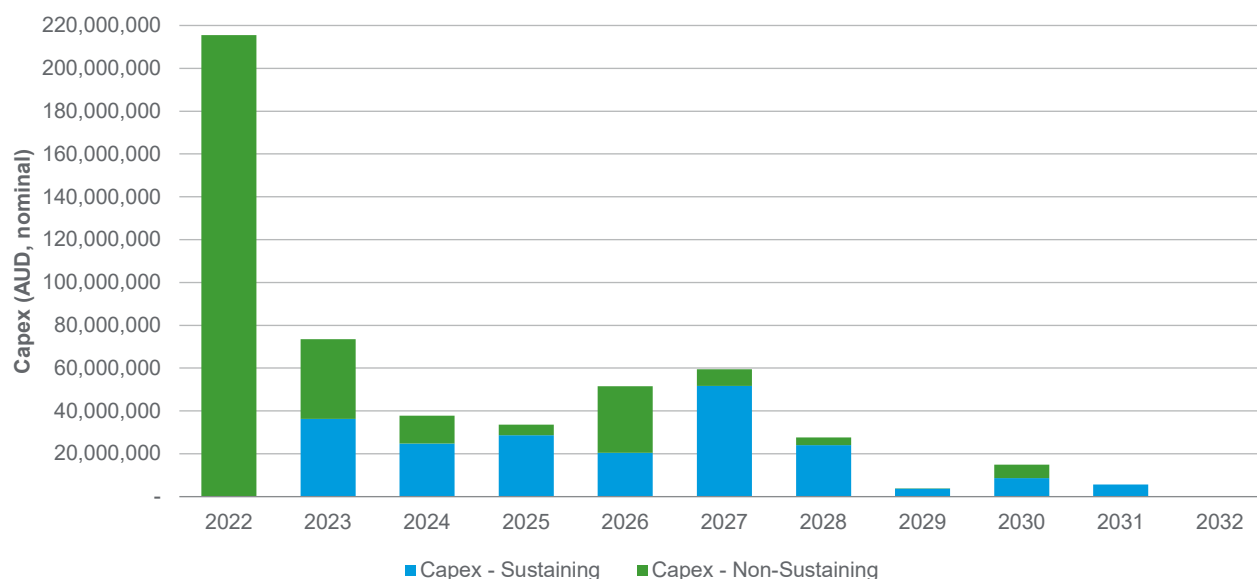
### Capital Expenditure

9.29 Capital expenditure relates to both development and sustaining capital expenditure.

9.30 Total capital expenditure is projected to be A\$523.4 million in nominal terms in the Adjusted Model.

9.31 The following figure sets out the projected capital expenditure in the Adjusted Model in nominal terms.

**Figure 12 Bardoc Gold Project – Capital Expenditure (Source: Adjusted Model and RSM Analysis)**



9.32 We note the following in relation to the figure above:

- We have increased site infrastructure and processing plant capital costs by 5% in the Adjusted Model as VRM has indicated it is common for capital costs to increase from feasibility study to execution.

9.33 Further details of the adjustments recommended by VRM are outlined at in their report at Appendix I.

9.34 Development, or non-sustaining, capex represents approximately 63% of total capex, the majority of which (\$215m) is forecast to be incurred in 2022.

### Taxation

9.35 Cash flows in the Adjusted Model have been modelled on a post-tax basis with the Australian corporate tax rate of 30% applied to taxable income.

9.36 Taxable income is based on earnings over the financial year and adjusted for:

- Capital activity costs, comprising mining, general and administration and closure costs, which are assumed to be 100% deductible for tax purposes;
- Amortisation of the written down value of tenements acquired. The Bardoc Gold Project Model amortises the tenement value over 15 years, which although conservative, results in a large balance deduction in 2031 of A\$12.2 million. We have modified the amortisation profile in the Adjusted Model to match the project life of 9 years;
- The instant write-off of assets which are acquired and installed ready for use by 30 June 2022. The Bardoc Gold Project Model assumes the instant write-off of capital assets over the 12 months to 30 June 2022 and 30 June 2023. As part of the 2021-22 Federal Budget, the Australian Government announced that it will

extend the temporary full expensing incentive for 12 months until 30 June 2023, however this extension is not yet law. Accordingly, we have assumed the instant write-off is unable to be applied in 2023 in the Adjusted Model;

- d. Depreciation of site infrastructure and processing plant capital, which has not been expensed as per the temporary full expensing provisions, using the diminishing value method; and
- e. Opening tax losses of \$83.4 million have been incorporated into the Adjusted Model and utilised such that BDC is not forecast to pay tax until FY28.

9.37 For the purpose of determining ungeared post-tax cash flows, financing costs have not been deducted from taxable income.

#### *Other assumptions*

9.38 In addition to the assumptions discussed in the preceding sections, the following assumptions have also been applied in the Adjusted Model:

- a. The start date has been changed from 28 February 2022 to 31 December 2021 to more closely align with our valuation assessment date.
- b. Site overhead costs, in line with what has been adopted in the Bardoc Gold Project Model prior to project commencement, are assumed to be incurred in the two months to 28 February 2022.
- c. Working capital movements have been modelled based on the payment structure in the Bardoc Gold Project Model. Revenue from gold dore sales is assumed to be received in the same period, while 95% of revenue from gold concentrate sales are assumed to be received in the first month with the remainder received the following month. Trade payables have been modelled assuming 60 creditor days.

#### *Discount rate*

9.39 The discount rate we have selected allows for both the time value of money and the risks attached to future cash flows. The applicable discount rate is the likely rate of return an acquirer of the Bardoc Gold Project would require for the risks inherent in investing in the asset.

9.40 We have utilised the weighted average cost of capital ("WACC") as our discount rate. We have assessed the WACC to be in the range of 8.7% to 12.1%.

9.41 Details of our assessment of the preferred range for the WACC are included in Appendix D.

#### *Net Present Value*

9.42 The table below sets out the Net Present Value of the Bardoc Gold Project in the Adjusted Model.

**Table 28 Bardoc Gold Project - NPV Summary (Source: Adjusted Model and RSM Analysis)**

	Fair Value Low \$'000	Fair Value High \$'000	Fair Value Mid-point \$'000
NPV of Bardoc Gold Project	35,766	71,116	52,501



## Sensitivity analysis

9.43 By their nature, mineral assets are difficult to value. Key considerations in valuing mineral assets include long term views on commodity prices, development, operational and financial risks, quality of the underlying resource base and expectations on timing of the future development of assets. While the valuation approach and assumptions represent RSM and VRM's views at the time of preparing this Report, changes to market opinions on these key considerations could materially impact the value of the mineral assets.

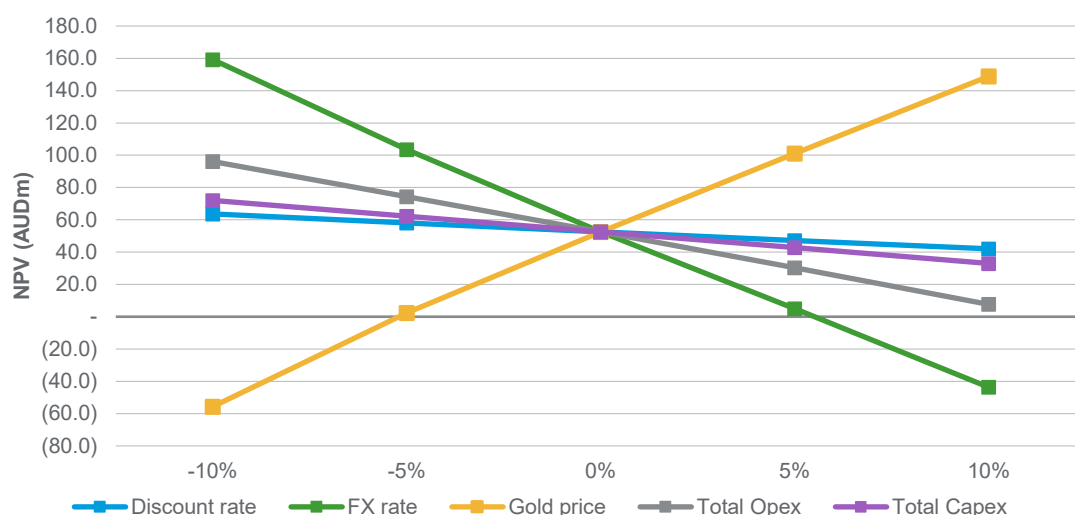
9.44 We have therefore performed a sensitivity analysis on our NPV for the Bardoc Gold Project. We have selected sensitivities to test based on the likelihood of changes in the key assumptions that underpin the Adjusted Model.

9.45 We consider the key sensitivities to be:

- Commodity price (gold);
- Operational expenditure;
- Capital expenditure;
- Exchange rate; and
- Discount rate.

9.46 The chart below illustrates the impact on the NPV at the mid-point value of adjusting the above assumptions.

**Figure 13 Bardoc Gold Project – Sensitivity Analysis (Source: Adjusted Model and RSM Analysis)**

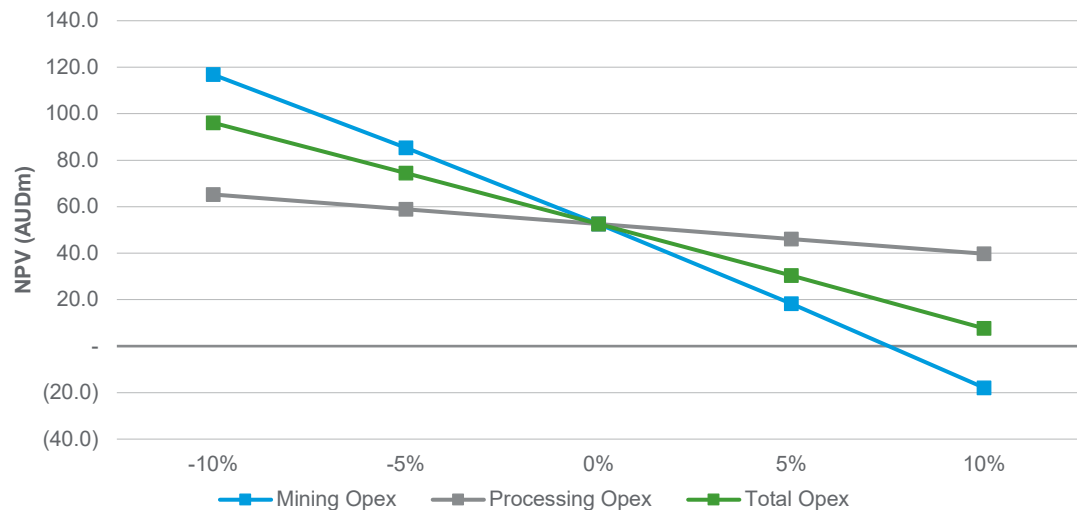


9.47 We note that the value is most sensitive to changes in the gold price and exchange rate. We note that a 5% decrease in the projected gold price would result in an NPV of A\$2.4 million for the Bardoc Gold Project, demonstrating a high degree of sensitivity to this assumption.

9.48 The value is also relatively sensitive to changes in operational expenditure. VRM has recommended we test the sensitivity of the NPV to a 10% increase in mining and processing costs in particular, to allow for cost increases and productivity reductions. VRM has taken into account that contingencies of 5.0% and 6.5% have already been applied to the open pit and underground costs respectively.

9.49 The chart below illustrates the impact on the NPV at the mid-point value of adjusting the mining and processing costs.

**Figure 14 Bardoc Gold Project – Sensitivity Analysis of Mining and Processing Costs (Source: Adjusted Model and RSM Analysis)**



9.50 We note that increasing the mining costs by 10% could result in a negative value for the Bardoc Gold Project.

9.51 Bardoc Scheme Shareholders should note that each of the variables noted above are unlikely to move in isolation and they may have offsetting or compounding effects. The sensitivities performed do not cover the full range of possible outcomes and there is significant uncertainty involved with forecasting commodity prices in particular.

#### Assessment of the Fair Value of BDC’s Resources outside the mine plan

9.52 VRM has assessed the Fair Value of Resources outside of the Bardoc Gold Project mine plan to be in the range of \$44.4m to \$68.0m, with a preferred valuation of \$58.9m. We set out in the table below a summary of VRM’s valuation as extracted from the VRM Report.

**Table 29 Fair Value of BDC’s Resources Outside of the Mine Plan (Source: VRM Report)**

A\$m	Low	High	Preferred
<b>Bardoc Gold Project</b>			
Mineral Resources	42.5	63.8	55.8
Exploration Potential	1.8	4.2	3.0
<b>Bardoc Gold Project Value (resources outside of the Mine Plan)</b>	<b>44.4</b>	<b>68.0</b>	<b>58.9</b>

9.53 In assessing the Fair Value of the resources outside of the mine plan and the exploration potential of adjacent tenements, VRM has utilised the following methodologies:

- Bardoc Gold Project Mineral Resources outside of the LOM – Comparable Transactions and the Yardstick Approach;
- Exploration Potential – Geoscientific Method and the Yardstick Approach.

9.54 The methodology applied represents the value of a controlling shareholding. Accordingly, we consider the value generated under the sum of the parts methodology to already incorporate a premium for control and no further premium is considered necessary to assess the value of BDC.

## Assessment of the Fair Value of the South Woodie Woodie Manganese Project

9.55 VRM has assessed the Fair Value of the SWW Project to be in the range of \$2.7m to \$4.0m, with a preferred valuation of \$3.3m. We set out in the table below a summary of VRM's valuation as extracted from the VRM Report.

**Table 30 Fair Value of SWW Project (Source: VRM Report)**

A\$m	Low	High	Preferred
<b>South Woodie Woodie Manganese Project</b>			
Mineral Resources	2.5	3.8	3.1
Exploration Potential	0.2	0.2	0.2
<b>South Woodie Woodie Manganese Project</b>	<b>2.7</b>	<b>4.0</b>	<b>3.3</b>

9.56 In assessing the Fair Value of the SWW Project, VRM has utilised the following methodologies:

- Mineral Resources – Comparable Transactions and the Yardstick Approach;
- Exploration Potential – Geoscientific Method and the Yardstick Approach.

9.57 The methodology applied represents the value of a controlling shareholding. Accordingly, we consider the value generated under the sum of the parts methodology to already incorporate a premium for control and no further premium is considered necessary to assess the value of BDC.

## Assessment of the Fair Value of BDC's Corporate Costs

9.58 We have assessed the net present value of BDC's Corporate Costs having regard to the costs estimated to be incurred over a 12 month period. These costs are not reflected in the Bardoc Gold Project cashflows but will need to be funded by BDC and therefore are incorporated into our assessed value of BDC as a negative value.

9.59 We have estimated ongoing corporate overhead costs to be approximately \$2.7 million per annum based on forecasts provided by BDC. We have assumed these costs will be incurred over the life of the Bardoc Gold Project and applied our assessed inflation rates to determine the NPV of BDC's Corporate Costs after tax of A\$11.99 million.

## Other net assets of BDC

9.60 We have included net cash of \$7.6m held by BDC based on the December 2021 Quarterly Report disclosure. In addition we have deducted transaction costs which will be incurred by BDC regardless of whether the Scheme is approved of \$0.32m.

## Valuation Summary – Bardoc Gold Limited

9.61 Our valuation of BDC based on the sum of the parts methodology is summarised below, resulting in a value per BDC Share participating in the Scheme of between \$0.265 and \$0.470 with a preferred midpoint of \$0.373.

**Table 31 Valuation Summary – Bardoc Gold Limited (Source: Adjusted Model and RSM Analysis)**

\$'000s	Low	High	Mid-point
Bardoc Gold Project – Mine Plan DCF	35,766	71,116	52,501
Bardoc Gold Project – Resources outside of mine plan	44,400	68,000	58,900
South Woodie Woodie Manganese Project	2,700	4,000	3,300
Less: Corporate costs	(11,990)	(11,990)	(11,990)
Add: Net cash *	7,609	7,609	7,609
Less: Transaction costs	(319)	(319)	(319)
<b>Assessed Value of BDC (controlling basis)</b>	<b>78,166</b>	<b>138,416</b>	<b>110,001</b>
Number of BDC Shares eligible to participate in the Scheme	294,694,930	294,694,930	294,694,930
<b>Assessed Value of a BDC Share (controlling basis)</b>	<b>\$ 0.265</b>	<b>\$ 0.470</b>	<b>\$ 0.373</b>

\* Cash on hand net of interest-bearing debt

9.62 The methodology applied represents the value of a controlling shareholding. Accordingly, we consider the value generated under the sum of the parts methodology to already incorporate a premium for control and no further premium is considered necessary to assess the value of a BDC Share on a controlling basis prior to the Scheme.

## Quoted Price of Listed Securities

9.63 In order to provide a cross-check to the valuation of a BDC Share under the sum of the parts approach, we have also assessed the fair value based on the quoted market price.

9.64 The assessment only reflects trading prior to the announcement of the Scheme in order to avoid the influence of any movement in price that occurred as a result of the announcement.

## Analysis of recent trading in BDC shares

9.65 The figure below sets out a summary of BDC's closing share prices and traded volumes in the year to 17 December 2021, being the last day BDC shares traded prior to the announcement of the Scheme.

**Figure 15 BDC Share price & volume (Source: S&P Capital IQ)**



9.66 RG 111.69 indicates that in order for the quoted market share price methodology to represent a reliable indicator of Fair Value, there needs to be an active and liquid market for the securities. The following characteristics may be considered to be representative of a liquid and active market:

- Regular trading in the company's securities;
- Approximately 1% of the company's securities traded on a weekly basis;
- The bid/ask spread of a company's share must not be so great that a single majority trade can significantly affect the market capitalisation of the company; and
- There are no significant but unexplained movements in the share price.

9.67 To provide further analysis of the quoted market prices for BDC Shares, we have considered the VWAP for the 1, 5, 10, 30, 60, 90, 120 and 180 days prior to 17 December 2021, as summarised in the table below.

**Table 32 VWAP of Bardoc Gold (Source: S&P Capital IQ)**

# of Days	1 Day	5 Day	10 Day	30 Day	60 Day	90 Day	120 Day	180 Day
<b>VWAP</b>	<b>0.418</b>	<b>0.396</b>	<b>0.396</b>	<b>0.395</b>	<b>0.329</b>	<b>0.336</b>	<b>0.346</b>	<b>0.367</b>
Total Volume (000's)	589	2,373	2,373	9,729	47,478	54,254	63,753	82,286
Total Volume as a % of Total Shares (free float)	0.33%	1.35%	1.35%	5.52%	26.93%	30.78%	36.17%	46.68%
Low Price	0.405	0.360	0.360	0.360	0.246	0.246	0.246	0.246
High Price	0.430	0.430	0.430	0.432	0.432	0.432	0.450	0.486

9.68 As set out in the table above, BDC's shares fluctuated between \$0.246 and \$0.486 over the 180 days to 17 December 2021 and had a VWAP of \$0.367 with a total traded volume of 46.68% of the issued capital.

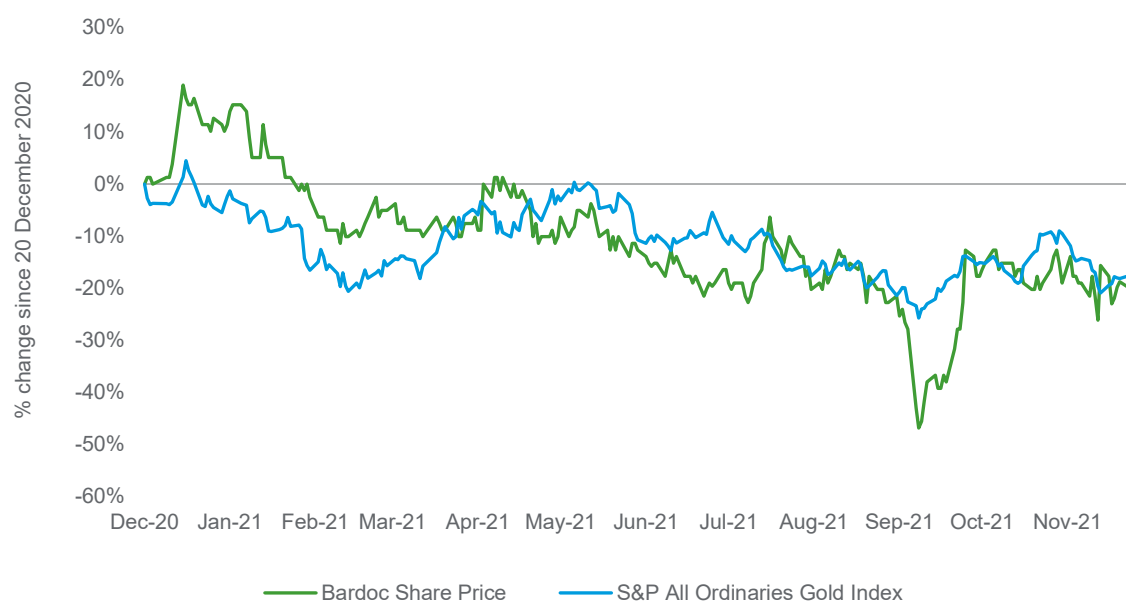
9.69 In the 30 days of trading prior to the announcement, BDC's shares fluctuated from \$0.360 to \$0.432 and had a VWAP of \$0.395 with 5.52% of the issued capital traded over the period.

9.70 BDC's close price on 17 December 2021, the last day of trade prior to the announcement, was \$0.410 with a VWAP of \$0.418. The daily traded price had a low of \$0.405 and a high of \$0.430 with 0.33% of the issued capital traded.

9.71 BDC is obligated to comply with the full disclosure regime required by the ASX. As a result, we have assumed that the market is fully informed about the performance of BDC.

9.72 To provide further analysis of the movements in BDC's share price, the following chart illustrates the relative movement in Bardoc's share price with the S&P/ASX All Ordinaries Gold Index over the period 20 December 2020 to 17 December 2021.

**Figure 16 Relative movements in BDC share price (Source: S&P Capital IQ)**



9.73 BDC's share price has trended down over the period of review from \$0.474 on 21 December 2020 to \$0.41 on 17 December 2021, a decline of 14%. The All Ordinaries Gold Index has also trended down over the period of review from 7,595.19 on 21 December 2020 to 6,351.58 on 17 December 2021, a decline of 16%.

9.74 Our analysis indicates that, whilst Bardoc's share price broadly tracked the S&P/ASX All Ordinaries Gold Index over the period, it was more volatile at times particularly in the early months of 2021 where it outperformed the index following announcements of drilling results and the DFS, and it significantly underperformed the index through September and October 2021 following the announcement of the strategic review of the Bardoc Gold Project on 27 September 2021.

## Valuation of a BDC share (Quoted price of listed securities methodology)

### Key assumptions

#### *Value of a BDC share on a minority basis*

9.75 Based on the analysis of the recent trading in BDC's shares prior to the announcement of the Scheme, we have assessed the value of a BDC share on a minority interest basis, to be in the range of \$0.360 and \$0.405 with a preferred value of \$0.0395, being the 30-day VWAP of a BDC share prior to the announcement of the Scheme.

#### *Premium for control*

9.76 Obtaining control of an entity usually provides the acquirer with a number of advantages including the following:

- access to potential synergies;
- control over decision making and strategic direction;
- access to underlying cash flows; and
- control over dividend policies.

9.77 In the case of publicly traded securities, given the advantages control of an entity provides an acquirer, they are usually expected to pay a premium to the quoted market price to achieve control, which is often referred to as a control premium. Consequently, earnings multiples for listed companies do not reflect the market value of a controlling interest in the company as they are derived from market prices which usually represent the buying and selling of non-controlling portfolio holdings (small parcels of shares).

- 9.78 As the Scheme represents a control transaction, in assessing the value of 100% of BDC and a share in BDC we have applied a premium for control.
- 9.79 RSM has conducted a study of 605 takeovers and schemes of arrangement involving companies listed on the Australian Securities Exchange over the 15.5 years ended 31 December 2020. In determining the control premium, the offer price was compared to the closing trading price of the target company 20, 5 and 2 trading days prior to the date of the announcement of the offer. Where the consideration included shares in the acquiring company, the closing share price of the acquiring company on the day prior to the date of the offer was used.
- 9.80 Our study concluded that, on average, control premiums were paid in the range of 27% to 35%.
- 9.81 The table below sets out our assessment of the value in a BDC share on a controlling basis utilising the quoted price of listed securities methodology, resulting in a control value of between \$0.457 and \$0.547 with a preferred value of \$0.518.

**Table 33 Assessed Value of a BDC share – Quoted Price of Listed Securities (Source: RSM Analysis)**

	Low	High	Preferred
Quoted market price (non-controlling basis)	\$0.360	\$0.405	\$0.395
Control premium	27.0%	35.0%	31.0%
<b>Value of a BDC Share (controlling basis)</b>	<b>\$0.457</b>	<b>\$0.547</b>	<b>\$0.518</b>

## Valuation summary and conclusion

- 9.82 A summary of our assessed values of a BDC share on a controlling basis prior to implementation of the Scheme, derived under the two methodologies, is set out in the table below.

**Table 34 Assessed Value of a BDC Share (Source: RSM analysis)**

	Low	High	Preferred
Sum of parts methodology	0.265	0.470	0.373
Quoted market price methodology	0.457	0.547	0.518
<b>Adopted Value (controlling basis)</b>	<b>0.265</b>	<b>0.470</b>	<b>0.373</b>

- 9.83 The assessed Fair Value using the sum of parts methodology overlaps the quoted market price methodology at the high end, with \$0.470 assessed as the high value using sums of parts and \$0.457 assessed as the low value using the quoted market price approach.
- 9.84 It can therefore be seen that the methodologies have some correlation, although the quoted market price approach attributes a higher value than the sum of parts. This is likely due to investor assessment of the potential of the Bardoc Gold Project, which may not align with our detailed analysis of the mine model (including input from VRM and assessment of current economic factors such as commodity prices, inflation and foreign exchange) and subsequent adjustments.
- 9.85 Therefore, whilst the recent quoted market prices of BDC Shares provides a useful cross check to our primary methodology, we have relied on the sum of parts approach as we consider this best reflects the current value expectations for the Bardoc Gold Project.
- 9.86 We consider that the Fair Value of a BDC share on a controlling basis is in the range of \$0.265 to \$0.470, with a preferred value of \$0.373 which has been derived using the sum of parts approach.

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## 10. Valuation of Consideration offered to Bardoc Scheme Shareholders

- 10.1 Under the terms of the proposed Scheme, Bardoc Scheme Shareholders will receive 0.3604 SBM shares for each BDC share held prior to implementation (being the Scheme Consideration).
- 10.2 As set out in paragraph 8.24 we have considered two scenarios in our analysis, being that Bardoc Scheme Shareholders will retain their proportionate interest in the SWW Project if the Spin-Out Transaction is approved by BDC Shareholders (Scenario 1), and alternatively that the SWW Project becomes part of the Merged Group if the Spin-Out Transaction is not approved prior to the Scheme completing (Scenario 2).

### Value of Scheme Consideration

- 10.3 In assessing the value of the Scheme Consideration, we have considered the following:
- a. As Bardoc Scheme Shareholders will receive shares in SBM, the value of the Scheme Consideration will be the market price of SBM Shares at the time of implementation of the Scheme, not a theoretical value of shares in the Merged Group. However, we consider that the traded price of SBM Shares since the announcement of the Scheme should reflect the market's view of the value of shares in the Merged Group, albeit subject to the market's view on the likelihood of the Scheme and the Spin-Out Transaction being implemented. Accordingly, we consider the traded price of SBM Shares following the announcement of the Scheme to be a reasonable indicator of the Fair Value of the Scheme Consideration, after adjusting for the exchange ratio.
  - b. Under Fair Value assessments, only synergies which are available to all market participants (and not just a specific buyer) should be taken into account. Buyer specific synergies should be reflected in the reasonableness assessment.
  - c. We have not had access to detailed financial or operational information on SBM's operating assets and therefore have relied on publicly available information to undertake our valuation of a SBM Share.
- 10.4 Having regard to the above, we have adopted the quoted market price methodology to value a SBM Share post announcement, being a proxy for the value of a Share in the Merged Group, and cross checked our valuation range to a sum of parts approach.

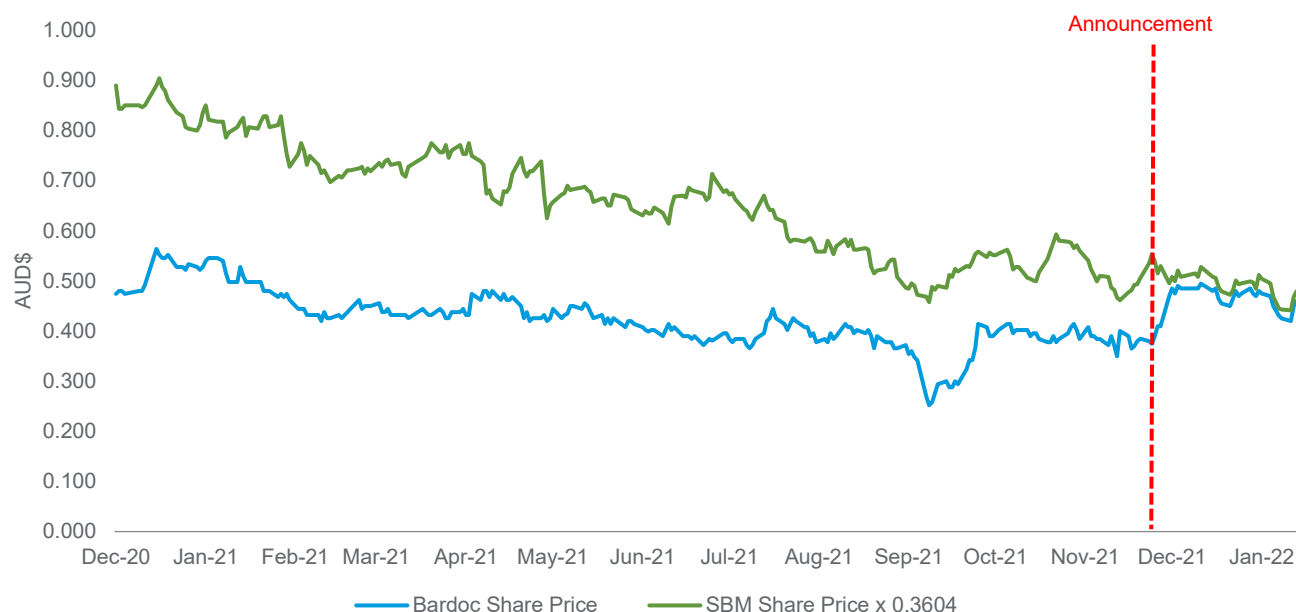
### Quoted Price of Listed Securities

- 10.5 As set out above, we have assessed the Fair Value of a SBM Share post announcement based on the quoted market price.
- 10.6 As set out in paragraph 9.66, RG 111 provides some guidance on when the quoted market share price methodology is considered to be a reliable indicator of Fair Value. SBM is an ASX 200 company and our analysis shows that there is an active and liquid market in SBM Shares, therefore we consider the quoted market price to be an appropriate methodology.
- 10.7 SBM is obligated to comply with the full disclosure regime required by the ASX and provides regular updates to brokers, analysts and the general public. As a result, we have assumed that the market is fully informed about the performance and prospects of SBM.
- 10.8 As detailed in Section 6 of this Report, SBM's share price has trended down over the period reviewed from 20 December 2020 to 2 February 2022 and under-performed the All Ordinaries Gold Index since April 2021.
- 10.9 There have been a number of reasons for the decline in SBM share price over the last 12 months, including guidance downgrades arising from permitting delays at the Atlantic Operations which also resulted in a significant impairment charge in FY21, operational issues including pipeline faults and an employee fatality at the Simberi Operations, together with ongoing work to improve cost efficiencies and fill the Gwalia mill.
- 10.10 Given the acquisition of BDC by SBM has been recommended by the Boards of both companies, we would expect the traded price of SBM shares post the announcement of the Scheme to be influenced by the market's opinion on the Merged Group and the likelihood of the Scheme proceeding.



10.11 The graph below shows the trend in the BDC share price against 0.3604 times the SBM share price, being the Scheme exchange ratio, over the period 12 months prior to the announcement and since.

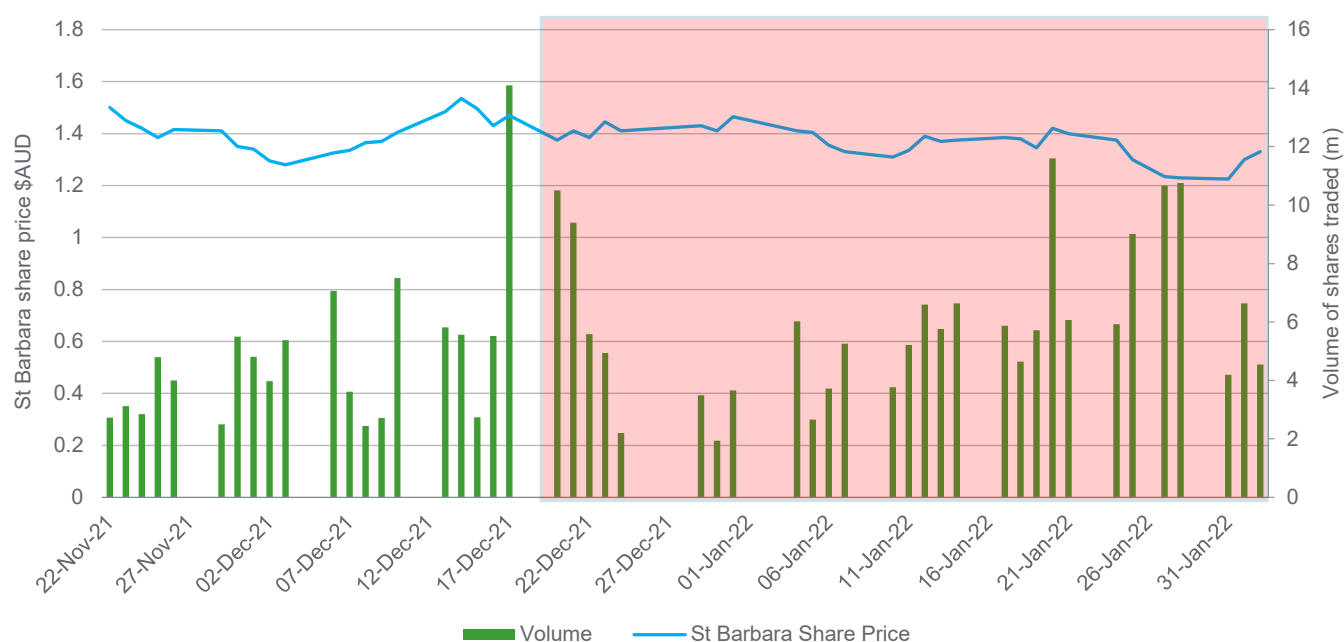
**Figure 17 BDC and SBM relative share price (using Scheme exchange ratio of 0.3604) (Source: S&P Capital IQ, RSM Analysis)**



10.12 We note that since the announcement of the Scheme, BDC shares have traded at a level close to the Scheme exchange ratio of 0.3604 multiplied by the SBM share price, indicating that the market considers the Scheme has a high probability of being implemented. Prior to the announcement, the BDC share price was trading significantly below the SBM share price multiplied by 0.3604 which reflects an immediate value uplift for Bardoc Scheme Shareholders.

10.13 We set out below an analysis of the share price performance of SBM for the 1 month prior to the Scheme Announcement on 20 December 2021 with the trading post announcement of the Scheme to 2 February 2022 shaded in red.

**Figure 18 SBM's share price performance post announcement (Source: S&P Capital IQ)**



10.14 The closing share price on 17 December 2021, being the day immediately prior to the announcement of the Scheme, was \$1.470 with the SBM closing price falling to \$1.375 on the day of the announcement. Since the announcement SBM shares have not traded above \$1.470 with the closing share price ranging between \$1.225 and \$1.465 in the period to 2 February 2022. This could indicate that the market does not perceive any significant value uplift for SBM shareholders as a result of the Scheme being implemented, although it is relevant to note that the downward trend in the SBM share price has slowed following the announcement.

10.15 Equity research on SBM is published by a number of brokers; we have reviewed various reports issued subsequent to the announcement of the Scheme with recommendations either taking a neutral position or sell. Citi Research provided an analysis of the proposed acquisition of BDC, noting the favourable acquisition multiple of \$157/oz for BDC's Reserves and opportunity to position Leonora as a strategically significant processing hub. Citi Research saw deal execution as highly probable, a view shared by RBS Capital Markets who expect SBM to perform in line with the sector and estimated the Scheme to be \$40 million value accretive. The range of target prices noted for SBM is between \$1.25 and \$1.60.

10.16 We have considered the VWAP of SBM Shares for the 1, 5, 10, 20, 30, 60 and 90 days prior to 2 February 2022, as summarised in the table below.

**Table 35 VWAP of SBM Shares to 2 February 2022 (Source: S&P Capital IQ)**

# of Days	1 Day	5 Day	10 Day	20 Day	30 Day	60 Day	90 Day
<b>VWAP</b>	<b>1.325</b>	<b>1.261</b>	<b>1.319</b>	<b>1.336</b>	<b>1.364</b>	<b>1.402</b>	<b>1.410</b>
Total Volume (000's)	4,547	36,797	75,123	125,258	187,080	312,017	430,719
Total Volume as a % of Total Shares (free float)	1.05%	8.52%	17.39%	28.99%	43.30%	72.21%	99.68%
Low Price	1.275	1.207	1.207	1.207	1.207	1.207	1.207
High Price	1.345	1.345	1.435	1.435	1.525	1.670	1.670

10.17 As set out in the table above, SBM's shares fluctuated between \$1.207 and \$1.670 in the 90 trading days prior to 2 February 2022 and had a VWAP of \$1.410 with a total traded volume of 99.68% of the free float shares on issue.

10.18 SBM's closing price on 2 February 2022 was \$1.330 with a VWAP of \$1.325.

10.19 The VWAP period covering 30 trading days is considered to be the most relevant as this period commences on the date of the announcement of the Scheme. The 30-day VWAP of SBM was \$1.364 at 2 February 2022, with a low traded price of \$1.207 and high traded price of \$1.525.

10.20 On the basis of the above analysis, we have assessed the Fair Value of a share in the Merged Group, based on SBM's post announcement quoted market price, to be in the range of \$1.260 and \$1.435 per share with a preferred value of \$1.364 being the 30-Day VWAP to 2 February 2022.

10.21 The table below sets out our assessment of the value of a SBM share on a minority basis utilising the quoted price of listed securities methodology and our resulting assessment of the Scheme Consideration, being 0.3604 of a SBM Share post implementation of the Scheme.

**Table 36 Assessed Value of Scheme Consideration – Quoted Price of Listed Securities (Source: RSM Analysis)**

	Low	High	Preferred
Assessed Value of a Share in the Merged Group (minority basis)	\$1.260	\$1.435	\$1.364
<i>Scheme exchange ratio</i>	<i>0.3604</i>	<i>0.3604</i>	<i>0.3604</i>
<b>Value of Scheme Consideration (0.3604 x SBM Share)</b>	<b>\$0.454</b>	<b>\$0.517</b>	<b>\$0.492</b>

10.22 Our assessed value of the Scheme Consideration, being 0.3604 of a SBM Share post implementation of the Scheme, is in the range of \$0.454 to \$0.517 with a preferred value of \$0.492.

10.23 It should be noted that the above analysis was performed based on information current as at 2 February 2022. If the proposed Scheme is implemented then Bardoc Scheme Shareholders will receive SBM shares that are traded on the ASX and as such, the fair value which Bardoc Scheme Shareholders will receive will be dependent on the prices at which SBM shares trade immediately following implementation of the Scheme, which may be greater or lower than the assessed values of the Merged Group above.

## Valuation Cross-Check – Scenario 1

10.24 In order to cross check our assessed value of a Share in the Merged Group above, we have also prepared an indicative sum of parts valuation of the Merged Group assuming both the Scheme and Spin-Out Transaction are implemented. This includes the pre-announcement aggregate value of both BDC and SBM excluding the SWW Project, plus any quantified synergies, less transaction costs.

10.25 The table below sets out our assessment of the value per share of the Merged Group (on a minority basis) using the sum of parts approach and assuming the Spin-Out Transaction is approved.

**Table 37 Assessed Value of a Share in the Merged Group using Sum of Parts – Scenario 1 (Source: RSM Analysis)**

\$m	Ref	Low	High	Preferred
Value of BDC (controlling basis)		78.2	138.4	110.0
Less: Value of South Woodie Woodie Manganese Project		(2.7)	(4.0)	(3.3)
<b>Adjusted Value of BDC (controlling basis)</b>		<b>75.5</b>	<b>134.4</b>	<b>106.7</b>
Less: Minority interest discount		-21%	-26%	-24%
<b>Value of BDC on a minority basis</b>	a.	<b>59.4</b>	<b>99.6</b>	<b>81.5</b>
Value of SBM Share (minority basis) (\$)		1.429	1.481	1.460
Number of SBM Shares on issue (millions)		709.5	709.5	709.5
<b>Value of SBM on a minority basis</b>	b.	<b>1,013.9</b>	<b>1,050.9</b>	<b>1,035.9</b>
Add: Value of BDC (minority basis)		59.4	99.6	81.5
Less: Estimated transaction costs	c.	(14.5)	(14.5)	(14.5)
Add: Identified synergies	d.	7.4	7.4	7.4
<b>Value of Merged Group on a minority basis</b>		<b>1,066.3</b>	<b>1,143.4</b>	<b>1,110.3</b>
Number of shares in Merged Group		815.7	815.7	815.7
<b>Value per Share in Merged Group on a minority basis</b>		<b>\$ 1.307</b>	<b>\$ 1.402</b>	<b>\$ 1.361</b>

10.26 Our analysis used in the above cross check is as follows:

- Value of BDC on a controlling basis as set out at Table 31 less the assessed value of the SWW Project subject to the Spin-Out Transaction. A minority discount has then been applied to the adjusted value of BDC, using the inverse of the control premium applied at paragraph 9.82;
- Value of SBM Share on a minority basis prior to the announcement is based on the range indicated by the 1 to 30 day VWAP analysis set out in Table 21. This is then applied to the number of SBM Shares currently on issue;
- Estimated total transaction costs of \$14.5 million are anticipated to be incurred by SBM and BDC if the Scheme is implemented;
- Whilst SBM expects synergies to be realised by integrating the Bardoc Gold project into its existing Leonora Operations, these synergies have not yet been quantified. As set out in Section 7, the Scheme is intended

to leverage SBM's processing infrastructure and could therefore result in reduced capital expenditure than that contained in the Bardoc Gold Project Adjusted Model. However, we have not been able to assess the likely synergies and the companies have not announced any expectations. We have however included the estimated corporate costs which would not be incurred if BDC de-lists from the ASX and operates as a subsidiary of SBM - we estimate that the annual savings could be in the region of \$1.7 million per annum which has been reflected as a reduction in the post-tax NPV.

10.27 The resulting range of values represents a minority interest value per share in the Merged Group post implementation of the Scheme. We have compared this to our assessed range of values using the quoted market price of SBM Shares post announcement, as set out in the table below:

**Table 38 Cross Check of Assessed Value of a Share in the Merged Group – Scenario 1 (Source: RSM Analysis)**

	Low	High	Preferred
Quoted market price of SBM Share	\$1.260	\$1.435	\$1.364
Sums of parts of Merged Group – Scenario 1	\$1.307	\$1.402	\$1.361

10.28 As shown above, our assessed value ranges are broadly consistent under each methodology.

10.29 We therefore consider that the cross check provides support to our assessed value of the Scheme Consideration being in the range of \$0.454 to \$0.517 with a preferred value of \$0.492 (being 0.3604 x SBM Share value).

### Conclusion on Value of the Consideration offered to Bardoc Scheme Shareholders – Scenario 1

10.30 As noted above, this analysis has been undertaken on the basis that the Spin-Out Transaction and Scheme are both approved by shareholders and executed. Therefore the consideration offered to Bardoc Scheme Shareholders comprises the Scheme Consideration offered by SBM, being 0.3604 of a SBM Share per BDC Share, and the value of the SWW Project which the Bardoc Scheme Shareholders will retain a pro rata interest in by virtue of the Spin-Out Transaction. To provide a fairness comparison to a BDC Share prior to the implementation of the Scheme (which incorporates the value of the SWW Project), we must include both elements of the consideration.

10.31 VRM assessed the value of the SWW Project to be in the range of \$2.7 million to \$4.0 million with a preferred value of \$3.3 million. We have assessed the value per BDC Share based on the number of BDC Shares expected to be on issue immediately prior to implementation of the Scheme, being 294,694,930. This results in a value per BDC Share for the SWW Project of between \$0.009 and \$0.014 with a preferred value of \$0.011.

10.32 The table below summarises our range of assessed values for the consideration offered to Bardoc Scheme Shareholders assuming the Spin-Out Transaction is approved and completed prior to the Scheme.

**Table 39 Assessed Value of Consideration per BDC Share – Scenario 1 (Source: RSM Analysis)**

	Low	High	Preferred
Value of Scheme Consideration per BDC Share	0.454	0.517	0.492
Value of SWW Project per BDC Share	0.009	0.014	0.011
<b>Total value of consideration per BDC Share – Scenario 1</b>	<b>0.463</b>	<b>0.531</b>	<b>0.503</b>

10.33 Our assessed value of consideration offered to the Bardoc Scheme Shareholders is in the range of \$0.463 to \$0.531 with a preferred value of \$0.503 assuming both the Spin-Out Transaction and Scheme are approved.

## Conclusion on Value of the Consideration offered to Bardoc Scheme Shareholders – Scenario 2

10.34 We have also considered the impact if the Spin-Out Transaction is not approved by BDC Shareholders and the SWW Project therefore becomes part of the Merged Group. In this scenario, Bardoc Scheme Shareholders would receive only the Scheme Consideration.

10.35 Our assessed value of a share in the Merged Group of \$1.260 to \$1.435 with a preferred value of \$1.364 using the primary methodology does not change since it is based on the quoted market price of SBM post announcement, which should incorporate the market's view on value, likelihood of the Scheme proceeding and likelihood of the Spin-Out Transaction proceeding. Given the strategic objectives of SBM in acquiring BDC, we consider it unlikely that any significant value would have been attributed to the SWW Project.

10.36 Our sum of parts cross check of the value of a Merged Group Share post the Scheme, but assuming the Spin-Out Transaction is not approved, is set out below:

**Table 40 Assessed Value of a Share in the Merged Group using Sum of Parts – Scenario 2 (Source: RSM analysis)**

	Low	High	Preferred
Value of BDC (controlling basis)	78.2	138.4	110.0
Less: Minority interest discount	-21%	-26%	-24%
<b>Value of BDC (minority basis)</b>	<b>61.5</b>	<b>102.5</b>	<b>84.0</b>
Value of SBM Share (minority basis)	1.429	1.481	1.460
Number of SBM Shares	709.5	709.5	709.5
<b>Value of SBM (minority basis)</b>	<b>1,013.9</b>	<b>1,050.9</b>	<b>1,035.9</b>
Add: Value of BDC (minority basis)	61.5	102.5	84.0
Less: Estimated transaction costs	(14.5)	(14.5)	(14.5)
Add: Identified Synergies	7.4	7.4	7.4
<b>Value of Merged Group (minority basis)</b>	<b>1,068.4</b>	<b>1,146.3</b>	<b>1,112.8</b>
Number of shares in Merged Group	815.7	815.7	815.7
<b>Value of Share in Merged Group (Minority basis)</b>	<b>1.310</b>	<b>1.405</b>	<b>1.364</b>

10.37 The assessed value using the sum of parts in Scenario 2 is \$0.003 to \$0.004 per share greater than the value assessed under Scenario 1, which represents the additional value of the SWW Project to shareholders in the Merged Group. We consider the range to still be consistent with our assessed value of a Merged Group Share using the primary methodology at \$1.260 to \$1.435 with a preferred value of \$1.364.

10.38 In Scenario 2, Bardoc Scheme Shareholders would receive only the Scheme Consideration which is calculated as 0.3604 of a Merged Group Share, being \$0.454 to \$0.517 with a preferred value of \$0.492.

## 11. Is the Scheme Fair to the Bardoc Scheme Shareholders

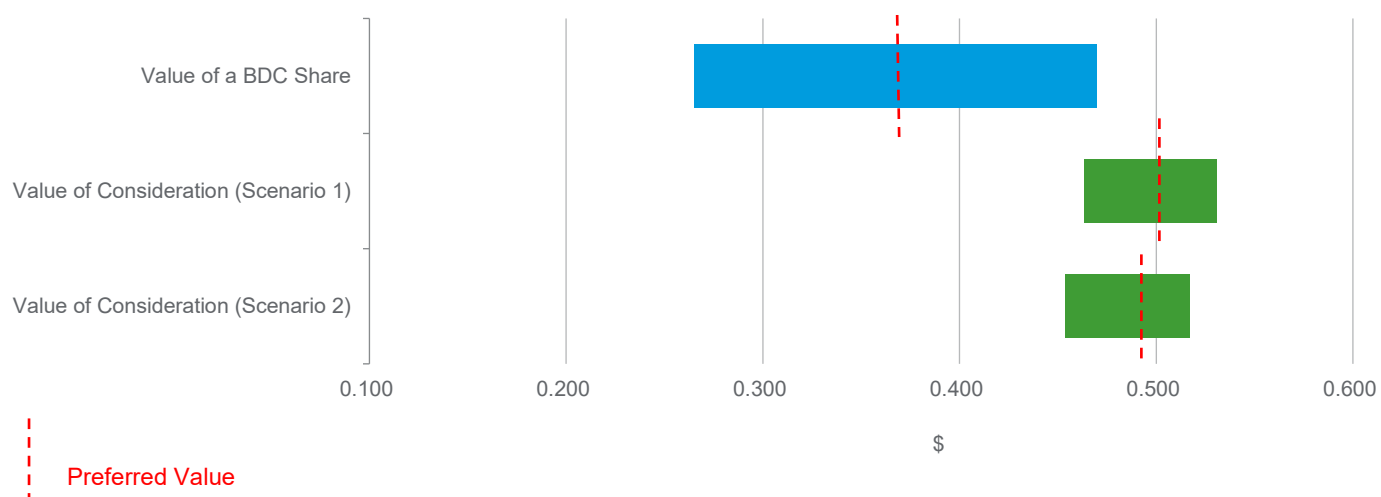
- 11.1 ASIC RG 111 defines a takeover offer as being fair if the value of the consideration offered under the takeover offer or in this case, the Scheme, is equal to or greater than the value of the securities subject to the offer.
- 11.2 In assessing whether we consider the Scheme to be fair to the Bardoc Scheme Shareholders, we have valued a share in BDC prior the implementation of the Scheme, and compared it to the value of the consideration offered per BDC share immediately after the Scheme, to determine whether a Bardoc Scheme Shareholder would be better or worse off should the Scheme be approved.
- 11.3 As detailed at paragraph 8.24, we have considered the impact on Bardoc Scheme Shareholders of two scenarios. Scenario 1 assumes the Spin-Out Transaction and Scheme are both approved, with the effective consideration received by Bardoc Scheme Shareholders being an equivalent ownership interest per BDC Share in the Merged Group and Edge (the spin-out entity which will hold the SWW Project). Scenario 2 assumes that the Spin-Out Transaction is not approved and the SWW Project becomes part of the Merged Group; the Bardoc Scheme Shareholders would therefore only receive the Scheme Consideration in this scenario.
- 11.4 Our assessed values under both scenarios are summarised below.

**Table 41 Assessment of Fairness (Source: RSM Analysis)**

	Low	High	Preferred
Assessed Fair Value of a BDC Share	0.265	0.470	0.373
Assessed Fair Value of consideration per BDC Share assuming the Spin-Out Transaction is approved – Scenario 1	0.463	0.531	0.503
Assessed Fair Value of consideration per BDC Share assuming the Spin-Out Transaction is not approved – Scenario 2	0.454	0.517	0.492

- 11.5 The above comparison is depicted graphically in the figure below.

**Figure 19 Valuation Summary (Source: RSM Analysis)**



- 11.6 The range of values assessed for the consideration offered per BDC Share under both scenarios is higher than the range of assessed values of a BDC Share on a controlling basis prior to the Scheme, although we note that the ranges do overlap at the higher end of the pre-valuation and the lower end of the post-valuation. We consider it relevant to note that the spread in the valuation ranges is predominantly a result of the assessed values of the Bardoc Gold Project, therefore the high end of the pre-value correlates with the high end of the post-value since they are determined by the same asset.

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- 11.7 The preferred values in the ranges are indicated by the red dotted line in each range. We consider that, as the preferred Fair Value of the consideration offered per BDC share immediately after the Scheme under both scenarios is greater than the preferred Fair Value of a BDC share prior to the Scheme, and in the absence of any other relevant information, in our opinion, the Scheme is **fair** to the Bardoc Scheme Shareholders, and as such, in the best interests of the Bardoc Scheme Shareholders.
- 11.8 It should be noted that our analysis of the fair value of a BDC Share and the consideration offered is based on a point in time, with our analysis predominantly completed on 2 February 2022. Share prices can be volatile, particularly for gold companies as their perceived value reflects expectations on future gold prices. It is likely that the shares in the Merged Group will trade at levels which are greater than or less than the assessed value in this Report. The actual fair value of the Scheme Consideration received will be dependent on the traded share price of SBM after implementation of the Scheme.



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## 12. Consideration of other factors relating to the Scheme

- 12.1 RG 111 establishes that an offer is reasonable if it is fair. It might also be reasonable if, despite not being fair, there are sufficient reasons for security holders to accept the offer in the absence of a higher bid. We consider and outline in this Section of the Report an analysis of other factors which are likely to be relevant to the Bardoc Scheme Shareholders in their assessment of the Scheme.

### Future Prospects of BDC if the Scheme is not approved

- 12.2 If the Scheme is not approved by the Bardoc Scheme Shareholders, BDC will remain listed on the ASX and will continue operations in the same manner in which it is currently operating.
- 12.3 The Directors have indicated that BDC will need to raise more capital to develop or enhance its project portfolio if the Scheme is not implemented, this may include an equity raise. There is no guarantee that such funding will be available on satisfactory terms.

### Alternative proposals and likelihood of an alternative takeover offer

- 12.4 BDC has advised us that no formal alternative offers or approaches by potential acquirers have been received prior to the announcement of the Scheme on 20 December 2021.
- 12.5 The alternative to the Scheme is for the Bardoc Scheme Shareholders to vote against the Scheme in the hope that they can realise greater value from their investment in BDC either through maintaining BDC as an independent company or through the emergence of a superior proposal to the Scheme. BDC has advised that should the Scheme not be successful it will review and reconsider the previous proposals received and continue to work with its advisers to identify and execute a strategy that maximises value for shareholders. This may include consideration of financing opportunities for further exploration activities and working capital.
- 12.6 Whilst there is no evidence to suggest that the Bardoc Scheme Shareholders would be better off under this alternative, it is possible that a superior offer may emerge prior to the Scheme Meeting. However, we are unable to form a view of the likelihood of an alternative offer emerging prior to the Scheme Meeting and the Directors have advised that they have not received any formal alternative offers following the announcement of the Scheme.

### Liquidity

- 2.31 Historically, the liquidity of BDC's shares has been relatively low with less than 50% of total free-float shares on issue traded over the last 180 days. The Scheme provides the Bardoc Scheme Shareholders with an ability to convert their investment in BDC to an investment in SBM. SBM demonstrates a high level of liquidity, with over 1% of shares traded daily and approximately 190% of the free-float shares on issue traded in the last 180 days.
- 2.32 However we note that the SWW Project is proposed to be spun out to an unlisted entity which will significantly reduce Bardoc Scheme Shareholders liquidity in relation to this Project specifically. We understand that BDC intends to consider an ASX listing for this entity but this would be subject to regulatory approvals.

### The extent to which a control premium is being paid

- 2.33 Our assessment of the preferred value of consideration offered per BDC share assuming the Spin-Out Transaction is approved is \$0.503 (Scenario 1), and \$0.492 assuming the Spin-Out Transaction is not approved (Scenario 2). These values represent a premium of 22.6% and 19.9% respectively to the closing price of BDC shares of \$0.410 on 17 December 2021 (being the last day shares were available for trading immediately prior to the announcement of the Scheme), and a premium of 34.7% and 31.7% respectively to our assessment of the preferred value of a BDC share of \$0.373 prior to the Scheme.
- 12.7 An analysis of the VWAP of both BDC and SBM over the 1, 5, 10 and 30 days prior to the announcement is set out in the table below, indicating an implied premium of the Scheme Consideration in the range of 27.6% to 34.8%.



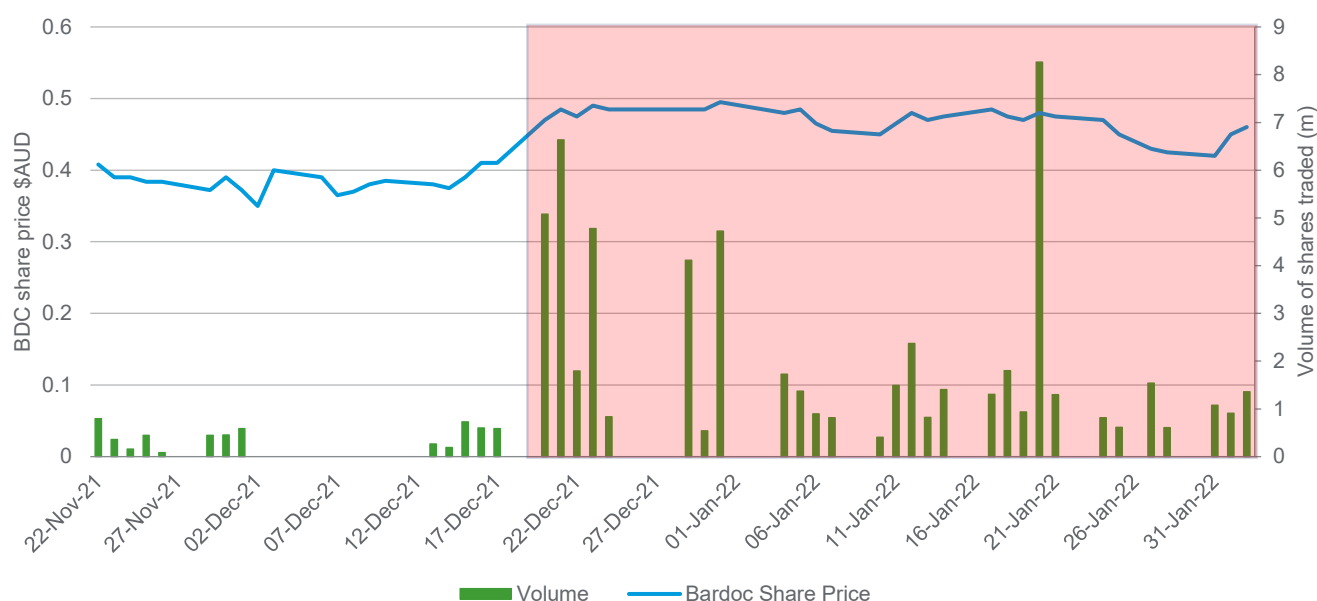
**Table 42 Assessment of Implied Premium based on market prices (Source: S&P Capital IQ, RSM Analysis)**

Days prior to announcement	1	5	10	30
VWAP of SBM	1.480	1.481	1.429	1.460
0.3604 x VWAP of SBM	0.533	0.534	0.515	0.526
VWAP of BDC	0.418	0.396	0.396	0.395
<b>Implied premium</b>	<b>27.6%</b>	<b>34.8%</b>	<b>30.1%</b>	<b>33.2%</b>

## The likely price of BDC's shares if the Scheme is not approved

12.8 The graph below shows the trading in BDC Shares for the month prior to the announcement and the period since to 2 February 2022.

**Figure 20 BDC Share price summary (Source: RSM Analysis)**



12.9 The closing share price of BDC on 17 December 2021, immediately prior to the announcement, was \$0.410 and the closing share price on 20 December 2021 after the announcement was \$0.470 showing a favourable reaction from the market to the proposed Scheme.

12.10 Following the announcement of the Scheme, shares in BDC have not traded below \$0.415 with the highest traded price being \$0.505 on 2 February 2022. The closing price for a BDC share on 2 February 2022 was \$0.460, a 12% premium on the closing price of \$0.410 on 17 December 2021.

12.11 As shown in Figure 17, the share price of BDC has trended towards the relative value of 0.3604 of a SBM Share following the announcement of the Scheme, being the offered exchange ratio. Should the proposed Scheme not be approved, it might be expected that the BDC share price would decline as the perceived value would no longer be relative to the SBM share price.

## Relative Contributions

12.12 The table below sets out the relative contribution of each company to the Merged Group, including an analysis of the market capitalisation before the announcement, shareholder base, declared Reserves and Resources.

**Table 43 Relative Contributions (Source: RSM Analysis)**

	BDC	SBM	BDC %	SBM %
Number of shares in Merged Group (millions)	106.2	709.5	13%	87%
Market capitalisation, day before announcement (\$m)	119.2	1,043.0	10%	90%
Enterprise Value (\$m)	111.6	1,086.0	9%	91%
Gold Reserves - BDC at 30 June 2021 and SBM at 31 December 2021 (koz)	1,007	5,784	15%	85%
Gold Resources (inclusive of Reserves) - BDC at 30 June 2021 and SBM at 31 December 2021 at 30 June 2021 (koz)	3,073	13,494	19%	81%
Production for the year ended 30 June 2021 (oz)	-	327,662	0%	100%

12.13 This analysis shows that Bardoc Scheme Shareholders will hold a 13% interest in the Merged Group while contributing 10% of the market capitalisation before announcement, 15% of Reserves and 19% of Resources. BDC's assets are not yet in production and therefore SBM contributes 100% of the annual production volumes.

### Advantages of approving the Scheme

12.14 BDC's Directors have unanimously recommended that the Bardoc Scheme Shareholders vote in favour of the Scheme in the absence of a Superior Proposal (as defined in the Scheme Booklet).

12.15 Following our review of the transaction we detail below the advantages of approving the Scheme:

Advantage	Details
The Scheme is fair	The Scheme is fair to the Bardoc Scheme Shareholders as set out Section 11.
Premium on traded share price	Delivery of an immediate and significant premium to the pre-announcement share price of BDC.
Diversification	The Scheme will expose the Shareholders to a more diversified asset portfolio. SBM is an ASX 200 gold producer with a globally diversified asset base across Australia, Papua New Guinea and Canada.
Expected synergies	As a result of the larger Merged Group, the Merged Group is expected to benefit from management and corporate synergies along with synergies arising from the proximity of the Bardoc Gold Project to SBM's processing facility at Leonora.
Access to capital and development of BDC assets	The Merged Group will form a larger listed entity with pooled assets from which to fund future opportunities including the progression of the Bardoc Gold Project thereby reducing funding and development risks.
Increased liquidity	The Scheme may result in a more liquid market for Shareholders to crystallise the value of their shares. Historically, the liquidity of BDC's shares has been low with only 47% of shares traded over the 180 days prior to the announcement of the Scheme. The Scheme provides the Shareholders with an ability to convert their investment in BDC to an investment in SBM. SBM demonstrates high liquidity with 189% of shares traded in the 180 days prior to the announcement of the Scheme.
Increased analysis of operations and expected share price performance	As an ASX 200 company, SBM's operations and share performance are covered by a range of analysts which will enhance the availability of information in relation to the operations and consensus expectations for share price performance.
Retention and exposure to South Woodie Woodie Manganese asset	It is proposed that BDC will demerge the SWW Project in the East Pilbara region of Western Australia prior to implementation of the Scheme, with Bardoc Scheme Shareholder retaining their proportionate interest in the project. This proposal is subject to approval by BDC Shareholders and is not contingent on, nor does it form part of the Scheme.

Advantage	Details
Dividends	BDC has not paid any dividends over the period from FY18 to FY21 as its assets are not yet in production. SBM has paid dividends in each year ranging from \$0.06 to \$0.12 per share, therefore enhancing the probability of Bardoc Scheme Shareholders receiving dividends following the Implementation of the Scheme.

## Disadvantages of approving the Scheme

12.16 The key disadvantages of the Scheme are:

Disadvantage	Details
Dilutionary impact	Bardoc Scheme Shareholders will, collectively, have a diluted ownership of 13% of the Merged Group. This will reduce the Bardoc Scheme Shareholders' ability to influence decisions such as the composition of the Board and the acquisition and disposal of significant assets within the Merged Group. The shareholder base of SBM includes a large proportion of institutional investors who would have the ability to influence decisions, albeit there is no individually significant shareholder.
Change in risk profile	Following the completion of the Scheme, there will be a change in the risk profile of the shares held by the Bardoc Scheme Shareholders with new exposure to exploration assets outside of Australia. This change in risk profile may not meet the investment strategy of some Bardoc Scheme Shareholders.
No Bardoc Board Involvement	Following the completion of the Scheme, no current Bardoc Board members will form part of the Merged Group board.
Possibility that potential synergies will not be realised	Our assessment of the value of the Scheme Consideration is based on the trading prices of SBM's shares post the Announcement Date, which can be considered to reflect the market's view on likely synergies that could be realised. There is a risk that the expected potential synergies are not achieved, take longer than anticipated to realise and/or cost more to implement. Not achieving the potential synergies could potentially have a negative impact on the value of the Merged Group. However, we note that to date SBM has not quantified any of the expected synergies so there is limited information in the public domain to influence market pricing.
Inability to accurately determine the value of the Scheme Consideration	The Scheme Consideration is not fixed but rather determined by the value of a share in SBM as at the implementation of the Scheme. As the shares of SBM will continue to trade between the date of this Report and the completion of the Scheme the value of the consideration may materially change from that on which we have based our opinion as to the fairness of the proposed Scheme to the Bardoc Scheme Shareholders.
Reduced liquidity for South Woodie Woodie Manganese Project (if Spin-Out Transaction is approved by BDC Shareholders)	It is proposed that the SWW Project will be demerged from BDC to an unlisted entity which will significantly reduce BDC's Shareholder's liquidity in relation to this Project, if BDC Shareholders approve the Spin-Out Transaction.

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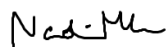
## Conclusion

12.17 In the absence of any other relevant information and/or a superior proposal, RSM considers the Scheme to be **reasonable** to the Bardoc Scheme Shareholders and as such, the Scheme to be in the best interests of the Bardoc Scheme Shareholders.

12.18 Bardoc Scheme Shareholders should also consider the risks relating to the Merged Group set out in Section 10 of the Scheme Booklet. An individual shareholder's opinion in relation to the Scheme may be influenced by his or her individual circumstances. If in doubt, Bardoc Scheme Shareholders should consult an independent advisor.

Yours faithfully

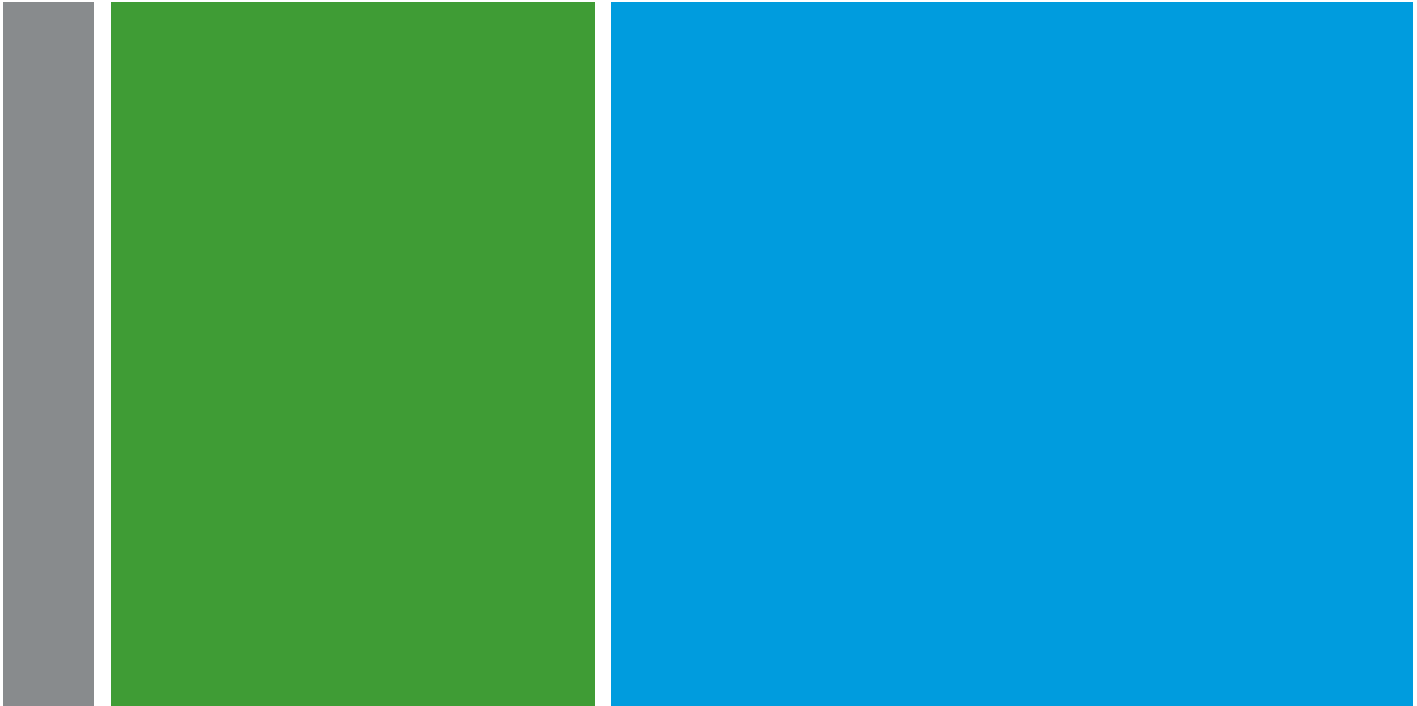
**RSM CORPORATE AUSTRALIA PTY LTD**



Nadine Marke  
Director



Justin Audcent  
Director



APPENDICES

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## APPENDIX A - DECLARATIONS AND DISCLOSURES

### Declarations and Disclosures

RSM Corporate Australia Pty Ltd holds Australian Financial Services Licence 255847 issued by ASIC pursuant to which they are licensed to prepare reports for the purpose of advising clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate reconstructions or share issues.

### Qualifications

Our Report has been prepared in accordance with professional standard APES 225 "Valuation Services" issued by the Accounting Professional & Ethical Standards Board.

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia Pty Ltd (RSM Australia) a large national firm of chartered accountants and business advisors.

Nadine Marke and Justin Audcent are directors of RSM Corporate Australia Pty Ltd. Both Nadine Marke and Justin Audcent are Chartered Accountants with extensive experience in the field of corporate valuations and the provision of independent expert's reports for transactions involving publicly listed and unlisted companies in Australia.

### Reliance on this Report

This Report has been prepared solely for the purpose of assisting the Bardoc Scheme Shareholders in considering the Scheme. We do not assume any responsibility or liability to any party as a result of reliance on this Report for any other purpose.

### Reliance on Information

Statements and opinions contained in this Report are given in good faith. In the preparation of this Report, we have relied upon information provided by the Directors and management of BDC and we have no reason to believe that this information was inaccurate, misleading or incomplete. However, we have not endeavoured to seek any independent confirmation in relation to its accuracy, reliability or completeness. RSM Corporate Australia Pty Ltd does not imply, nor should it be construed that it has carried out any form of audit or verification on the information and records supplied to us.

The opinion of RSM Corporate Australia Pty Ltd is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

In addition, we have considered publicly available information which we believe to be reliable. We have not, however, sought to independently verify any of the publicly available information which we have utilised for the purposes of this report.

We assume no responsibility or liability for any loss suffered by any party as a result of our reliance on information supplied to us.

### Disclosure of Interest

At the date of this Report, none of RSM Corporate Australia Pty Ltd, RSM, Nadine Marke, Justin Audcent, nor any other member, director, partner or employee of RSM Corporate Australia Pty Ltd and RSM Australia has any interest in the outcome of the Scheme, except that RSM Corporate Australia Pty Ltd is expected to receive a fee of \$85,000 plus GST based on time occupied at normal professional rates for the preparation of this Report. The fees are payable regardless of whether BDC receives Bardoc Scheme Shareholder approval for the Scheme, or otherwise.

### Consents

RSM Corporate Australia Pty Ltd consents to the inclusion of this Report in the form and context in which it is included with the Notice of Scheme Meeting and Scheme Booklet to be issued to Bardoc Scheme Shareholders. Other than this Report, none of RSM Corporate Australia Pty Ltd, RSM Australia and RSM Australia Partners has been involved in the preparation of the Notice of Scheme Meeting or Scheme Booklet. Accordingly, we take no responsibility for the content of the Notice of Scheme Meeting or the Scheme Booklet.

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## APPENDIX B – SOURCES OF INFORMATION

In preparing this Report we have relied upon the following principal sources of information:

- The Scheme Booklet;
- BDC audited financial statements for the years ended 30 June 2018, 30 June 2019, 30 June 2020 and 30 June 2021;
- BDC management accounts for the year ended 30 June 2021;
- SBM audited financial statements for the years ended 30 June 2018, 30 June 2019, 30 June 2020 and 30 June 2021;
- SBM management accounts for the year ended 30 June 2021;
- BDC Shareholder Registry;
- SBM Shareholder Registry;
- ASX announcements of BDC and SBM;
- Bardoc Gold Project LOM Financial Models;
- S&P Capital IQ database;
- Connect4 database;
- Information provided to us during correspondence with Directors and management of BDC; and
- BDC and SBM websites.

## APPENDIX C – GLOSSARY

Term or Abbreviation	Definition
\$	Australian Dollar
Act	Corporations Act 2001 (Cth)
Adjusted Model	Bardoc Gold Project financial model adjusted by RSM
AFCA	Australian Financial Complaints Authority
AISC	All-in Sustaining Cost
APES	Accounting Professional & Ethical Standards Board
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange
Bardoc Scheme Shareholders	Bardoc Gold Limited shareholders eligible to participate in the Scheme
BBSW	Bank Bill Swap Rate
BDC	Bardoc Gold Limited
Control	The power to direct the management and policies of an entity or business enterprise
Control basis or controlling basis	As assessment of the fair value on an equity interest, which assumes the holder or holders have control of the entity in which the equity is held
Control premium	An amount or a percentage by which the pro rata value of a controlling interest exceeds the pro rata value of a non-controlling interest in an entity or business enterprise, to reflect the power of control
Court	Supreme Court of Western Australia or another court of competent jurisdiction under the Act agreed in writing by BDC and SBM
DFS	Definitive Feasibility Study
Discounted Cash Flow Method (DCF)	A method within the income approach whereby the present value of future expected net cash flows is calculated using a discount rate
DSTP	Deep sea tailings pipeline
Edge	Edge Minerals Pty Ltd
Equity	The owner's interest in property after deduction of all liabilities
EV	Enterprise Value, meaning, the total value of the equity in a business plus the value of its debt or debt-related liabilities, minus any cash or cash equivalents available to meet those liabilities
Fair Value, Fair Market Value or Value	The amount at which an asset could be exchanged between a knowledgeable and willing but not anxious seller and a knowledgeable and willing but not anxious buyer, both acting at arm's length
FSG	Financial Services Guide
Gross Margin	Total sales minus cost of goods sold, divided by total sales revenue, expressed as a percentage
Gross Profit	Total sales minus cost of goods sold
IER	This Independent Expert's Report
Implementation Agreement	Binding scheme implementation scheme executed by Bardoc Gold Limited and St Barbara Limited
LOM	Life of Mine
Model	Bardoc Gold Project financial model prepared by BDC
Merged Group	The enlarged group of SBM and BDC post implementation of the Scheme
Non controlling basis	An assessment of the fair value on an equity interest, which assumes the holder or holders do not have control of the entity in which the equity is held
NPBT	Net Profit Before Tax
NPAT	Net Profit After Tax



Term or Abbreviation	Definition
<b>Report</b>	This Independent Expert's Report prepared by RSM
<b>RG 111</b>	ASIC Regulatory Guide 111 Contents of Expert's Reports
<b>RSM</b>	RSM Corporate Australia Pty Ltd
<b>SBM</b>	St Barbara Limited
<b>Second Court Hearing Date</b>	The day on which the application is made to the Court for an order pursuant to section 411(4)(b) of the Act approving the Scheme
<b>Scheme</b>	The proposed scheme of arrangement in relation St Barbara Limited's acquisition of all the issued share capital in Bardoc Gold Limited
<b>Scheme Booklet</b>	Booklet prepared for the Scheme to which this Report is attached
<b>Scheme Consideration</b>	0.3604 SBM shares for each BDC share held prior to implementation
<b>Scheme Meeting</b>	Meeting of Bardoc Scheme Shareholders seeking approval of the Scheme
<b>Spin-Out Transaction</b>	Demerger of Edge Minerals Pty Ltd by an in-specie distribution to BDC Shareholders
<b>SWW Project</b>	South Woodie Woodie Manganese Project
<b>USGS</b>	U.S. Geological Survey
<b>VRM</b>	Valuation and Resource Management
<b>VRM Report</b>	Independent Technical Assessment and Valuation Report by VRM
<b>VWAP</b>	Volume weighted average share price
<b>WACC</b>	Weighted Average Cost of Capital

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## APPENDIX D – DISCOUNT RATE ASSESSMENT

The WACC represents the weighted rate of return required by providers of both debt and equity to compensate for the time value of money and the perceived risk of the associated cash flows. The discount rates required by providers of both debt and equity are weighted in proportion to the optimal proportions of debt and equity.

The WACC is calculated as follows:

$$\text{WACC} = [\text{Re} \times \text{E}/\text{V}] + [\text{Rd} \times (1 - \text{tc}) \times \text{D}/\text{V}]$$

Where:

WACC = post tax weighted average cost of capital

Re = required rate of return on equity capital

E = market value of equity capital

V = market value of debt and equity capital (D + E)

Rd = required rate of return on debt capital

D = market value of debt capital

tc = corporate tax rate

### Required Rate of Return on Equity Capital (Re)

The Capital Asset Pricing Model (CAPM) can be used to estimate the cost of equity, being the required rate of return or cost of equity of a business.

The CAPM determines the cost of equity by the following formula:

$$\text{Re} = \text{Rf} + \beta(\text{Rm} - \text{Rf}) + \alpha$$

The components of the formula are as follows:

Re = Required return on equity;

Rf = Risk free rate of return;

Rm = the expected return from a market portfolio;

$\beta$  = Beta, a measure of the systematic risk of a stock; and

$\alpha$  = specific company risk premium.

### Risk Free Rate

The risk free rate of return compensates investors for the time value of money.

The Australian Government Bond rate is widely used and is an accepted benchmark for the risk free return. We have used the 10 year bond rate as this provides the best match against the timeframe of the cash flows being valued.

The 10 year Australian Government Bond rate as at 31 December 2021 was 1.67% (Source: RBA). However, given the recent volatility in the global economy and the current historically low Government bond rates, we have also observed the yield on the 10 year Australian Government bond over a longer period.

The average 10 year Government bond rates for the 1 to 5 years to 31 December 2021 are set out in the table below.

Table 44: Historic risk free rate analysis (Source: Reserve Bank of Australia)

10-year Government Bond	%
1 year to 31 December 2021	1.47%
2 years to 31 December 2021	1.19%
3 years to 31 December 2021	1.29%
4 years to 31 December 2021	1.64%
5 years to 31 December 2021	1.84%

Based on the average yield for the 5 years to 31 December 2021, we consider it reasonable to adopt a risk free rate of 1.80% in the calculation of the WACC.

#### Market rate ( $R_m$ )

This represents the additional risk in holding the market portfolio of investments. The term ( $R_m - R_f$ ) represents the additional return required, above the risk free rate, to hold the market portfolio of investments. ( $R_m - R_f$ ) is known as the Equity Market Risk Premium.

There are a number of studies around the Equity Market Risk Premium EMRP with, generally, most estimates falling within a range of 6% to 8%.

Using our professional judgement, RSM has adopted an Equity Market Risk Premium ( $R_m - R_f$ ) of between 6% and 7%.

#### Beta ( $\beta$ )

The beta coefficient measures the systematic risk of a company compared to the market as a whole. A beta of 1 indicates that the company's risk is comparable to that of the market. A beta greater than 1 represents higher than market risk and a beta below 1 represents lower than market risk.

In assessing beta, we have considered the betas for companies comparable to Bardoc (Column A). The equity betas are adjusted to remove the effect of company specific debt levels resulting in an ungeared beta (Column B). The ungeared betas are then "regeared" based upon an assessment the average industry gearing ratio and the assessed optimal capital structure which is discussed in more detail below (Column C).

As a result of the COVID-19 pandemic, In March 2020 the Australian equity market experienced a significant downturn in values, with just over 22% of total market value being lost in March 2020, following an 8% decline in February 2020. As a result, the 4-year historical betas to December 2021 were significantly skewed. We consider this to be an outlier that is skewing the normal risks of companies within the Australian market. We have, therefore, utilised comparable beta estimates published by Rozetta Institute Limited (where available) that utilises 4-year monthly estimates to September 2021, excluding the month of March 2020.

The table below sets out the equity beta analysis in relation to the comparable companies.

**Table 45: Equity Beta Analysis**

BETA CALCULATION							Column A	Column B	Column C				
Comparable Companies	Ticker	Exchange: Ticker	Market Cap	Total Debt	Net Debt	Enterprise Value	Levered Beta	Unlevered Beta	Total Debt/Equity	Equity Beta	Pref Equity	Pref/Equity	Tax rate
Bellevue Gold Limited	BGL	ASX:BGL	871	1	(93)	778	0.967	0.460	0.1%	0.46	0.0	0.0%	30.0%
Calidus Resources Limited	CAI	ASX:CAI	252	27	(1)	251	0.945	0.643	10.6%	0.69	0.0	0.0%	30.0%
Breaker Resources NL	BRB	ASX:BRB	94	0	(11)	83	1.136	0.610	0.0%	0.61	0.0	0.0%	30.0%
Black Cat Syndicate Limited	BC8	ASX:BC8	84	0	(16)	69	1.231	1.488	0.2%	1.49	0.0	0.0%	30.0%
Ausgold Limited	AUC	ASX:AUC	76	0	(7)	68	1.054	0.090	0.3%	0.09	0.0	0.0%	30.0%
Resources & Energy Group Limited	REZ	ASX:REZ	32	0	(1)	31	1.250	0.910	0.0%	0.91	0.0	0.0%	30.0%
Rox Resources Limited	RXL	ASX:RXL	58	1	(11)	46	1.707	2.372	1.1%	2.39	0.0	0.0%	30.0%
Genesis Minerals Limited	GMD	ASX:GMD	413	0	(11)	402	0.666	0.410	0.0%	0.41	0.0	0.0%	30.0%
Anglo Australian Resources NL	AAR	ASX:AAR	66	0	(10)	56	1.344	1.039	0.1%	1.04	0.0	0.0%	30.0%
Bardoc Gold Limited	BDC	ASX:BDC	144	1	(11)	132	1.483	1.500	1.0%	1.51	0.0	0.0%	30.0%
Min			31.99	-	(92.97)	30.97	0.67	0.09	-	0.09	-	-	30%
Mean			209.08	3.02	(17.29)	191.79	1.18	0.95	0.01	0.96	-	-	30%
Median			89.49	0.19	(11.01)	76.03	1.18	0.78	0.00	0.80	-	-	30%
Max			871.45	26.61	(1.02)	778.48	1.71	2.37	0.11	2.39	-	-	30%

Source: Capital IQ & Rozetta Institute Ltd

We have adopted 0.80 to 1.0 as the unlevered beta in our assessment of the appropriate WACC for BDC.

### Specific company risk, size premium and country risk premium ( $\alpha$ )

In considering appropriate the WACC for BDC, we have considered the specific risks in the Project which are not experienced by the listed comparable companies and are therefore not reflected in the reported betas or implied multiples derived from publicly available market data.

We have specifically considered the risk inherent with the size of BDC, as well as the execution risks of developing the Bardoc Gold Project given it is currently past the DFS stage. The comparable companies have a mix of exploration and development assets.

Using our professional judgement, we have adopted a specific company risk factor of 3% to 5% for Bardoc which incorporates our assessment of project risks associated with taking the Bardoc Gold Project from the DFS stage to construction and operation.

### Required rate of return on debt (Rd)

The rate of return required by providers of debt includes a risk premium over and above the risk-free rate that reflects the debt risk that is specific to the business being valued. This risk effectively represents the risk of default on payments.

In assessing an appropriate debt premium, we have considered a number of factors including:

- the cost of debt for Australian companies similar to BDC (publicly listed companies in pre-production phase);
- the gearing levels adopted for the purposes of calculating the WACC; and
- the prevailing economic conditions as at the date of this report.

We have adopted a risk premium of 450 basis points over the 3-month Bank Bill Swap Rate ("BBSW"). Based on the 3-month BBSW as at 31 December 2021 of 0.07%, this equates to a pre-tax cost of debt of 4.57%.

### Capital structure or Gearing Level (D/V)

The capital structure or gearing level adopted for the purposes of undertaking the valuation should generally reflect the level of debt that can be reasonably sustained by any company operating in a particular industry as opposed to the actual capital structure adopted by the business.

The optimal capital structure of a business is driven by two main considerations:

- the tax benefits of debt finance i.e. the deductibility of interest payments for the purposes of assessing corporate tax liabilities; and
- the financial risk to equity holders i.e. the risk of financial distress as a result of over-gearing.

In assessing the optimal capital structure of BDC, we have considered the following:

- the gearing levels of comparable companies in gold mine development and early production phase;
- the level of debt sustainable by the forecast earnings and cash flows of the Bardoc Gold Project;
- discussions held by BDC with debt advisory consultants in relation to the development of the Bardoc Gold Project in 2021; and
- the mine life of Bardoc of 10 years (in the absence of any subsequent phases of the Bardoc Gold Project).

For the purposes of this valuation we have assessed the optimal net debt to equity ratio (D/V) as 30.0% (resulting in D/E of 42.86%).

### Corporate tax rate (tc)

We have utilised the Australian corporate tax rate of 30.0%.

### Assessment of WACC

Based on the assumptions set out above, we have assessed the WACC of Bardoc to be in the range of 8.7% and 12.1%, with a mid-point of 10.4%, as set out in the table below:

**Table 46: Assessment of WACC**

WACC	Min	Max
<b>Beta:</b>		
Unlevered Beta	0.80	1.00
Marginal Tax Rate	30.00%	30.00%
Target Capital Structure:		
Debt	30.00%	30.00%
Equity	70.00%	70.00%
D/E	42.86%	42.86%
<b>Levered Beta</b>	<b>1.04</b>	<b>1.30</b>
<b>Cost of Equity</b>		
Risk Free Rate	1.80%	1.80%
Market Risk Premium	6.00%	7.00%
Alpha (Specific Premium)	3.00%	5.00%
<b>Cost of Equity</b>	<b>11.0%</b>	<b>15.9%</b>
<b>Cost of debt:</b>		
Risk Free Rate	0.07%	0.07%
Margin	4.50%	4.50%
<b>Pre-tax Cost of Debt</b>	<b>4.57%</b>	<b>4.57%</b>
<b>Post-tax Cost of Debt</b>	<b>3.20%</b>	<b>3.20%</b>
Post-tax WACC	8.7%	12.1%
<b>Mid-point</b>	<b>10.4%</b>	

## APPENDIX E – INDUSTRY OVERVIEW

### Gold Mining

Gold mining is a capital intensive and high cost process, becoming increasingly difficult as the quality of the ore reserves diminish. Furthermore, there are substantial indirect costs related to exploration, royalties, overheads, marketing and native title law that are usually required to be paid.

The precious metal is noncorrosive and highly malleable. These properties have allowed for the recycling of the metal, often used to produce alternative products. Consequently, both mining ore and recycled gold support the demand for gold.

Over the long term, gold has been shown to be an alternative investment during times of economic uncertainty, as gold prices largely maintain or increase in value. Furthermore, it has also been used as a hedge against inflation as gold usually increases in value when currency declines.

#### U.S. Geological Survey - Mineral Commodity Summaries 2020

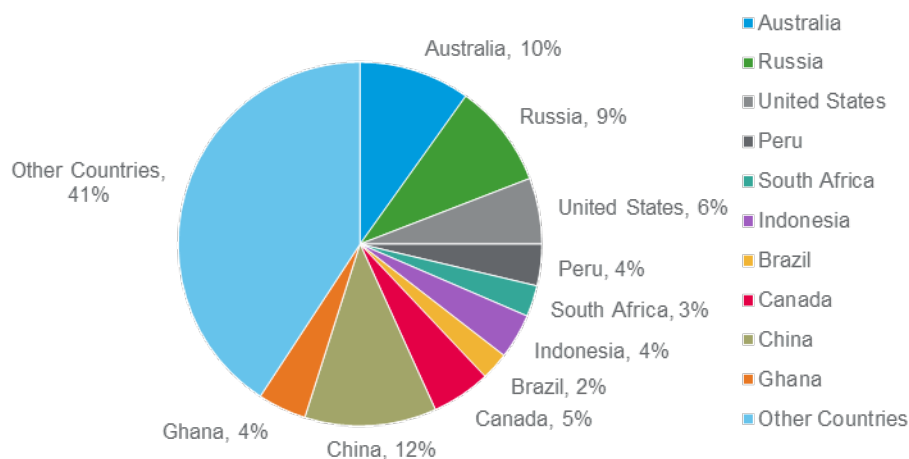
The U.S. Geological Survey (“USGS”) publishes an annual summary on mineral commodities, with the latest report published in February 2021.

The USGS estimated gold production in the US to be approximately 190 metric tons in 2020, a reduction of 5% from 2019. Globally, 2020 gold mine production was estimated to be 3% less than in 2019.

The summary also concluded that the estimated gold price was 26% higher in 2020 than in 2019.

The figure below summarises gold production in 2020, by country.

**Figure 21: Gold production by country - 2020**

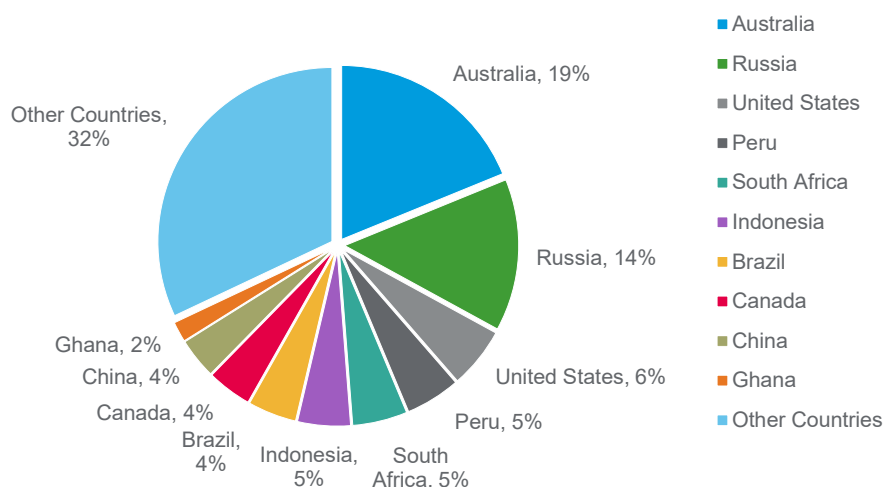


**Source: United States Geological Survey**

According to the USGS, the total estimated gold ore mined for 2020 was approx. 3,200 metric tons. China was the leading gold producer for 2020 accounting for 12% global production.

Australia accounted for 10% of global gold production in 2020. Australia and Russia have the largest known gold reserves globally, accounting for around 31% collectively, with the remaining gold reserves by country summarised in the figure below.

**Figure 22 Gold reserves by country 2020**



Source: United States Geological Survey

## Gold Prices

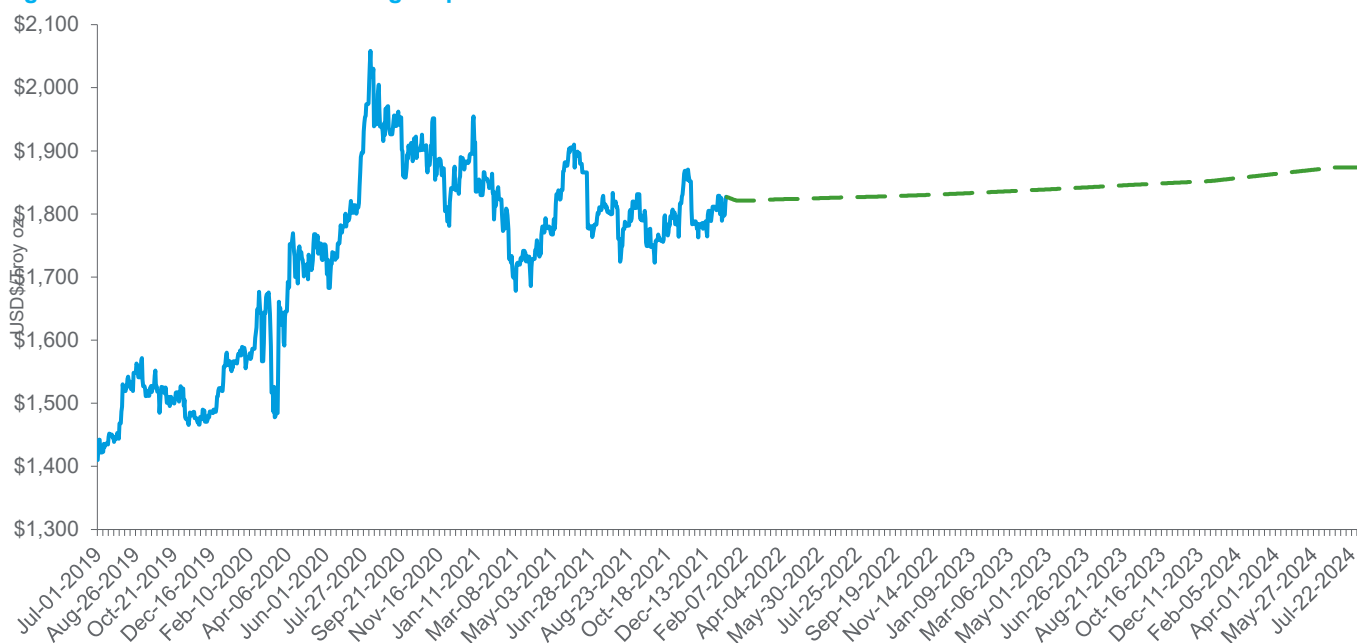
The gold price reached US\$1,419 in early 2018, however shortly after there was a sharp decline that can be attributed to the US imposing additional tariffs on China. The trade war has had a negative effect on the price of gold as the US dollar strengthened during this time.

Gold price increased steadily from the end of 2018 averaging a 2019 gold price of approximately US\$1,400.

The gold price in 2020 was 26% higher than the price in 2019, and 5% higher than the previous record-high annual price in 2012. Early in the 2020 calendar year the gold price was c.US\$1,580 per troy ounce before increasing to an all-time high of approx. US\$2,060 per troy ounce in August 2020. During this time, several factors were reported to have caused the increase in price: gold demand increased from safe-haven buying as a result of the global COVID-19 pandemic and global investor uncertainty; the U.S. Federal Reserve Board cut interest rates; and trade negotiations halted between the United States and China. The gold price trended downward through the latter half of 2020 and early 2021, before stabilising in mid to late 2021 around USD\$1,800 per troy ounce.

The historical gold price since July 2019, together with forecast pricing through to July 2024 is depicted in the graph below:

**Figure 23 Historical and forecast gold prices**



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## **IBISWorld Gold Ore Mining in Australia Industry Report (June 2021)**

Changes in world gold prices and in the value of the Australian dollar are likely to have a significant influence on the Australian gold ore mining industry over the five years to 2025-26.

Industry revenue is forecast to decrease slowly over the five year period to 2025-26 due to low volume growth offsetting weaker domestic gold prices. Although gold prices are forecast to remain high by historical standards, the moderate worldwide supply growth and weaker demand are expected to push gold prices down as economic conditions stabilise.

Australia's gold ore output is anticipated to increase by an annualised 1.9% over the five years to 2025-26, rising from 357.1 tonnes in 2020-21 to 392.50 tonnes in 2025-26. The anticipated rising production costs due to lower ore quality and higher transportation costs are also expected to reduce industry profitability over the next five years. The lower domestic gold prices and rising costs are anticipated to cause some unprofitable operations to exit the industry.

The key success factors for Gold Ore Mining operations in Australia are:

- Availability of old ore reserves;
- Ability to forward sell production when appropriate;
- The age and type of the mine (underground or open-cut);
- Ability to accommodate environmental requirements; and
- Economies of scale.



---

## APPENDIX F – BDC OPTIONS

As set out in the Scheme Booklet, the 1,499,998 BDC Options on issue will be cancelled pursuant to agreed Option Cancellation Deeds in exchange for the following consideration:

- \$0.0073 per Bardoc Option exercisable at \$1.20 each on or before 11 September 2022; and
- \$0.0510 per Bardoc Option exercisable at \$0.72 each on or before 27 September 2022.

The Option Cancellation Deeds are separate agreements to the Scheme.

The consideration for the Options has been determined by SBM using a Black-Scholes option valuation methodology. The spot price of \$0.530 was based on the implied offer price adopting the Scheme exchange ratio of 0.3604 and the closing share price of SBM of \$1.470 on 17 December 2021. Volatility of 56.2% was adopted and a risk free rate of 1.61%.

The total estimated value of consideration payable by SBM to cancel the BDC Options is \$54,633.

---

## APPENDIX G – BDC LOAN SHARES

As set out in the Scheme Booklet, the 1,604,015 BDC Loan Shares on issue will be exchanged for \$0.0791 per Loan Share pursuant to the agreed BDC Loan Share Deeds. The BDC Loan Share Deeds will come into effect on the Implementation Date and are conditional on the Scheme becoming Effective.

The BDC Loan Share Deeds are separate arrangements to the Scheme.

The consideration for the BDC Loan Shares has been determined by SBM using a Black-Scholes option valuation methodology. The spot price is based on the implied offer price adopting the Scheme exchange ratio of 0.3604 and the closing share price of SBM of \$1.470 on 17 December 2021. The strike price is derived from the total value of the associated loans divided by the number of BDC Loan Shares on issue, resulting in \$0.6942. Volatility of 56.2% was adopted and a risk free rate of 1.61%.

The total estimated value of consideration payable by SBM to cancel the BDC Loan Shares is \$127,013.



# APPENDIX H – TECHNICAL REPORT BY VRM



Valuation & Resource Management

# INDEPENDENT TECHNICAL ASSESSMENT & VALUATION REPORT

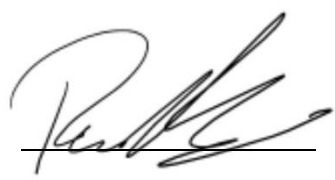
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## Executive Summary

RSM Australia Pty Ltd (RSM) engaged Valuation and Resource Management Pty Ltd (VRM) to prepare an Independent Technical Assessment and Valuation report (ITAR or the Report) on the Mineral Assets of Bardoc Gold Limited (ASX: BDC) (Bardoc or the Company).

This Report is a public document, in the format of an ITAR and is prepared in accordance with the guidelines of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets – The VALMIN Code (2015 edition) (VALMIN). VRM understands that RSM will include the Report within its Independent Experts Report (IER) relating to the proposed transaction.

This Report is a technical review and valuation opinion of the mineral assets owned by Bardoc. Applying the principles of the VALMIN Code, VRM has used several valuation methods to determine the value for the mineral assets. Importantly, as neither the principal author nor VRM hold an Australian Financial Services Licence, this valuation is not a valuation of Bardoc but rather an asset valuation of the combined Bardoc Gold Project (BGP) which consists of the Kalgoorlie North, Aphrodite, Mulwarrie, Mayday North and North Kanowna Star sub projects and the South Woodie Woodie Manganese Project and the surrounding exploration ground.

This valuation is current as of 20 December 2021.

As commodity prices, exchange rates and cost inputs fluctuate this valuation is subject to change over time. The valuation derived by VRM is based on information provided by Bardoc along with publicly available data including ASX releases, published technical information and the S&P Global subscription-based database of projects, transactions, and commodity research. VRM has made reasonable endeavours to confirm the accuracy, validity and completeness of the technical data which forms the basis of this Report. The opinions and statements in this Report are given in good faith and under the belief that they are accurate and not false nor misleading.

The default currency is Australian dollars (unless otherwise stated). As with all technical valuations the valuation included in this Report is the likely value of the mineral projects and not an absolute value. A range of likely values for the various mineral assets is provided with that range indicating the accuracy of the valuation.

### **Bardoc Gold Project**

The combined Bardoc Gold Project (BGP) is the combined four sub projects are either contiguous or proximal to the main projects. The BGP is located close to Kalgoorlie in the Eastern Goldfields of Western Australia. Other than one small tenement, all of the tenements are owned 100% by Bardoc.

VRM has estimated the value of the project on an equity ownership basis considering the technical information supporting its prospectivity. As at the valuation date the at BGP contains a declared Ore Reserve estimate of approximately 1Moz contained within a Mineral Resource estimate that totals approximately

3Moz. The Ore Reserves and Mineral Resources are detailed in section 3.3 (Resources) and 3.4.1 (Ore Reserves) of this report and are extracted from various ASX releases of Bardoc. The Ore Reserve estimate and the Mineral Resource estimates have all prepared applying the guidelines of the Australasian Code for Reporting of Exploration Targets, Mineral Resources and Ore Reserves - The JORC Code 2012 Edition (JORC).

## Manganese Project

The Mineral Resource estimates for the South Woodie Woodie Manganese Project were estimated in accordance with the 2004 version of the JORC code and have not been updated to comply with the 2012 version of the code due to there being no exploration activities within the tenements that would materially change the JORC 2004 Mineral Resource estimates. A summary of the Manganese Mineral Resource is contained in section 4 of the report.

## Valuation Methodology

The valuation within this report has been prepared as a sum of the parts with the value attributed to both the declared Mineral Resources (excluding the Ore Reserves) and the exploration potential in the adjacent tenements. In addition to the asset valuations VRM has also provided RSM with advice and recommendations regarding the technical inputs into the financial model that was used to determine the Ore Reserves. The valuation of the Ore Reserves is therefore contained in the IER prepared by RSM. The Mineral Resources were valued using a comparable transaction method as the primary valuation technique with a Geoscientific or Kilburn method used to value the exploration potential of the projects. Secondary valuations were determined based on the yardstick approach.

This report documents the technical aspects of the tenements along with explaining valuations for the properties applying the principles and guidelines of the VALMIN and JORC Codes.

## Conclusions

Considering both the Mineral Resource estimates (excluding the Ore Reserves) and the exploration potential, in VRM's opinion, the Bardoc Gold Project, has a market value of between \$44.4 million and \$68.0 million with a preferred value of \$58.9 million. This valuation excludes the value attributed to the Ore Reserves which are valued using a DCF model with VRM validating the technical inputs in that model.

The South Woodie Woodie Manganese Project has a market value of between \$2.7 million and \$4.0 million with a preferred value of \$3.3 million. .

## 1. Introduction

Valuation and Resource Management Pty Ltd (VRM), was engaged by RSM Australia Pty Ltd (RSM) to undertake an Independent Technical Assessment and Valuation Report (Report or ITAR) on the Gold and Manganese Projects and adjacent tenements held by Bardoc Gold Limited (ASX: BDC) (Bardoc or the Company). This is in relation to the proposed transaction announced by Bardoc and St Barbara Limited (St Barbara or ASX: SBM) on 20 December 2021 where St Barbara will acquire Bardoc by way of a Scheme of Arrangement under the Corporations Act 2001 (Cth) (Corporations Act). RSM was engaged by Bardoc to prepare an Independent Expert's Report (IER) for inclusion in a Notice of Meeting to assist the shareholders of Bardoc in relation to the proposed transaction.

VRM understands that this ITAR will be included in the IER being prepared by RSM. RSM will refer to, and rely on, the VRM report and mineral asset valuation which will be attached to its IER to inform the Bardoc shareholders as to the fairness and reasonableness of the proposed transaction.

Paul Dunbar of VRM was contacted to undertake a valuation of the mineral assets of Bardoc located in Western Australia. RSM engaged VRM for the purposes of the ITAR and all correspondence was directed through RSM.

This Report is a public document, it is in the format of an ITAR and is prepared in accordance with the guidelines of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets – The VALMIN Code (2015 edition) (VALMIN).

This Report is a technical review and valuation opinion of the mineral assets of Bardoc, being the Bardoc Gold Project (BGP), which is a combination of the Kalgoorlie North, Aphrodite, Mulwarrie, Mayday North and North Kanowna Star sub projects, and the South Woodie Woodie Manganese Project all located in Western Australia. Applying the principles of the VALMIN Code, VRM has used several valuation methods to determine the value for the mineral assets. Importantly, as neither the principal author nor VRM hold an Australian Financial Services Licence, this valuation is not a valuation of Bardoc but rather an asset valuation of the projects and the surrounding exploration ground owned by Bardoc.

VRM has estimated a likely market value for the BGP Project including the declared Mineral Resources (exclusive of the Ore Reserves) and exploration ground. In addition to the likely market value VRM has provided comment and recommendations on the technical inputs used in the Discounted Cashflow model used by RSM in determining the likely market value of the Ore Reserves. The technical information supporting the prospectivity of the licences and the valuation of the tenements is on a 100% interest basis. As the valuation is based on comparable transactions it is reasonable to assume that the environmental liabilities are also included in the valuation.

### 1.1. Compliance with the JORC and VALMIN Codes and ASIC Regulatory Guides

The ITAR is prepared applying the guidelines and principles of the 2015 VALMIN Code and the 2012 JORC Code. Both industry codes are mandatory for all members of the Australasian Institute of Mining and Metallurgy (AusIMM) and the Australian Institute of Geoscientists (AIG). These codes are also requirements under Australian Securities and Investments Commission (ASIC) rules and guidelines and the listing rules of the Australian Securities Exchange (ASX).

### 1.2. Scope of Work

VRM's primary obligation in preparing mineral asset reports is to independently describe mineral projects applying the guidelines of the JORC and VALMIN Codes. These require that the Report contains all the relevant information at the date of disclosure, which investors and their professional advisors would reasonably require in making a reasoned and balanced judgement regarding the project.

VRM has compiled the valuation based upon the principle of reviewing and interrogating both the documentation of Bardoc and previous exploration within the areas. This Report is a summary of the work conducted, completed, and reported by the various explorers to 20 December 2021 based on information supplied to VRM by Bardoc and other information sourced from the public domain to the extent required by the VALMIN and JORC Codes.

On 2 February 2022 VRM provided to Bardoc (via RSM) a redacted version of the draft report which included all the technical sections of the report however the valuation sections were removed from the draft provided to Bardoc for factual accuracy checking. VRM provided the various valuation sections of the report to RSM as soon as they were considered final and also provided a complete version of the report to RSM on 2 February 2022.

### 1.3. Statement of Independence

VRM was engaged to undertake an ITAR. This work was conducted applying the principles of the JORC and VALMIN Codes, which in turn reference ASIC Regulatory guide 111 Content of expert reports (RG111) and ASIC Regulatory guide 112 Independence of experts (RG112).

In the past two years Mr Paul Dunbar and Ms Deborah Lord of VRM have not had any association with Bardoc. VRM, Mr Dunbar nor Ms Lord have no association with Bardoc, their individual employees, or any interest in the securities of Bardoc which could be regarded as affecting their ability to give an independent, objective, and unbiased opinion. Mr Dunbar, while employed by Dunbar Resource Management (DRM) in 2017 and 2018 completed two separate ITAR's on the mineral assets of Bardoc (previously Spitfire Materials Limited (Spitfire)). Both these reports were undertaken as a specialist's report attached to two separate IERs which were appended to a Scheme Booklet between Aphrodite Gold Limited and Spitfire in 2017 and between Excelsior Gold Limited (Excelsior) and Spitfire in 2018. While Mr Dunbar does not consider that these reports impact his independence, he considers it prudent to disclose these previous reports to ensure transparency in relation to the previous work. Neither VRM, Ms Lord nor Mr Dunbar hold an Australian

Financial Services Licence (AFSL) and the valuation contained within this Report is limited to a valuation of the mineral assets being reviewed. VRM will be paid a fee for this work based on standard commercial rates for professional services. The fee estimated at \$38,000 (ex GST) is not contingent on the results of this review.

#### 1.4. Competent Persons Declaration and Qualifications

This Report was prepared by Mr Paul Dunbar as the primary author with peer review by Ms Deborah Lord.

The Report and information that relates geology, exploration and the mineral asset valuation is based on information compiled by Mr Paul Dunbar, BSc (Hons), MSc (Minex), a Competent Person who is a Member of the AusIMM and Member of the AIG. Mr Dunbar is a Director of VRM and has sufficient experience, which is relevant to the style of mineralisation, geology, and type of deposit under consideration and to the activity being undertaken to qualify as a competent person under the JORC Code and a Specialist under the VALMIN Code. Mr Dunbar consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

The Report and information that relates Mining Engineering and the review of the reasonableness of the technical inputs into the financial model provided by Bardoc is based on information compiled and reviewed by Mr Peter Fairfield, BEng (Mining), F AusIMM, CP(Mining), a Competent Person who is a Member of the AusIMM. Mr Fairfield is an associate of VRM and has sufficient experience, which is relevant to the style of mineralisation, geology, and type of deposit under consideration and to the activity being undertaken to qualify as a competent person under the JORC Code and a Specialist under the VALMIN Code. Mr Fairfield consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

The Report and information that relates peer review of the mineral asset valuation was provided by Ms Deborah Lord, BSc (Hons), a Competent Person who is a Fellow of the AusIMM and Member of the AIG. Ms Lord is a Director of VRM and has sufficient experience, which is relevant to the style of mineralisation, geology, and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person under the JORC Code and a Specialist under the VALMIN Code. She is a Chair of the VALMIN Committee and a Member of the AusIMM Professional Conduct Committee. Ms Lord consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

Between 20 December 2021 and the date of this Report, nothing has come to the attention of VRM unless otherwise noted in the Report that would cause any material change to the conclusions.

#### 1.5. Reliance on Experts

The authors of this report are not qualified to provide extensive commentary on the legal aspects of the mineral properties or the compliance with the relevant laws governing mining within Western Australia. VRM has interrogated the Western Australian Department of Mines Industry Regulation and Safety (DMIRS) online tenement database, Mineral Titles Online (MTO) website to confirm the tenements are active. As VRM and

the authors of this report are not experts in the Western Australian tenements or Mining Act, no warranty or guarantee, be it express or implied, is made by the authors with respect to the completeness or accuracy of the legal aspects regarding the security of the tenure.

For Bardoc's mineral projects VRM has relied upon the following reports and information.

Bardoc ASX releases including the following:

- The updated Mineral Resource estimate – 29 March 2021;
- Multiple additional ASX releases for the Mineral Resource estimates within the BGP as tabulated in the Mineral Resource estimate table below; and
- The Ore Reserve estimates and DFS announcement of 29 March 2021.

Information provided by Bardoc.

Bardoc Quarterly Reports and Annual Reports.

ASX releases from other companies that have previously explored the areas and transactions associated with other projects in the region of the various projects.

Publicly available information and regional datasets including geological mapping, interpretation, reports, geophysical datasets, and Mineral Deposit information.

## 1.6. Sources of Information

All information and conclusions within this report are based on information made available to VRM to assist with this report by Bardoc and other relevant publicly available data to 20 December 2021. Reference has been made to other sources of information, published and unpublished, including government reports and reports prepared by previous interested parties and Joint Venturers to the areas, where it has been considered necessary. VRM has, as far as possible and making all reasonable enquiries, attempted to confirm the authenticity and completeness of the technical data used in the preparation of this Report and to ensure that it had access to all relevant technical information. VRM has relied on the information contained within the reports, articles and databases provided by Bardoc as detailed in the reference list. A draft of this Report was provided to Bardoc, to identify and address any factual errors or omissions prior to finalisation of the Report. The valuation sections of the Report were not provided to the companies until the technical aspects were validated and the Report was declared final.

## 1.7. Site Visits

Paul Dunbar has undertaken two separate visits to the projects in 2017 and 2018 as a part of the previous ITAR's. Other than additional exploration, resource delineation, geotechnical and metallurgical drilling there have been no significant changes on the site since the 2018 site visit. Importantly there has been no mining since the 2018 site visit. VRM considers that given the previous site visits and a lack of mining activities on the projects since the previous site visit it is unlikely that any material information would be obtained from undertaking a site visit that would likely impact the findings recommendations or valuation within this report. As there has been no material change to the activities on site since the previous site visit and the only material change to the project being an updated Ore Reserve and Mineral Resource estimates in VRM's opinion it is unlikely that a site visit would reveal any information that would materially modify the assumptions or content of this report.

## 2. Mineral Assets

The mineral assets that are included in this review include the BGP and the South Woodie Woodie Manganese Project. The tenements that constitute the BGP (excluding the two Mulwarrie tenements) are shown in Figure 1. The tenure details of all the projects are combined in section 2.1 of this report.

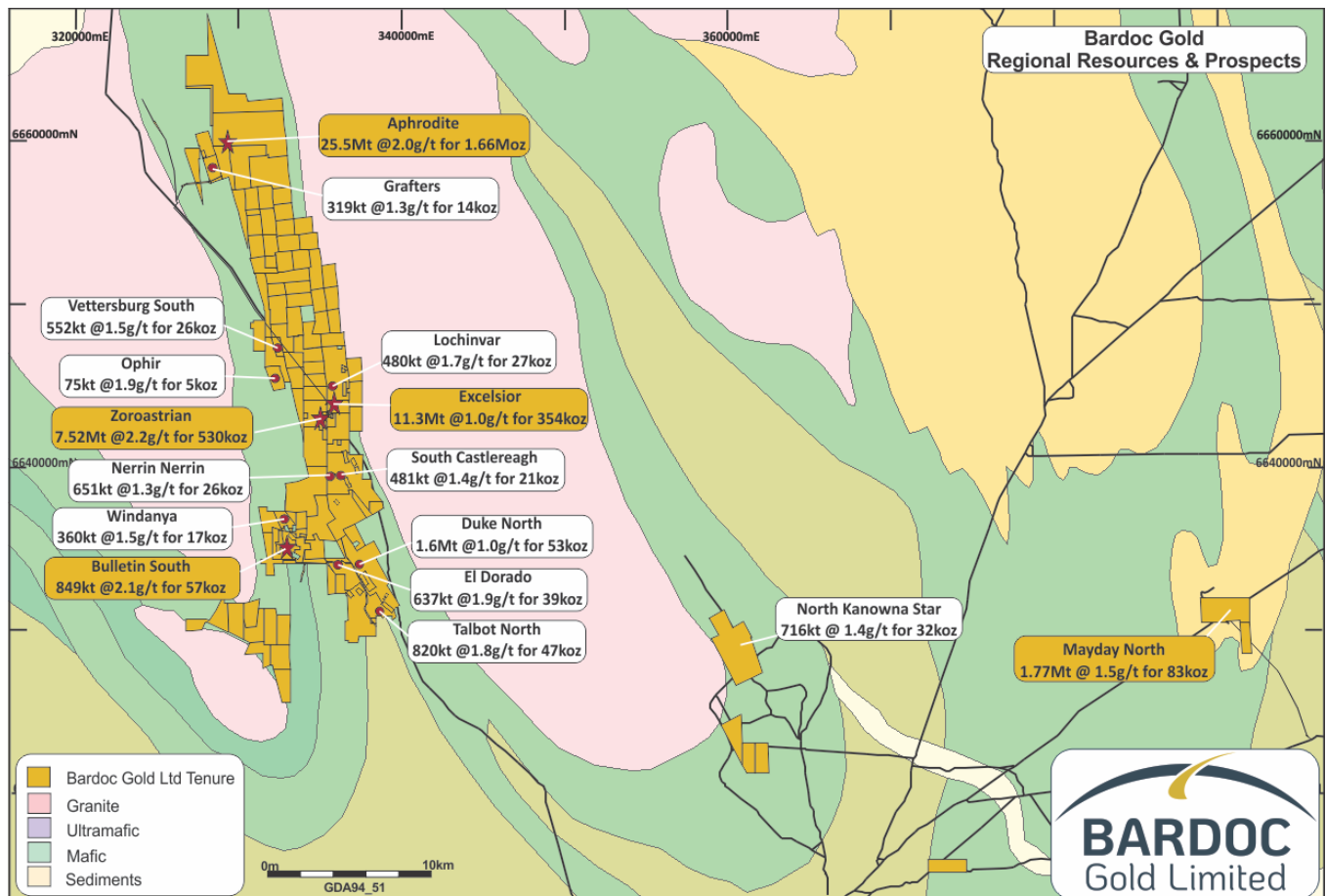


Figure 1 – Bardoc Gold Project, near Kalgoorlie, Western Australia (Bardoc ASX announcement, 29 March 2021)

### 2.1. Tenure

The tenements detailed in Table 1 have been validated by VRM reviewing the tenement information provided by Bardoc, in its latest Quarterly Report and comparing this with the tenement register from the DMIRS Mineral Titles Online database

The BGP and South Woodie Woodie Manganese Project consist of separate contiguous blocks of granted Mining Leases with three Mining Lease application) and Exploration Licences (with one application) and Prospecting Licences with 15 Miscellaneous Licences applications and several prospecting licence applications. There are no competing applications, as such they are expected to progress toward grant under the standard procedure. The miscellaneous licences do not provide the holder with any exploration or mining rights and can only be used for the purposes described in the tenement application, in this case



the miscellaneous licences are associated with the search for suitable process water and haulage / access roads. Table 1 documents the tenements while Figure 1 shows the location of the tenements. A figure detailing the individual tenements is not considered viable due to the large number of tenements and the scale of any diagrams that shows each of the tenements. The tenement outline and schedule has been checked and is correct in the various figures within this report.

VRM has interrogated the DMIRS website that confirmed that the tenements are listed in Table 1 are reported as being in good standing and that all tenement matters including annual reports, rents and renewals have been lodged and are progressing in accordance with the Mining Act. As DRM and the authors of this report are not experts in the Mining Acts no warranty or guarantee, be it express or implied, is made by the authors with respect to the completeness or accuracy of the legal aspects regarding the security of the tenure.

**Table 1 Bardoc Gold Limited Tenement Schedule as at 20 December 2021**

Tenement	Status	Grant	Expiry	Equity	Area (ha)
<b>Bardoc Gold Project</b>					
<b>Kalgoorlie North Sub Project</b>					
M 24/11	Live	22-03-1983	23-03-2025	100%	1.8
M 24/121	Live	19-10-1987	02-11-2029	100%	36.95
M 24/122	Live	20-01-1988	21-01-2030	100%	0.2249
M 24/133f	Live	29-12-1987	29-12-2029	100%	692.85
M 24/134f	Live	29-12-1987	29-12-2029	100%	796.9
M 24/135	Live	04-06-1987	10-06-2029	100%	17.75
M 24/146b	Live	19-04-1988	21-04-2030	100%	132.75
M 24/244	Live	30-08-1988	07-09-2030	100%	425.7
M 24/326	Live	02-08-1989	14-08-2031	100%	6.8685
M 24/348f	Live	23-12-1989	10-01-2032	100%	610.5
M 24/364b	Live	19-03-1990	27-03-2032	100%	84.5
M 24/395	Live	14-10-1992	19-10-2034	100%	90.385
M 24/400	Live	07-12-1992	08-12-2034	100%	57.53
M 24/405a	Live	03-02-1993	03-02-2035	100%	8.895
M 24/420a	Live	19-10-1993	19-10-2035	100%	9.7195
M 24/429	Live	14-02-1995	14-02-2037	100%	188.95
M 24/43	Live	30-09-1984	15-10-2026	100%	9.2825
M 24/469	Live	15-03-1995	14-03-2037	100%	307.05
M 24/471f	Live	25-05-1999	25-05-2041	100%	405.7
M 24/487	Live	20-05-1999	20-05-2041	100%	69.575
M 24/491f	Live	20-05-1999	20-05-2041	100%	318.9
M 24/498a	Live	20-05-1999	20-05-2041	100%	68.285
M 24/510a	Live	20-05-1999	20-05-2041	100%	122.6
M 24/512a,h	Live	20-05-1999	20-05-2041	100%	530.3
M 24/532f	Live	20-05-1999	20-05-2041	100%	9.6975
M 24/83	Live	26-03-1986	02-04-2028	100%	110.65
M 24/854	Live	04-04-2001	03-04-2022	100%	2.611
M 24/869	Live	17-10-2003	21-10-2024	100%	7.1635
M 24/870	Live	17-10-2003	21-10-2024	100%	7.0445
M 24/871	Live	17-10-2003	21-10-2024	100%	9.718
M 24/886	Live	15-04-2004	22-04-2025	100%	8.2565
M 24/887	Live	15-04-2004	22-04-2025	100%	4.156
M 24/888	Live	15-04-2004	22-04-2025	100%	1.2295
M 24/889f,d	Live	05-08-2005	04-08-2026	100%	63.28
M 24/890f	Live	05-08-2005	04-08-2026	100%	17.465
M 24/891f	Live	05-08-2005	04-08-2026	100%	13.495



Tenement	Status	Grant	Expiry	Equity	Area (ha)
M 24/892f	Live	05-08-2005	04-08-2026	100%	38.59
M 24/942f	Live	15-01-2013	14-01-2034	95%	19.385
M 24/943f	Live	15-01-2013	14-01-2034	100%	9.288
M 24/950	Live	04-11-2014	03-11-2035	100%	39.15
M 24/951	Live	17-04-2015	16-04-2036	100%	190.1
M 24/952f	Live	16-09-2015	15-09-2036	100%	92.05
M 24/955f,c	Live	07-07-2016	06-07-2037	100%	4.8565
M 24/956	Live	31-05-2016	30-05-2037	100%	126.35
M 24/96e	Live	06-10-1986	07-10-2028	100%	9.982
M 24/99	Live	28-11-1986	02-12-2028	100%	190.75
P 24/4512 - M24/985	Live	31-03-2011	30-03-2019	100%	52
P 24/4587 - M24/988	Live	14-03-2012	13-03-2020	100%	20
P 24/4628 - M24/995	Live	04-10-2012	03-10-2020	100%	200
P 24/4816	Live	30-01-2015	29-01-2023	100%	4.792
P 24/4821	Live	15-12-2014	14-12-2022	100%	159.25
P 24/4822	Live	15-12-2014	14-12-2022	100%	132.46
P 24/4823	Live	15-12-2014	14-12-2022	100%	174.44
P 24/4824	Live	15-12-2014	14-12-2022	100%	151.43
P 24/4825	Live	15-12-2014	14-12-2022	100%	155.3
P 24/4826	Live	15-12-2014	14-12-2022	100%	175.12
P 24/4832	Live	23-01-2015	22-01-2023	100%	114.92
P 24/4833	Live	23-01-2015	22-01-2023	100%	107.43
P 24/4840	Live	30-01-2015	29-01-2023	100%	107
P 24/4857	Live	29-04-2015	28-04-2023	100%	121
P 24/4858	Live	30-04-2015	29-04-2023	100%	86
P 24/4859	Live	30-04-2015	29-04-2023	100%	174
P 24/4860	Live	30-04-2015	29-04-2023	100%	99
P 24/4861	Live	30-04-2015	29-04-2023	100%	182
P 24/4886	Live	10-06-2015	09-06-2023	100%	50
P 24/4887	Live	10-06-2015	09-06-2023	100%	55.65
P 24/5003	Live	28-07-2016	27-07-2024	100%	110.5173
P 24/5004	Live	04-08-2016	03-08-2024	100%	100.7641
P 24/5005	Live	04-08-2016	03-08-2024	100%	101.1858
P 24/5006	Live	04-08-2016	03-08-2024	100%	114.8006
P 24/5007	Live	04-08-2016	03-08-2024	100%	121.3372
P 24/5008	Live	04-08-2016	03-08-2024	100%	113.2769
P 24/5009	Live	04-08-2016	03-08-2024	100%	22.33
P 24/5021	Live	03-01-2018	02-01-2022	100%	121.95
P 24/5023	Live	03-01-2018	02-01-2022	100%	119
P 24/5024	Live	04-01-2018	03-01-2022	100%	112
P 24/5025	Live	04-01-2018	03-01-2022	100%	110
P 24/5026	Live	04-01-2018	03-01-2022	100%	121
P 24/5027	Live	04-01-2018	03-01-2022	100%	121
P 24/5028	Live	04-01-2018	03-01-2022	100%	109
P 24/5029	Live	04-01-2018	03-01-2022	100%	117
P 24/5030	Live	24-07-2018	23-07-2022	100%	106.1203
P 24/5031	Live	02-07-2018	01-07-2022	100%	108.973
P 24/5032	Live	24-07-2018	23-07-2022	100%	131.5098
P 24/5033	Live	24-07-2018	23-07-2022	100%	151.1229
P 24/5034	Live	24-07-2018	23-07-2022	100%	113.0861
P 24/5035	Live	02-07-2018	01-07-2022	100%	148
P 24/5060	Live	06-09-2016	05-09-2024	100%	9.21
P 24/5061	Live	28-12-2016	27-12-2024	100%	20.1
P 24/5082	Live	04-01-2018	03-01-2022	100%	110.6
P 24/5083	Live	04-01-2018	03-01-2022	100%	109.5
P 24/5084	Live	04-01-2018	03-01-2022	100%	188
P 24/5085	Live	04-01-2018	03-01-2022	100%	112
P 24/5086	Live	04-01-2018	03-01-2022	100%	123

Tenement	Status	Grant	Expiry	Equity	Area (ha)
P 24/5089	Live	03-04-2017	02-04-2025	100%	151.2
P 24/5090	Live	03-04-2017	02-04-2025	100%	146
P 24/5091	Live	03-01-2017	02-01-2025	100%	164
P 24/5092	Live	03-01-2017	02-01-2025	100%	183
P 24/5093	Live	03-01-2017	02-01-2025	100%	196
P 24/5103	Live	13-04-2017	12-04-2025	100%	38.9737
P 24/5104	Live	13-04-2017	12-04-2025	100%	4.5246
P 24/5105	Live	13-04-2017	12-04-2025	100%	33.3657
P 24/5109a	Live	23-02-2017	22-02-2025	100%	148.976
P 24/5178	Live	31-08-2017	30-08-2025	100%	10
P 24/5252	Live	30-01-2019	29-01-2023	100%	4.24
P 24/5253	Live	30-01-2019	29-01-2023	100%	107.9
P 24/5254	Live	30-01-2019	29-01-2023	100%	9.71
P 24/5261	Live	04-02-2019	03-02-2023	100%	152.9
P 24/5262	Live	04-02-2019	03-02-2023	100%	193
P 24/5263	Live	04-02-2019	03-02-2023	100%	81.9
P 24/5264	Live	04-02-2019	03-02-2023	100%	135.29
P 24/5285	Live	09-07-2019	08-07-2023	100%	122
P 24/5286	Live	09-07-2019	08-07-2023	100%	124.18
P 24/5323	Live	17-07-2019	16-07-2023	100%	120.35
P 24/5324	Live	06-02-2020	05-02-2024	100%	120.5173
P 24/5337	Live	17-03-2020	16-03-2024	100%	3.82708
P 24/5351	Live	21-08-2020	20-08-2024	100%	172.0924
P 24/5460	Live	15-03-2021	14-03-2025	100%	188.5653
Aphrodite Sub Project					
M24/720g	LIVE	07-08-2007	20-08-2028	100%	995.45
M24/779	LIVE	07-08-2007	20-08-2028	100%	944
M24/649g	LIVE	10-08-2009	09-08-2030	100%	181
M24/681	LIVE	10-08-2009	09-08-2030	100%	446.36
M24/662g	LIVE	28-06-2007	27-06-2028	100%	363.3075
P24/5014	LIVE	07-07-2016	06-07-2024	100%	141.548
P24/5015	LIVE	07-07-2016	06-07-2024	100%	27.443
Mulwarrie Sub Project					
M30/0119	LIVE	05-08-2007	12-08-2028	100%	67.98
M30/0145	LIVE	12-01-2007	11-01-2028	100%	111.69
Mayday North - North Kanowna Star Sub Project					
M27/102	LIVE	11-05-1989	21-05-2031	100%	799.45
M27/140h,i	LIVE	29-04-1990	01-05-2032	100%	434.8
M27/145h,i	LIVE	08-11-1990	14-11-2032	100%	107.1
P27/2369	LIVE	04-02-2019	03-02-2023	100%	199
P27/2370	LIVE	04-02-2019	03-02-2023	100%	142
P27/2371	LIVE	04-02-2019	03-02-2023	100%	148
P27/2386	LIVE	04-02-2019	03-02-2023	100%	189
South Woodie Woodie Project					
E 46/616	LIVE	03-08-2005	02-08-2022	80%	1 BI
E 46/787	LIVE	22-07-2009	21-07-2023	100%	4 BI
E 46/835	LIVE	25-03-2011	24-03-2023	100%	26 BI
R 46/2	LIVE	04-07-2017	03-07-2022	80%	100Ha
E 46/1159	LIVE	07-03-2018	06-03-2023	100%	18 BI
E 46/1160	LIVE	16-11-2017	15-11-2022	100%	4 BI
E 46/1282	LIVE	11-04-2019	10-04-2024	100%	18 BI
E 46/1304	LIVE	17-01-2020	16-01-2025	100%	16 BI
E 46/1387	PENDING	N/A	31-12-2999	100%	54 BI

Notes:

- The tenement schedule is based on the Bardoc December 2021 Quarterly Report and validated by checking the Department of Mines, Industry Regulation and Safety (DMIRS) Mineral Titles online database.

2. Miscellaneous licences are not detailed in the table above as they do not allow mineral exploitation and are usually for infrastructure associated with a mining operation, they have negligible value unless they are connected with the exploitation of mineral resources. The majority of the Miscellaneous licences are associated with water exploration or extraction or road access to the other tenements.
3. Prospecting licences that have expired are subject to conversion to Mining leases with the prospecting licence remaining live until the mining lease is granted.
4. The following royalties exist over various tenements
  - a. \$1.5/t of ore removed – Auora Gold (W.A.) Pty Ltd
  - b. \$2.0/t of ore removed – Homestake Gold of Australia Pty Ltd 66.6% and Herald Resources 33.3%
  - c. \$1.0/t of ore treated – Mr M.W. Fleay
  - d. \$1.5/t of ore removed – Mr R. M. Lindsay
  - e. \$1.5/t of ore removed – Lindsay Stockdale
  - f. First right to treat – Paddington Gold Pty Ltd
  - g. 2.5% royalty of gold and precious metals and minimum \$250,000/year – Franco Nevada Australia Pty Ltd
  - h. \$15/ounce for the first 50,000 produced from Mayday North – Strategic Projects Mining Pty Ltd
  - i. Recovered grade (g/t) x \$5 – Croesus Mining (IGO)

### 3. Bardoc Gold Project

The main mineral asset owned by Bardoc is the Bardoc Gold Project consisting of 134 mineral titles as detailed above. Most of the tenements are 40 – 50km to the North - Northeast of Kalgoorlie in Western Australia. This report reviews the location, geology, Mineral Resource estimates, Ore Reserves, Definitive feasibility study (DFS) mining studies, exploration potential and valuation of the project.

#### 3.1. Location and Access

The BGP is located approximately 700km East Northeast of Perth and 50km to the north of Kalgoorlie, Western Australia. It is within the City of Kalgoorlie Boulder. Access to the project from Kalgoorlie is via the Kalgoorlie – Menzies sealed road then via station and exploration tracks. The tenements that constitute the majority of the BGP straddle the Kalgoorlie – Menzies Road. The project lies on the Mt Vettors Pastoral station. While the main Kalgoorlie – Menzies Road is sealed the other tracks are unsealed gravel roads but in generally good condition however access is potentially impacted by wet weather. Overall, the project is well supported by infrastructure.

Adjacent to the Kalgoorlie – Menzies Road is an operational standard gauge rail line that connects Leonora to Kalgoorlie and then either to Esperance, Perth, or the eastern states of Australia. The rail line is immediately adjacent to the Excelsior deposit and will require relocating should the project be developed. Additionally, there is a natural gas pipeline that connects the Goldfields gas pipeline and the Cawse Nickel processing facility. This gas pipeline and the Cawse processing facility has been on care and maintenance for over 14 years, and it is covered by a miscellaneous licence application. The vegetation buffer around the pipeline was observed during the 2018 site visit and is poorly maintained with significant vegetation growing on or adjacent to the pipeline. It is uncertain if the pipeline would be suitable for or able to be reinstated as an active pipeline. Should the southern extension of the Zoroastrian deposit be mined then the pipeline would either need to be relocated or decommissioned.

Figure 1 shows the location of the BGP.

### 3.2. Geology

The BGP is located in the Bardoc Tectonic Zone a major structural component of the northern of the Kalgoorlie Terrane, Yilgarn Craton. The Bardoc Tectonic Zone consists of intense shearing that extends for approximately 80km and is up to 12km wide. To the east of the project is the Scotia – Kanowna dome, which is dominated by pre to syn tectonic granites. To the west is the regionally significant Goongarrie – Mt Pleasant Dome. The Bardoc Tectonic Zone hosts several significant gold deposits including Paddington, approximately 8km to the south of the BGP tenements. The shear system extends along strike and is a splay off the Boulder – Lefroy Shear which hosts the Golden Mile gold deposits.

Each of the gold deposits within the project are hosted in subtly different geological environments. The Zoroastrian deposit is hosted predominantly within a differentiated dolerite with two distinct mineralised orientations, one being steep west dipping mineralised structures trending North to North-north-west with a second orientation being a shallowly dipping mineralisation between the steeper structures. There are several sub parallel lodes that constitute the Zoroastrian deposit, these are (from West to East) Birthday Dream, Royal Mint, Bluey's and Zoroastrian, to the south of a North East orientated structure that divides the deposit there are subtly different names for these lodes. Located to the east of the Zoroastrian deposit is the Excelsior deposit, which is hosted in highly sheared sediments, basalts, talc – chlorite schists, quartz sericite schists, felsic porphyrys and interflow sediments. The major structural feature of the Excelsior deposit is North-South strike slip shear. Due to the highly sheared nature of the mineralisation at Excelsior the stratigraphy is very deeply weathered.

The Aphrodite deposit, which consists of two main lodes, being the Alpha and Phi lodes, is hosted in a series of intermediate to felsic porphyry bodies intruded into a sequence of basalts, volcanic turbidites, siltstones and carbonaceous shale of dominantly volcanic origin. These units are part of a thin strip of greenstones between the Mt Pleasant and Kanowna Domes. The porphyries include feldspar-phyrlic intermediate, plagioclase-hornblende, feldspar-biotite and coarse-grained variants

The gold mineralisation known as the Alpha and Phi Lodes occur in a series of North-Northwest to North trending, sub-vertical brittle-ductile faults running sub-parallel to the stratigraphy. A third thin (2m wide) sub parallel lode known as the Omega Lode occurs to the west of the Phi Lode has a strike extent of several hundred meters and depth extent of around 200m. The Epsilon Lode is a diffuse poorly defined shallow north-dipping zone that appears to link between the two main faults. The primary mineralisation is known to be refractory in nature.

The Alpha Lode strikes at 350° and dip at  $\approx 80^\circ$  to the East. A major part of the lode is within a North-Northwest striking elongate hornblende-plagioclase porphyry intrusion known as the Main Porphyry but to the North it is hosted by turbiditic sediments. The lode is known to extend along strike for several hundred metres and has an average width in the porphyry of 5 metres expanding to 20 metres in the sediments. Mineralisation has been intersected at a maximum down-dip depth of 650m below surface.

The Phi Lode is hosted by a sheared turbiditic sediments located 200 metres west of the Alpha Lode. The mineralisation is sub vertical, strikes  $345^{\circ}$  and is up to the 30m thick. The mineralisation is bounded by the Main Porphyry to the east and the Western Porphyry to the West. Mineralisation occurs as several  $\approx 6$ m wide parallel zones that extend for several hundred metres along strike and  $\approx 370$  metres down dip. The geological controls on the higher-grade zones are not well understood.

The high-grade gold mineralisation at Alpha and Phi Lodes is associated with quartz-pyrite-arsenopyrite veining and/or breccia and a texturally destructive alteration assemblage dominated by sericite, pyrite and arsenopyrite. The best indicators of high-grade mineralisation are silicification and brecciation with lower grade porphyry-hosted mineralisation at Alpha Lode is typically associated with weak to moderate sericite-pyrite-pyrrhotite alteration in weakly to moderately foliated rock. The limits of low-grade mineralisation correspond with the limits of the sericite-pyrite-pyrrhotite alteration assemblages at the Phi Lode are similar to those at the Alpha Lode.

Other deposits, while all subtly different and having a different geological and structural setting, are broadly associated with either the Bardoc Tectonic Zone or the Black Flag Fault or associated splays from these regionally significant structures.

### 3.2.1. Production History

Mining reports dating back to the late 1890s to the early 1900s show that 56.7koz of gold was mined from the Bardoc mining area, located in the central part of the Bardoc Gold Project. The previously mined ounces at the turn of the previous century included 6,719 tonnes at 19.8g/t Au for 4.3koz at Excelsior, 13,815 tonnes at 17.2g/t Au for 7.7koz at Zoroastrian, and 26,535 tonnes at 23.5g/t Au for 20koz at the Slug Hill Gold Mine.

Historical underground production in the Mulwarrie District, including the Mulwarrie Project area, has a recorded production of 26,344 ounces of gold from 19,728 tonnes for an average grade of 41.53 g/t Au.

In the late 1980's, Callion Mining Pty Ltd mined the Mulwarrie Central West Pit extracting 24,344 tonnes @ 3.88 g/t Au for 3,037oz. The Mulwarrie Central West Pit has a strike length of 150m with a maximum depth of 36m.

More recent mining by Aberfoyle Gold occurred between 1987 to 1991 when 2,020kt at 1.5g/t Au for 97,400oz was mined from the Excelsior Open Pit and 203.86kt at 2.44g/t Au for 16,000oz Au was mined from the Zoroastrian Open Pit.

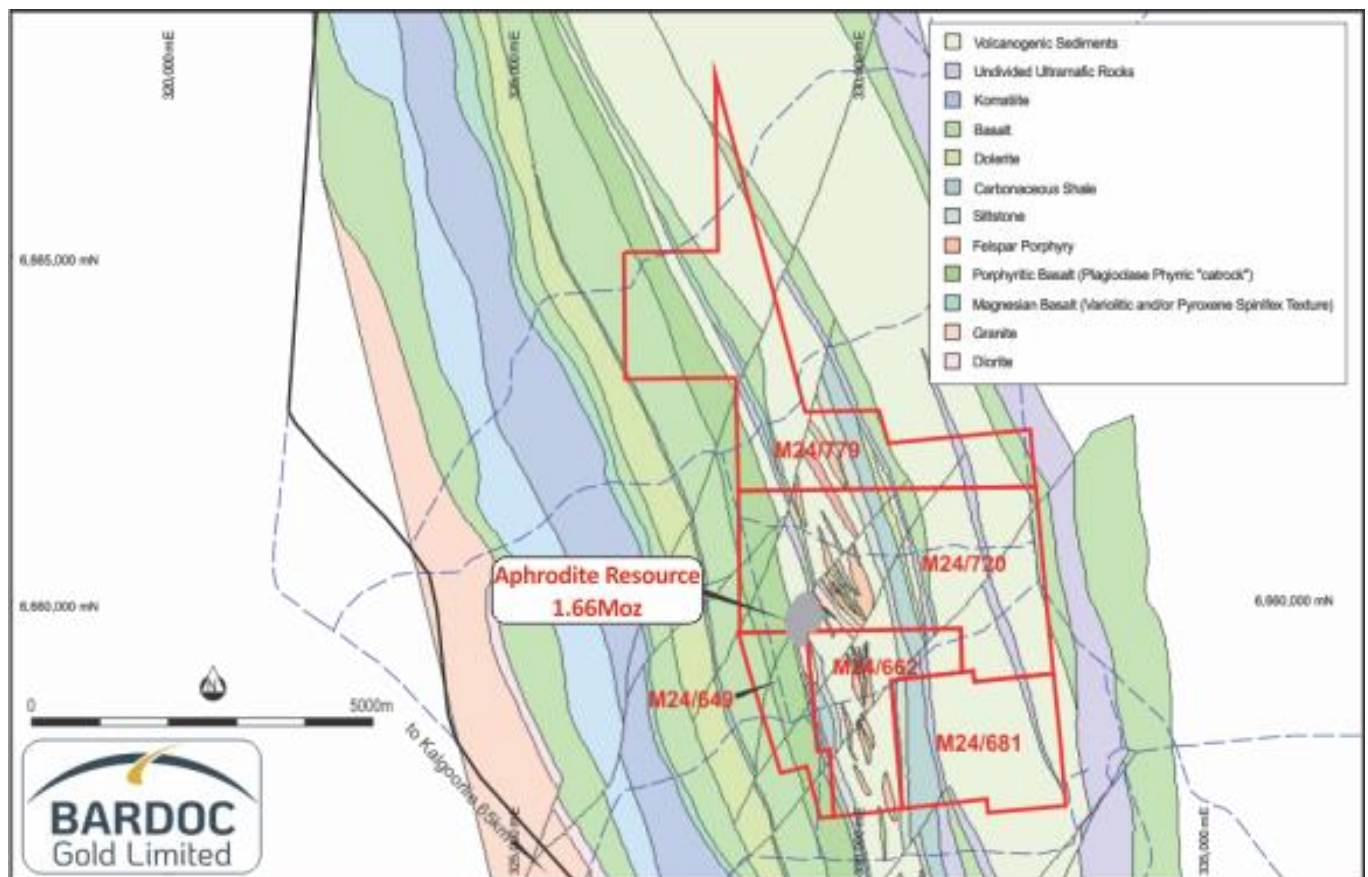
Gold Mineralisation at Aphrodite was discovered in 1994. This was followed up in 1995 with rotary air blast (RAB) and air core (AC) drilling by Dalrymple Resources NL and Pancontinental Resources NL. This drilling delineated a supergene "blanket" of gold mineralisation at approximately 50 metres at the interface between fresh rock and saprolite.

Deeper RC and diamond core drilling in the period 1998 to early 2000 by Goldfields Australia Limited (Goldfields) resulted in the broad delineation of the Alpha and Phi lodes and, in early 2000. In 2002 Aurion Gold Limited (Aurion), a joint venture between Goldfields Australia Pty Ltd and Delta Gold Limited, conducted a small RC/DD drilling program. Late in 2002, ownership of the project passed from Aurion to Placer Dome Asia Pacific Ltd (Placer) through a takeover. Placer was subsequently taken over by Barrick Australia Limited.

Apex Minerals acquired the project in May 2007. Aphrodite (now Bardoc) acquired the project from Apex in late 2009. Between June 2010 and March 2013 Aphrodite conducted a several RC drilling programs aimed at extending the known gold resource and discovering extensions. There is no recorded historical gold production and no historical workings have been identified in the Aphrodite area.

Excelsior Gold Limited (now Bardoc) mined 953kt at 2.1g/t Au for 63koz, primarily from the Zoroastrian Deposit between 2015-2017.

No mining activities have occurred within the BGP since 2017.



Note this figure does not include all tenements owned by Bardoc

Figure 2 Regional Geology and Location of the Aphrodite Gold project.



### 3.3. Resources

There are seventeen Mineral Resource Estimates for deposits within the Bardoc Gold Project. This report details the Mineral Resource estimates for the five deposits that contribute to the Ore Reserve estimates. The various ASX releases as detailed in Table 2 below provide similar information to that contained in this report for the Mineral Resources not detailed in this report.

The five deposits that have Mineral Resources that are partly converted to Ore Reserves and included in the financial model for this valuation are the Aphrodite, Zoroastrian, Excelsior, Bulletin South and Mayday North deposits. VRM has undertaken a high-level review of the reasonableness of the assumptions and underlying information and methods used in these Mineral Resources. As the Mineral Resources were externally audited by an external geological consultancy in the preparation of the Ore Reserves which are detailed below in this report VRM has not undertaken a detailed review of the Mineral Resources. This reasonableness check was undertaken by reviewing the Resource Reports provided to VRM along with reviewing the JORC Table 1 associated with each of the ASX Releases where these Resources were first reported. A high-level review of the Zoroastrian Open Pit Mineral Resource, announced on 22 May 2018 by Paul Payne of Payne Geoscience was undertaken in the 2018 ITAR prepared by DRM as disclosed above, while that review identified several aspects that could be slightly adjusted in general the Zoroastrian Mineral Resource estimate was robust, undertaken using industry standard constraints and the inputs appeared to be appropriate.

Table 2 Bardoc Gold Project Mineral Resource Estimates as at 30 June 2021

BARDOC GOLD PROJECT: RESOURCES															
Deposit	Type	Cut-Off (g/t Au)	MEASURED			INDICATED			INFERRED			TOTAL RESOURCES			Original ASX Report Date
			Tonnes (,000t)	Grade (g/t Au)	Ounces (,000oz)	Tonnes (,000t)	Grade (g/t Au)	Ounces (,000oz)	Tonnes (,000t)	Grade (g/t Au)	Ounces (,000oz)	Tonnes (,000t)	Grade (g/t Au)	Ounces (,000oz)	
Aphrodite	OP	various	-	-	-	13,458	1.5	666	5,321	1.3	229	18,780	1.5	895	
Aphrodite	UG	1.7	-	-	-	4,156	3.7	497	2,571	3.3	271	6,726	3.6	768	
Aphrodite	TOTAL		-	-	-	17,614	2.1	1,163	7,892	2.0	500	25,506	2.0	1,663	
Zoroastrian	OP	0.3	-	-	-	3,987	1.8	231	1,918	1.5	90	5,904	1.7	321	22/5/18
Zoroastrian	UG	1.6	-	-	-	800	4.7	120	812	3.4	90	1,612	4.0	209	30/9/20
Zoroastrian	TOTAL		-	-	-	4,787	2.3	351	2,730	2.0	180	7,516	2.2	530	
Excelsior	OP	0.3	-	-	-	9,645	1.0	313	1,685	0.8	41	11,330	1.0	354	
Mayday North	OP	0.5	-	-	-	1,303	1.6	66	431	1.2	17	1,778	1.5	83	30/9/20
Talbot North	OP	0.4	-	-	-	698	1.8	40	123	1.8	7	820	1.8	47	30/9/19
Bulletin South	OP	0.4	152	2.2	11	546	2.1	36	150	2.1	10	849	2.1	57	30/9/19
Duke North	OP	0.4	-	-	-	851	1.0	28	795	1.0	25	1,646	1.0	53	30/9/19
Lochinvar	OP	0.4	-	-	-	423	1.8	24	57	1.6	3	480	1.7	27	19/2/14
El Dorado	OP	0.5	-	-	-	203	1.4	9	383	1.5	18	586	1.5	28	
El Dorado	UG	2.0	-	-	-	-	-	-	51	6.5	11	51	6.5	11	
El Dorado	TOTAL		-	-	-	203	1.4	9	434	2.1	29	637	1.9	39	30/9/20
North Kanowna Star	OP	0.5	-	-	-	157	1.6	8	559	1.3	24	716	1.4	32	9/9/19
South Castlereagh	OP	0.5	-	-	-	111	1.6	6	369	1.3	15	481	1.4	21	30/9/19
Mulwarrie	OP	0.5	-	-	-	-	-	-	881	2.8	79	881	2.8	79	13/11/18
Nerrin Nerrin	OP	0.5	-	-	-	-	-	-	651	1.3	26	651	1.3	26	30/9/19
Vettersburg South	OP	0.6	-	-	-	-	-	-	552	1.5	26	552	1.5	26	11/12/13
Windanya	OP	0.6	-	-	-	-	-	-	360	1.5	17	360	1.5	17	11/12/13
Grafters	OP	0.5	-	-	-	-	-	-	319	1.3	14	319	1.3	14	30/9/19
Ophir	OP	0.6	-	-	-	-	-	-	75	1.9	5	75	1.9	5	11/12/13
TOTAL RESOURCES			152	2.3	11	36,338	1.7	2,044	18,063	1.8	1,018	54,597	1.8	3,073	

Source: Bardoc 2021 Annual Report, ASX release 30 September 2021, initially reported 29 March 2021.

Notes – Totals may not add due to rounding errors, appropriate rounding has been applied to the Mineral Resource estimates

### 3.3.1. Aphrodite Mineral Resource

Extracted from the 29 March 2021 ASX release

#### ■ GEOLOGY AND GEOLOGICAL INTERPRETATION

The local stratigraphy comprises of a package of mafics, epiclastic sediments of predominantly volcanic origin, intermediate to felsic intrusives, and ultramafics. The package strikes North Northwest. From West to East the lithologies broadly progress from a megacrystic dolerite through sediments intruded by intermediate porphyries and finally ultramafics in the east. The mixed epiclastic and volcanoclastic succession was intruded by felsic to intermediate porphyries that are all in turn intruded by dolerite sills and dykes. The Aphrodite deposit is a series of steep, West Southwest-dipping shear zones often located along lithological contacts. Hydrothermal alteration associated with the gold mineralisation is characterised by a quartz-albite-sericite  $\pm$  biotite, chlorite assemblage which is pale-cream coloured, with an increased hardness. The geological interpretation was completed by Geological Consultants Model Earth Pty Ltd in 2018 and was used as a basis for the interpretation of the mineralisation.

#### ■ DRILLING TECHNIQUES

Drilling completed by numerous operators using RC and Diamond drilling. Upper portions of the deposit are well drilled on a 20m x 20m grid with wider spaced drilling at depth and further along strike. Drilling was dominantly at  $-60^{\circ}$  towards the west or east. The majority of holes were downhole surveyed by various methods and collars located by contracted or mine surveyors. All BDC drilling was either RC or HQ or NQ2 diamond core. The diamond core holes regularly have a mud rotary pre-collar. All holes were downhole surveyed at least every 30m and collars located by contract surveyor.

#### ■ SAMPLING TECHNIQUES, SUB-SAMPLING TECHNIQUES, SAMPLE PREPARATION AND ANALYSIS

RC sampling of a ~3kg split from the bulk sample was commonly done with assay by 40g or 50g Fire Assay. NQ2 or HQ core was sawn in half and one quarter, or one half sent for assay. Sampling of core was commonly to 1m intervals and occasionally to intervals of geological interest. Core drilled by BDC was sawn and one half sampled, usually to 1m intervals. Samples were sent to accredited laboratories for gold analysis by Fire Assay with ICP finish, and Peroxide Fusion Digest with ICP finish for As, S & Cu. Quality control data was included in all drill programs. A review of the QAQC data found analytical results to be satisfactory and suitable for inclusion in the resource estimation.

#### ■ ESTIMATION METHODOLOGY

Localised Uniform Conditioning (LUC) was used for the open pit resource model. LUC is a non-linear technique suitable for estimating into smaller blocks (SMU scale) using wider spaced resource drilling. The LUC model implies a level of selectivity at the SMU scale that would not be achievable in an underground mining scenario so an ordinary kriged model was developed for underground estimation. Samples composited to 1m were used, top cuts were applied on a domain basis based on disintegration analysis of the probability curve and visual inspection of the histogram. Variography was used to determine directions of gold grade continuity, supported by geological evidence. Ellipsoidal search parameters were applied on a domain basis with distances between 80m to 130m. A minimum of 7 samples with an optimal 3 or 4 samples for each of the four sectors was used, with an optimal 3 samples per borehole. Two search passes were



conducted, with the second increasing in volume by three-fold. The kriged block size and LUC panel size was 10mE x 20mN x 5mRL and the LUC SMU size was 2.5mE x 5mN x 2.5mRL. Bulk density values were applied from average density readings in different lithologies and weathering states.

Ordinary Kriging was used for the underground resource model. Samples composited to 1m were used, top cuts were applied on a domain basis based on disintegration analysis of the probability curve and visual inspection of the histogram. Variography was used to determine directions of gold grade continuity, supported by geological evidence. Ellipsoidal search parameters were applied on a domain basis with distances between 80m to 200m. Minimum samples used was 7 with a maximum of 15 samples in the first pass. Minimum sample and search distance parameters were relaxed for subsequent searches. The ordinary kriged block size used is 5mE x 5mN x 5mRL. Bulk density values were applied from average density readings in different lithologies and weathering states.

#### ■ MINERAL RESOURCE CLASSIFICATION

Mineral resource classification open pit (OP) resource component:

Confidence is dominantly dependent on drill hole spacing. In well drilled (up to 40m x 40m) areas grade continuity is good and ore body geometry is predictable. These areas were classified as indicated. Less well drilled areas up to ~ 80m x 80m defined areas of inferred material.

Mineral resource classification underground (UG) resource component

Confidence is dominantly dependent on drill hole spacing. In well drilled (up to 40m x 40m) areas grade continuity is good and ore body geometry is predictable. These areas were classified as indicated. Less well drilled areas up to ~ 80m x 80m defined areas of inferred material.

#### ■ CUT-OFF GRADES AND REPORTING

The cut-off grade for reporting is oxide=0.3g/t Au, transitional=0.5g/t Au, fresh=0.7g/t Au, to reflect potential development by open pit mining. Open pit resources are reported above an RL representative of 230m below surface. A resource below 230m below surface is reported at a cut-off grade of 1.7g/t, which reflects economics of possible underground mining.

#### ■ METALLURGY

The Aphrodite deposit has never been mined. Bardoc has conducted extensive metallurgical test work on all lithology types from various weathering profiles. The test work has concluded the fresh and transitional ore is refractory in nature. There has been many generations of test work and several processing methods investigated but Bardoc has determined that a flotation concentrate of sulphide ore will be produced and sold to 3<sup>rd</sup> parties. Recoveries, Capital Costs and Operating Costs will be based on this flow sheet, with concentrate tails being processed through a CIL process facility.

#### MODIFYING FACTORS

No modifying factors were applied to the reported Mineral Resources. Parameters including geotechnical, mining dilution, ore loss and metallurgical recoveries will be considered during the mining evaluation of the project.

### 3.3.2.Zoroastrian Mineral Resource

Extracted from the 22 May 2018 and 30 September 2020 ASX releases

#### ■ GEOLOGY AND GEOLOGICAL INTERPRETATION

The local stratigraphy comprises a package of sediments, mafics and ultramafics deformed and thinned between two granite domes resulting in a formation of a narrow syncline. The Zoroastrian deposit occurs within this syncline. A dolerite has intruded the greenstone rocks and is the host-rock of the Zoroastrian gold deposit. The gold mineralisation at Zoroastrian is associated with steep West dipping lodes, oriented approximately North South, and shallow dipping lodes predominantly in the footwall to the steep lodes. The steep lodes occur within zones of shearing that present as foliation of varying intensity. The shallow lodes are extensional in nature and foliation is absent. The presence or absence of foliation has allowed the classification and interpretation of mineralised drill intercepts as either “steeps” or “flats”. The interpretation of mineralised lodes for the open pit resource was completed at a 0.3g/t Au cut-off grade guided by presence and intensity of quartz veining. The 0.3g/t Au value is indicative of mineralisation on the periphery of a high-grade zone and is typically characterised by pyrite and pyrrhotite sulphides as opposed to arsenopyrite in the high-grade zones. Wireframes for the underground resource were at a nominal 1g/t Au cut-off which represents the material in the material in core of the mineralised structures.

#### ■ DRILLING TECHNIQUES

The Zoroastrian deposit has been defined by an extensive drill database, including some historical and considerable drilling completed by Excelsior. Historic digital data has been verified against hardcopy records and ground truthed where possible. For Bardoc Gold drilling, the RC drilling system employed the use of a face sampling hammer and a nominal 146mm diameter drill bit. The DC drilling is NQ2 size core (nominal 50.6mm core diameter) or HQ (nominal 63.5mm core diameter). All Bardoc Gold drill core was orientated by the drilling contractor. Holes are down hole surveyed usually every 18m(core), 30m(RC) down-hole. All collars are picked up by a surveyor.

#### ■ SAMPLING TECHNIQUES, SUB-SAMPLING TECHNIQUES, SAMPLE PREPARATION AND ANALYSIS

Details on sampling completed by all historic operators are not available, it is assumed that procedures were to the industry standard of the time. However, much of the historic drilling was completed by Aberfoyle, whose sampling procedures are considered adequate. All Bardoc Gold RC drilling was sampled at one metre down hole intervals. The recovered samples were passed through a cone splitter and a representative 2.5kg – 3.5kg sample was taken to a Kalgoorlie contract laboratory for gold assay. The core samples were collected at nominated intervals by Bardoc staff from core that was cut in half at the Bardoc Mine Site. All samples were oven dried, crushed to a nominal 10mm by a jaw crusher, reduced by riffle splitting to 3kg as required and pulverized in a single stage process to 85% passing 75 µm prior to being assayed for gold. Historic assay methods were not documented, however Aberfoyle used standard analysis methods from Genalysis, Analabs and Pilbara (Kalgoorlie) Laboratories. All BDC pulverised samples were prepared for standard fire assay techniques using a 40g or 50g charge. A review of the QAQC data found analytical results to be satisfactory and suitable for inclusion in the resource estimation

#### ■ ESTIMATION METHODOLOGY

For the September 2020 Resource Report, only the underground component is changed from September 2019. The Open Pit component is as per 22 May 2018. For clarity both open pit and underground modelling is summarised here. Localised Uniform Conditioning (LUC) was used for Zoroastrian where open pit mining is the likely extraction method. Composited samples were used for grade interpolation, 1m width at Zoroastrian. Composite grade top cutting was completed on a domain basis based on disintegration analysis of the probability curve and visual inspection of the histogram. Variography was used to determine directions of grade continuity, supported where possible by geological evidence. Ellipsoidal search parameters were applied on a domain basis with distances between 90m to 145m (Zoroastrian). Minimum samples ranged between 2 and 8 for Zoroastrian with maximum samples employed 32. The LUC panel size for Zoroastrian was 8mE x 15mN x 10mRL and SMU block sizes were 2mE x 5mN x 12.5mRL. The SMU sizes were selected based on the geometry of the mineralisation and the likely degree to which selective mining could be achieved given the visual appearance of mineralisation. The underground resource at Zoroastrian was estimated using ordinary kriging as the LUC model is unsuitable for underground mine planning. The underground model used a block size of 4mE x 15mN x 8mRL, considered appropriate for the drill holes spacing and mining method. Estimation search parameters including search distance and minimum number of samples were relaxed on subsequent runs.

#### ■ MINERAL RESOURCE CLASSIFICATION

The classification attempts to categorise areas of the block model to reflect confidence in the geological framework and estimation quality. The classification takes account of confidence in the geological interpretation and sample density. To avoid a mosaic style of classification, solid wireframes were constructed to encompass areas considered to adequately fulfil the requirement to be classified as either indicated or inferred.

Indicated - Areas with drill spacing up to approximately 40mE x 40mN with good confidence in the geology.

Inferred – Areas with wider spaced drilling but reasonable confidence in geological continuity

#### ■ CUT-OFF GRADES AND REPORTING

The Mineral Resource reported by the Company is that portion of the resource model that is above 0.4g/t Au and is constrained to a depth of 200m below surface to reflect potential development by open pit mining. This satisfies the “reasonable prospects of eventual economic extraction” criteria for JORC compliance. Only Indicated and Inferred mineralisation that falls within this area is reported as Mineral Resource. There has been no update to the previously reported open pit LUC block model detailed by Spitfire Materials Ltd (ASX: SPI) Announcement of 13 November 2018 the only change is in the cut-off grade. A resource below 200m below surface is reported at a cut-off grade of 1.75g/t, which reflects the economics of possible underground mining. This satisfies the “reasonable prospects of eventual economic extraction” criteria for JORC compliance. Only Indicated and Inferred mineralisation that falls within this area is reported as a Mineral Resource. The resource has been depleted for prior mining.

#### ■ METALLURGY

The Zoroastrian Deposit has been recently successfully previously mined. Metallurgical test work and milling reconciliations confirm gold recoveries exceed 92% for primary ore.

#### ■ **MODIFYING FACTORS**

No modifying factors were applied to the reported Mineral Resources. Parameters including geotechnical, mining dilution, ore loss and metallurgical recoveries will be considered during the planned mining evaluation of the project. The reported Mineral Resources have been depleted to account for previous mining.

### 3.3.3. Excelsior Mineral Resource

Extracted from the 29 March 2021 ASX release

#### ■ **GEOLOGY AND GEOLOGICAL INTERPRETATION**

The local stratigraphy comprises of a package of sediments, mafics and ultramafics which strike consistently north-south with variable although steep dips. Excelsior mineralisation is hosted by a sequence of tuffaceous and pelitic sediments and minor intercalated volcanics and intrusives that mark a thin (150 metres) interflow horizon bounded by massive komatiitic flow rocks. Gold mineralisation at Excelsior is associated with three North-South striking, sub-vertical brittle-ductile shear zones within a variety of host lithologies. Shears are generally broad, up to 60m wide in the oxide zone, and characterised by pervasive strong foliation. Gold mineralisation is associated with intense carbonate, sericite/fuchsite, and sulphide alteration. The resource model is for the most part interpreted to a 0.3g/t Au cut-off grade assisted by presence and intensity of quartz veining and alteration.

#### ■ **DRILLING TECHNIQUES**

The Excelsior deposit has been defined by an extensive database of drilling completed by historic operators and BDC. Historic digital data has been verified against hardcopy records and ground 'truthed' where possible. The majority of historic drilling (50%) was completed by Aberfoyle who completed 4-3/4" RC roller drilling with minor RC hammer drilling in heavily quartz veined or fresher lithologies. Aberfoyle drilled NQ2 diamond core. For BDC drilling, the RC drilling system employed the use of a face sampling hammer and a nominal 146mm diameter drill bit. The DC drilling is NQ2 size core (nominal 50.6mm core diameter) or HQ (nominal 63.5mm core diameter). All BDC drill core is orientated by the drilling contractor. Holes are down hole surveyed usually every 30m downhole and deeper holes are gyro surveyed by a contract surveyor. All collars are picked up by a mine or contract surveyor.

#### ■ **SAMPLING TECHNIQUES, SUB-SAMPLING TECHNIQUES, SAMPLE PREPARATION AND ANALYSIS**

Aberfoyle collected the entire RC sample in a large plastic bag sealed tight over the base of the cyclone to avoid dust loss. The full sample was then multiple riffled to provide two approximately 2kg splits, one for assay and the other for storage/metallurgical purposes. Wet samples were collected in a bucket after passing through a rotary disc wet splitter, flocculated, dried, and split to give two 2kg samples. Diamond drilling was NQ diameter and where the material drilled was intensely oxidised drilling was performed using a triple tube. One half NQ core was submitted for assay. Core was sawn where hard enough or cut with a knife when intensely oxidised. All Bardoc Gold RC drilling was sampled at one metre down hole intervals. The recovered samples were passed through a cone splitter and a representative 2.5kg – 3.5kg sample was taken to a Kalgoorlie contract laboratory for gold assay. The core samples were collected at nominated intervals by Bardoc staff from core that was cut in half at a Kalgoorlie based laboratory or onsite at the Bardoc core yard.

All samples were oven dried, crushed to a nominal 10mm by a jaw crusher, reduced by riffle splitting to 3kg as required and pulverized in a single stage process to 85% passing 75  $\mu$ m prior to being assayed for gold. Initial assaying by Aberfoyle (24 holes) was by Aqua Regia. Subsequent assaying was by 40 or 50g charge fire assay. All BDC pulverised samples were prepared for standard fire assay techniques using a 40 or 50g charge. A review of the QAQC data found analytical results to be satisfactory and suitable for inclusion in the resource estimation.

#### ■ ESTIMATION METHODOLOGY

Localised Uniform Conditioning (LUC) was used as open pit mining is the likely extraction method. Composited samples of 1m width are used, grade top cutting was completed on a domain basis based on disintegration analysis of the probability curve and visual inspection of the histogram. Variography was used to determine directions of grade continuity, supported where possible by geological evidence. Ellipsoidal search parameters were applied on a domain basis with distances between 60m to 100m. A minimum of 7 samples with an optimal 4 samples for each of the four sectors was used, with an optimal 4 samples per borehole. Two search passes were conducted, with the second increasing in volume by three-fold. The estimation panel size used was 8mE x 16mE x 10mRL with a SMU block size of 4mE x 8mN x 2.5mRL chosen (no rotation) for use in the localisation process. This SMU block size is considered appropriate for the generally broad nature of mineralisation where a highly selective mining method (dictated by an even smaller SMU size) is considered unlikely. The SMU sizes were selected based on the geometry of the mineralisation and the likely degree to which selective mining could be achieved given the visual appearance of mineralisation. Bulk density values were applied from average density readings in different lithologies and weathering states.

#### ■ MINERAL RESOURCE CLASSIFICATION

The classification attempts to categorise areas of the block model to reflect confidence in the geological framework and estimation quality. The classification takes account of confidence in the geological interpretation and sample density. To avoid a mosaic style of classification, strings were constructed to encompass areas considered to adequately fulfil the requirement to be classified as either indicated or inferred:

Indicated - Areas with drill spacing up to approximately 30mE x 30mN and with good confidence in the geology.

Inferred – Areas with wider spaced drilling but reasonable confidence in geological continuity.

#### ■ CUT-OFF GRADES AND REPORTING

The cut-off grade for reporting is 0.3g/t, to reflect potential development by open pit mining. Open pit resources are reported above an RL representative of 250m below surface. The currently defined extent of mineralisation above 2.0g/t Au does not warrant reporting of resources with potential for extraction by underground mining.

#### ■ METALLURGY

Both deposits have been recently successfully previously mined. Metallurgical test work and milling reconciliations confirm gold recoveries for both deposits exceed 92% for primary ore

#### ■ **MODIFYING FACTORS**

No modifying factors were applied to the reported Mineral Resources. Parameters including geotechnical, mining dilution, ore loss and metallurgical recoveries will be considered during the mining evaluation of the project.

### 3.3.4. Mayday North Mineral Resource

Extracted from the 30 September 2020 ASX releases

#### ■ **GEOLOGY AND GEOLOGICAL INTERPRETATION**

The geology of the project comprises a northeast trending sequence of fine to medium grained volcanics dipping at 45° to the northeast. Lithologies vary from gabbro in the west to foliated basalt in the east of the project area. Primary gold mineralisation occurs in a tabular, brecciated zone adjacent to the sheared contact between an amphibole basalt and a chloritic basalt. Sulphide veining and brittle fracturing filled with silica, pyrite and arsenopyrite are the dominant hosts of mineralisation. The mineralised zone dips at approximately 45° northeast and has a typical thickness of 10-20m. A deep weathering profile has developed over the Mayday North deposit, up to 60m deep in places. Distinct depletion and remobilisation of gold is evident within the oxide profile and as a result of this, substantial zones of flat lying, supergene gold mineralisation have formed above the primary mineralisation. A high-grade portion of the supergene mineralisation was exploited in a small open pit.

#### ■ **DRILLING TECHNIQUES**

Drilling completed by numerous operators using RC and Diamond drilling. Upper portions of the deposit are well drilled on a 20m x 20m grid with wider spaced drilling at depth and further along strike. Drilling was dominantly at -60° towards the West or East. The majority of holes were downhole surveyed by various methods and collars located by contracted or mine surveyors. All BDC drilling was HQ diamond, usually with a mud rotary or RC pre-collar and targeted deeper mineralisation. All Spitfire holes were downhole surveyed every 30m and collars located by contract surveyor

#### ■ **SAMPLING TECHNIQUES, SUB-SAMPLING TECHNIQUES, SAMPLE PREPARATION AND ANALYSIS**

All RC holes sampled on 1m intervals and split on-site to a smaller ~2.5kg sample for analysis. Goldfields analysed alternate samples and infill samples were subsequently tested once any anomalous zones were identified. Wet samples were scoop sampled. Some operators composited to 4m for initial analysis. 1m splits subsequently assayed if the composite interval was anomalous. Assaying was generally by 50g Fire Assay utilising certified laboratories. BDC RC drilling was sampled and assayed every metre by 40g fire assay. The core samples were collected at nominated intervals by Bardoc staff from core that was cut in half at the Bardoc Mine Site. All samples were oven dried, crushed to a nominal 10mm by a jaw crusher, reduced by riffle splitting to 3kg as required and pulverized in a single stage process to 85% passing 75 µm prior to being assayed for gold. Historic assay methods were not documented, however previous explorers used standard analysis methods from Genalysis, Analabs, Aurum and Kalgoorlie Assay Laboratories. All BDC pulverised samples were prepared for standard fire assay techniques using a 50g charge. A review of the QAQC data found analytical results to be satisfactory and suitable for inclusion in the resource estimation BDC is of the opinion that the historic drilling was completed to industry standard by well-established drill



companies. Sampling and assay procedures are described and are to industry standard. BDC RC drilling was assayed by fire assay and a system of QAQC checks implemented. For historic drilling (pre EXG) much of the QAQC data is unavailable and results are unknown.

#### ■ **ESTIMATION METHODOLOGY**

Grade estimation was by Ordinary Kriging for Au using Micromine software. The estimate was resolved into 5m (E) x 5m (N) x 5m (RL) parent cells that have been sub-celled at the domain boundaries for accurate domain volume representation. Estimation parameters were based on the variogram models, data geometry and kriging estimation statistics. Top cuts were decided by completing an outlier analysis using a combination of methods including grade histograms, log probability plots and other statistical tools. Based on this statistical analysis of the data population, top cuts were applied to some of the domains.

#### ■ **MINERAL RESOURCE CLASSIFICATION**

The Mineral Resource has been classified on the basis of confidence in the geological model, continuity of mineralized zones, drilling density, confidence in the underlying database and the available bulk density information. In part, the lodes have been drilled down to a 15m x 15m spacing, on drill lines running east northeast – west-southwest. To the north and south drilling is at greater spacing, commonly on 40m spaced drill sections

#### ■ **CUT-OFF GRADES AND REPORTING**

The Mineral Resource reported by the Company is that portion of the resource model that is above 0.5g/t Au and is constrained to a depth of 200m below surface to reflect potential development by open pit mining. This satisfies the “reasonable prospects of eventual economic extraction” criteria for JORC compliance. Only Indicated and Inferred mineralisation that falls within this area is reported as Mineral Resource. The currently defined extent of mineralisation above 2.0g/t Au does not warrant reporting of resources with potential for extraction by underground mining.

#### ■ **METALLURGY**

Metallurgical test work has been limited to some initial cyanide bottle rolls. Preliminary results suggest a refractory component in the primary mineralisation.

#### ■ **MODIFYING FACTORS**

No modifying factors were applied to the reported Mineral Resources. Parameters including geotechnical, mining dilution, ore loss and metallurgical recoveries will be considered during the mining evaluation of the project

### 3.3.5. Bulletin South Mineral Resource

Extracted from the 13 November 2018 and 30 September 2019 ASX releases

#### ■ **GEOLOGY AND GEOLOGICAL INTERPRETATION**

The regionally significant gold bearing Black Flag Fault (BFF) structure is interpreted to be close to the southern end of the historical Bulletin South open pit and is thought to play a major part in the deposition of the gold mineralisation. Primary gold mineralisation is associated with a quartz stockwork system within

or adjacent to a felsic porphyry unit and may represent gold mineralisation along splay structures emanating from the BFF. The stockwork mineralisation ranges from 10 to 30m wide in the porphyry and averages 15m true width.

#### ■ **DRILLING TECHNIQUES**

Historic operators drilled RC and DC holes on a local grid oriented perpendicular to the strike of the ore body. Collars were surveyed and most holes were downhole surveyed. Drilling by Excelsior was RC and NQ2 diamond.

#### ■ **SAMPLING TECHNIQUES, SUB-SAMPLING TECHNIQUES, SAMPLE PREPARATION AND ANALYSIS**

All RC holes sampled on 1m intervals and split on-site to a smaller ~2kg sample for analysis. Goldfields analysed alternate samples and infill samples were subsequently tested once any anomalous zones were identified. Wet samples were scoop sampled. Some operators composited to 4m for initial analysis. 1m splits subsequently assayed if the composite interval was anomalous. Assaying was generally by 50g Fire Assay utilising certified laboratories. Excelsior RC drilling was sampled and assayed every metre by 40g fire assay. NQ2 core sawn in half and one half sampled to zones of geological interest. Assays of core generally by 50g Fire Assay. A review of the QAQC data found analytical results to be satisfactory for inclusion in the resource estimation.

#### ■ **ESTIMATION METHODOLOGY**

Localised Uniform Conditioning (LUC) was used for the open pit resource model. An SMU block size of 2mE x 5mN x 2.5mRL was chosen. This block size conforms to the proposed mining flitch height and is elongated in the same direction (North-South axis) as the trend of the lodes at Bulletin South. The LUC method is intended specifically for estimating the grade distribution of blocks much smaller than the average drill spacing. Variography was used to analyse the spatial continuity within the domains and to determine appropriate estimation inputs to the interpolation process. Estimation was completed with a single pass using a search distance of 80m and a minimum of 8 and maximum of 24 samples.

#### ■ **MINERAL RESOURCE CLASSIFICATION**

Two sectional interpretations of confidence were digitised based on estimation quality parameters defining volumes within which estimated blocks could be considered as Measured, Indicated, or Inferred. The Measured volume has been based on that material defined by close spaced grade control drilling, most of which has been mined. Estimation quality parameters used were number of composites, average distance to block centre and slope of regression. In less well drilled areas distance to block centre increased and slope of regression decreased indicative of a decrease in estimation quality, resulting in a lower classification. Inferred classification was applied to areas outside of the Indicated volume and within an optimised shell at a gold price of \$2700/ounce.

#### ■ **CUT-OFF GRADES AND REPORTING**

The cut-off grade for reporting is 0.5g/t Au, to reflect potential development by open pit mining with owner operator processing. The currently defined depth extent of mineralisation does not warrant reporting of resources with potential for extraction by underground mining.



#### ■ **METALLURGY**

Bulletin South has been previously mined by standard CIL/CIP processing methods. Limited test work on one sample of representative material indicated recovery of Au in a 24-hour period was 98.2% with 77% being recovered by gravity.

#### ■ **MODIFYING FACTORS**

Material classified as inferred was constrained within a pit optimisation based on assumed mining/processing costs, gold recoveries and a gold price of \$2700/ounce. This pit shell has been used as the limiting basis for reasonable expectations of the estimated blocks being a viable open pit option at some time in the future. The resource is reported above an RL representative of 200mbs for consistency with other reported open pit resources. The reported Mineral Resources have been depleted to account for previous mining.

### 3.4. Definitive Feasibility Study - Bardoc Gold Project

On 29 March 2021 Bardoc announced the results of the 2021 Definitive Feasibility Study (DFS) which was managed by Bardoc working with in-house specialists and external consultants. Key contributors are included:

- Study Manager – Bardoc (Andrew Francis);
- Mineral Resource Estimate – Bardoc (Bradley Toms);
- Processing – Bardoc (Mark Roberts) and External Consultant Greg Durack;
- Environmental and Stakeholder Management – Bardoc (Helen Chernoff)
- Open Pit Mine Design and scheduling – SMJ Engineering and Galt Mining Services;
- Underground Mine Design and scheduling – WestAuz and Bardoc;
- Metallurgical Testwork – Strategic Metallurgy;
- Process Plant Design – Como Engineering;
- Road & Rail Re-Alignment – WML Consultants & Longrun Infrastructure Pty Ltd;
- Tailings Dam Design – ATC Williams;
- Geotechnical – Peter O'Bryan and Associates;
- Excelsior Tailings Assessment – REC Engineering;
- Blast Impact Assessment – Orica Limited;
- Geology – Cube Consulting;
- Infrastructure – IME Consultants; Como Engineering; Bardoc;
- Hydrogeology – AQ2;
- Waste Classification – Landloch Pty Ltd;
- Environmental – Talis Consulting; and
- Financial Modelling – Bardoc; BurnVair Corporate Finance (Burnvoir)

Importantly VRM has had access to the entire Feasibility study and all reports, while there is extensive work that supports the Definitive feasibility study and Ore Reserves it is outside the scope of this report to re-report those studies. All material aspects and significant aspect of the study and Ore Reserve that are supported by the DFS are included in the 29 March 2021 ASX release. VRM considers that the work conducted by the consultants and competent people listed above was all undertaken to a high standard

with recommended changed to the findings limited to the impact on the financial model as detailed in Section 8.1 below.

### 3.4.1.Ore Reserves

Ore Reserves have been estimated for seven open pits and with two underground developments proposed beneath the Zoroastrian and Aphrodite deposits. The details of the Ore Reserves were updated in an ASX announcement of 29 March 2021. In the Bardoc Annual Report of 30 September 2021 the company confirmed that material assumptions and technical parameters underpinning the estimates in the Ore Reserves Statement of 29 March 2021 continue to apply and have not materially changed.

Table 3 Bardoc Gold Ore Reserve Estimates as at 30 June 2021

PROJECT	PROBABLE			TOTAL		
	Tonnes	Grade	Gold	Tonnes	Grade	Gold
	(kt)	(g/t)	(koz)	(kt)	(g/t)	(koz)
Excelsior OP	5,690	1.11	203	5,690	1.1	203
Zoroastrian North OP	365	2.10	25	365	2.1	25
Zoroastrian Central OP	276	1.78	16	276	1.8	16
Zoroastrian South OP	417	1.80	24	417	1.8	24
Bulletin South OP	561	1.95	35	561	2.0	35
Aphrodite Stage 1 OP	1,050	1.82	61	1,050	1.8	61
Aphrodite Stage 2 OP	2,916	1.80	168	2,916	1.8	168
Mayday OP	622	1.62	32	622	1.6	32
Zoroastrian UG	839	3.63	98	839	3.6	98
Aphrodite UG	3,139	3.41	344	3,139	3.4	344
<b>TOTAL</b>	<b>15,874</b>	<b>2.0</b>	<b>1,007</b>	<b>15,874</b>	<b>2.0</b>	<b>1,007</b>

Source: Bardoc 2021 Annual Report, ASX release 30 September 2021, initially reported 29 March 2021.

### 3.5. Recent Exploration Activities

The majority of work completed at the BGP was within the known mineral resource areas. The Company had significant success in extensional and infill drilling at numerous deposit areas that are available for mining analysis when required. Success as part of the exploration program over the last 3 years has come from, amongst others, Nerrin Nerrin, El Dorado, Castlereagh South, Grafters and Talbot North. All of these deposits are open down plunge and additional work is required to fully evaluate their mineralised extent. The value added from this style of exploration work is recognised in an expanded Resource base of 3.07Moz Au.

Exploration work away from the Resource areas detailed in the MRE table focused on areas along the BTZ, adjacent to the major controlling Black Flag Fault and at North Kanowna Star. Success was also had in drilling and recognising similar alteration and mineralisation some 500m-2km away from the Mayday North Pit in areas not previously explored.

This section of the report details the results at 3 of the key exploration areas.

### 3.5.1. Lady Kelly

The Lady Kelly prospect is located approximately 9km south of the Zoroastrian Deposit and 300m north-west of the 57koz Au Bulletin South Deposit. It lies on a different trend to Bulletin South and opens a new area for exploration given that drilling in 2019 generated results that correlate with a previous drill intersection by Excelsior Gold (now Bardoc) of 7m @ 17.9g/t Au from 35m to end-of-hole in KNC150020 (ASX: EXG release 22/10/15) of shallow high-grade gold mineralisation. The mineralisation is open along strike and down plunge.

Assay results from the 2019 drilling (ASX releases 1 May 2019 and 29 May 2019) include:

- 19m @ 3.55g/t Au from 34m in KNC190022, including 7m @ 8.30g/t Au from 43m
- 8m @ 1.64g/t Au from 20m in KNC190028
- 5m @ 2.27g/t Au from 51m in KNC190030

The intercept in KNC190022 confirms a shallow south-easterly plunge that remains open to the South and at depth.

The regionally significant BFF, which is an important host for gold mineralisation in the district, is proximal to the mineralisation identified at Bulletin South, Lady Kelly, and Botswana Locker.

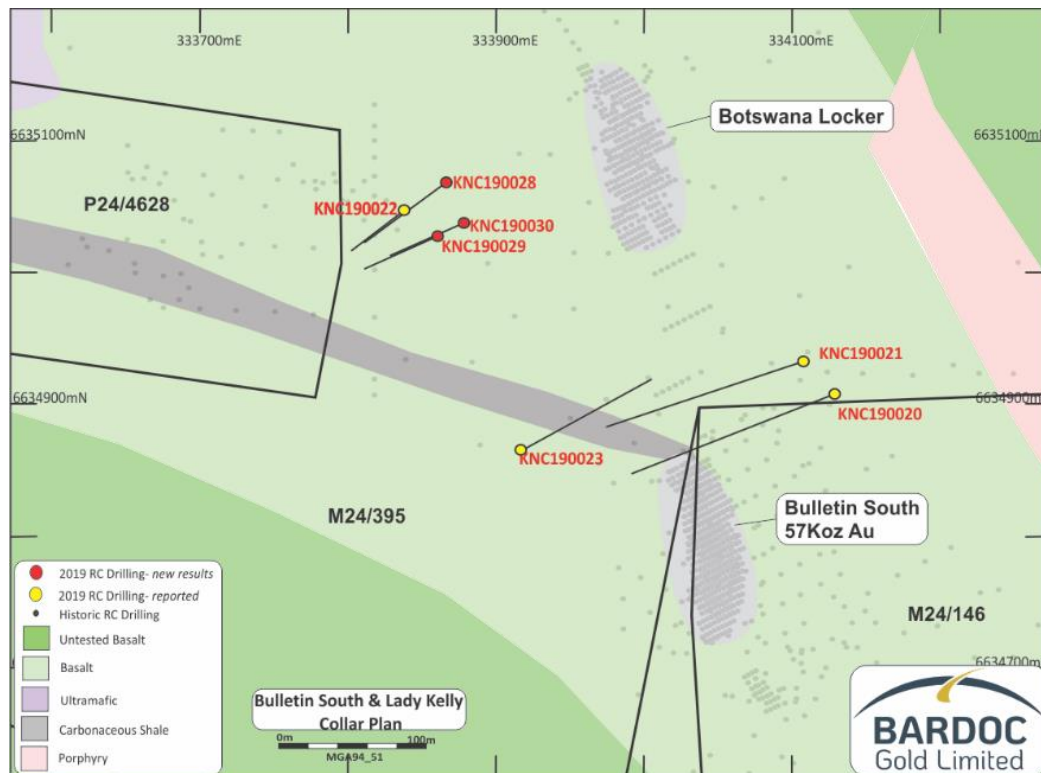


Figure 3 Collar Location for Lady Kelly

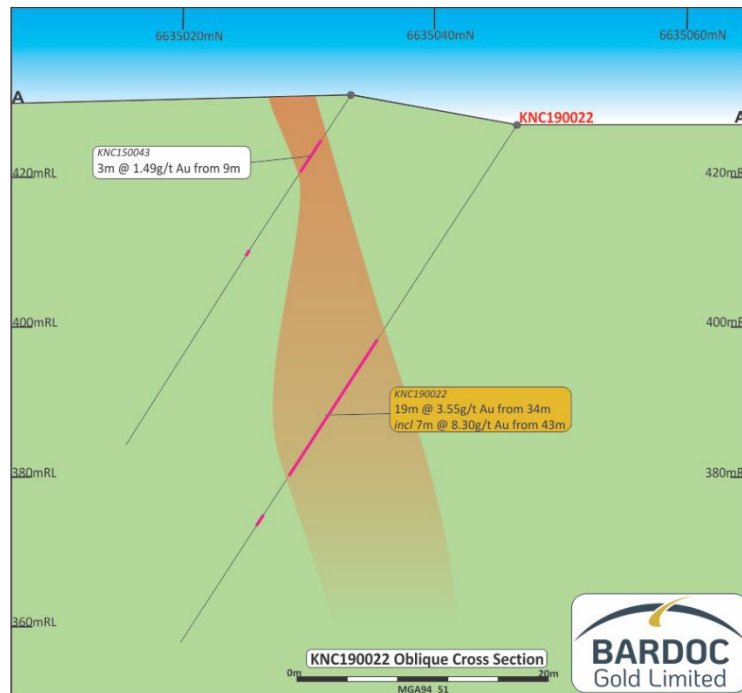


Figure 4 Lady Kelly Cross-Section, +/-10m, looking north-west.

### 3.5.2. North Kanowna Star

The North Kanowna Star deposit, comprising 32koz Au @ 1.4g/t Au, has had, other than work by Bardoc minimal recent exploration activity. It therefore provides an under-explored, highly prospective target for additional gold exploration.

RC and core drilling combined with a geological assessment of the deposit, have confirmed the presence of an extensive alteration system with significant gold mineralisation located below the existing North Kanowna Star oxide resource.

The results for the 2019 exploration work, beneath the known oxide JORC Mineral Resource, are reported at a 0.3g/t Au cut-off. (ASX release 22 1 2020). All 11 holes drilled intersected anomalism, the most significant intercepts being:

- 8m @ 1.26g/t Au from 132m in NKC190001.
- 17m @ 1.59g/t Au from 26m including 4m @ 4.44g/t Au from 33m in NKC190002.
- 4m @ 2.23g/t Au from 17m in NKC190006
- 16m @ 1.29g/t Au from 32m including 4m @ 3.34g/t Au from 32m and.
- 14m @ 1.68g/t Au from 82m including 4m @ 3.72g/t Au from 85m in NKC190007.

Bardoc completed a geophysical Gradient Array Induced Polarisation (GAIP) survey over the North Kanowna Star tenements in 2020. The GAIP data have highlighted multiple targets and structures not previously observed in airborne magnetic data. Some of these targets had initial aircore drilling in 2020 the significant intersections included (ASX release 5 November 2020):

- 15m @ 1.11g/t Au from 52m in NKA200380
- 7m @ 1.95g/t Au from 44m in NKA200373

- 8m @ 0.87g/t Au from 72m in NKA2000447
- 17m @ 0.42g/t Au from 44m in NKA200369
- 21m @ 1.56g/t Au from 36m in NKA200051
- 15m @ 1.22g/t Au from 68m in NKA200138
- 4m @ 3.74g/t Au from 40m in NKA200139
- 4m @ 3.59g/t Au from 52m in NKA200200
- 12m @ 0.74g/t Au from 40m in NKA200061
- 21m @ 0.86g/t Au from 52m in NKA200187

The mineralisation in the two cross-sections below extends over a strike length of some 400m and represents an additional mineralised position to the existing Mineral Resource at North Kanowna Star, labelled Perseverance Wedge in Figure 7. Figure 8 shows an image of the interpreted four mineralised corridors in the Perseverance-Wedge Mineral Resource area overlain on resistivity from the GAIP survey. The Perseverance-Wedge Mineral Resource area is open to the north and south as well as at depth. There has been minimal testing at depth of the 3 zones located west of the Perseverance-Wedge Deposit.

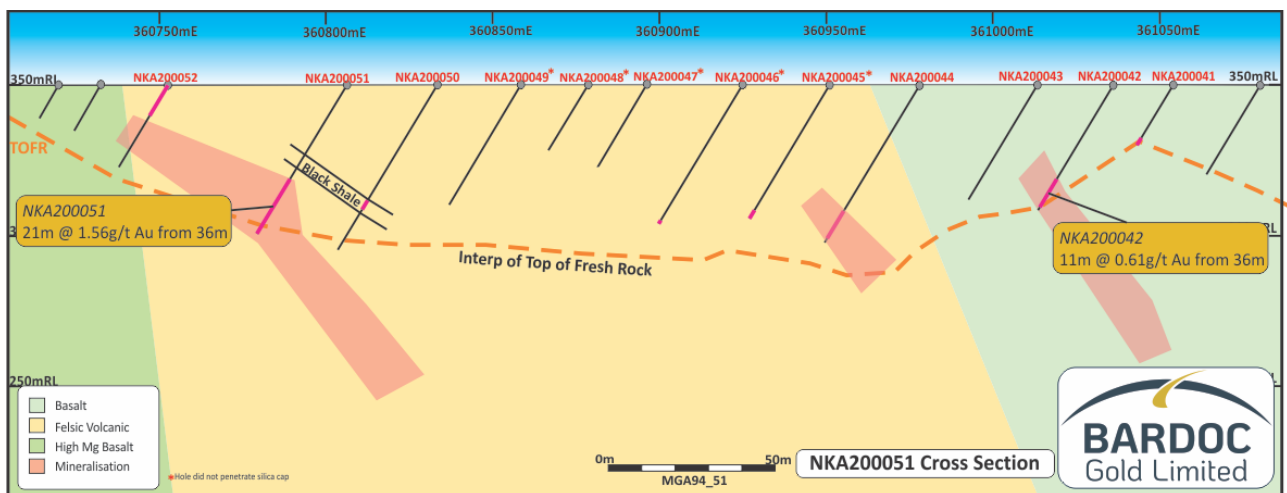


Figure 5 The southern section of the two shown on the plan has two zones of gold mineralisation.

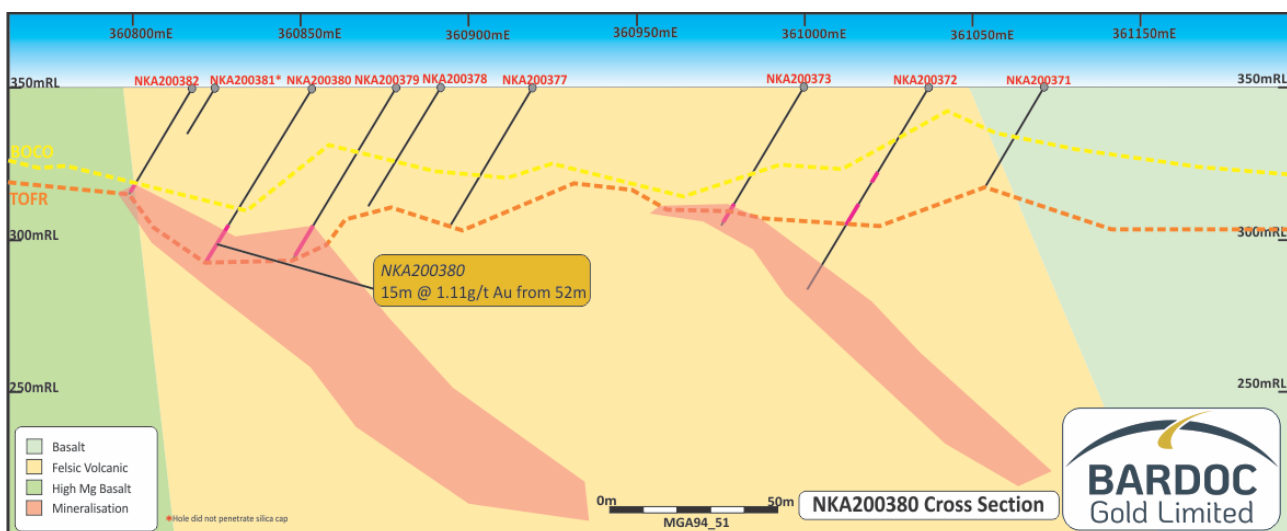


Figure 6 This section is 150m north along the mineralised strike.



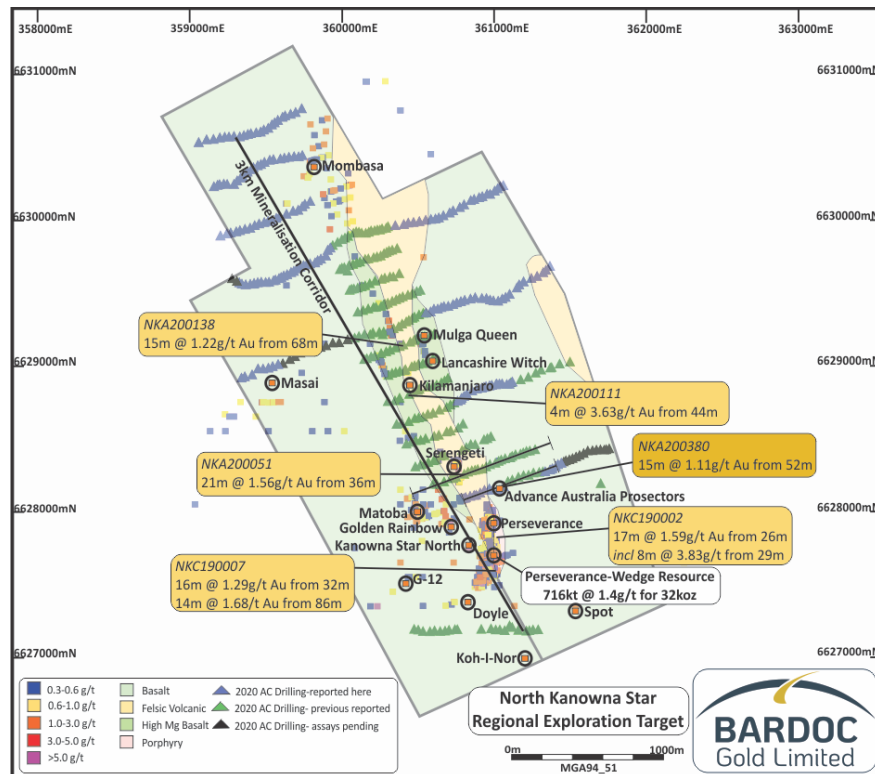


Figure 7 Plan of recent drilling at North Kanowna Star Project showing multiple targets that require testing.

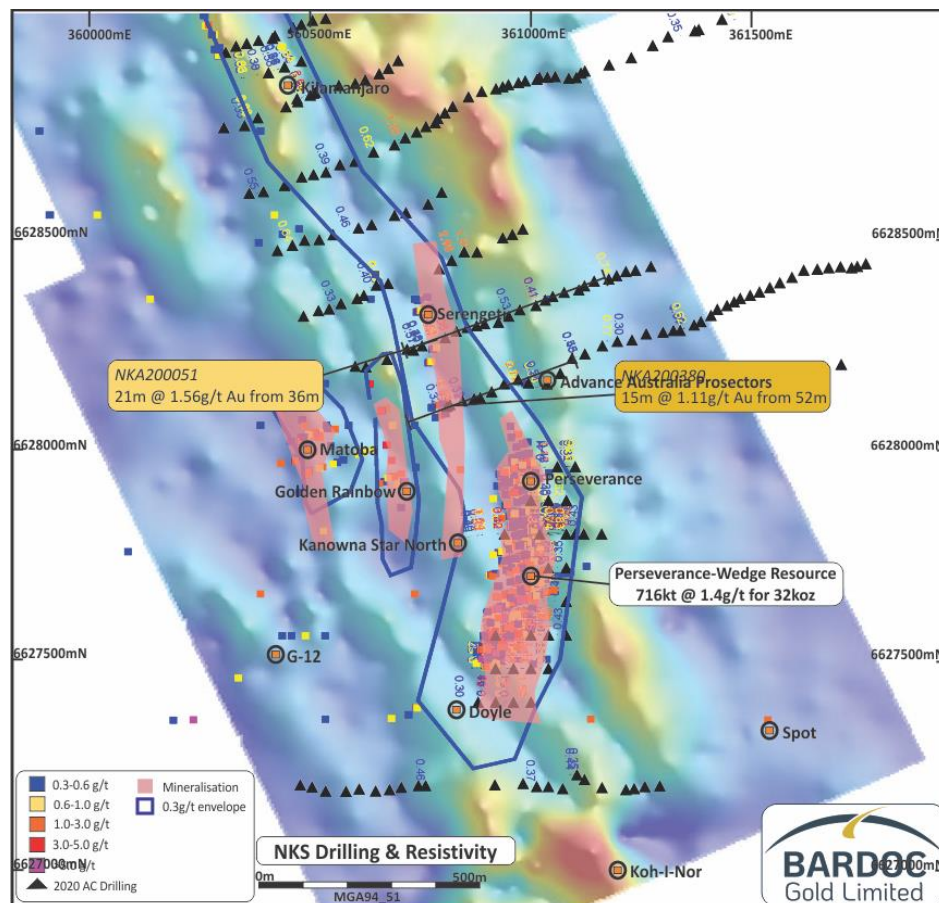


Figure 8 Plan of targets in the Perseverance-Wedge Mineral Resource area

The new drilling is being scanned using pXRF and the resulting data will be combined with the recently completed sampling and analysis of the historical drill-hole resampling program, which required significant detailed and methodical field work and involved collecting rock chips from drilling from the 1980's onwards.

With the correct application of trace element geochemistry, collected by ongoing pXRF sampling, the Company's geological team is confident of being able to expand the mineralised gold halo search area using specific (unique to North Kanowna Star) pathfinder elements, as well as better defining the geology of the system. The multi-element exploration geochemical model is being developed from the mineralisation found at the Perseverance-Wedge Deposit.

In order to rapidly advance these newly defined gold zones, the Company is undertaking extensive interpretive studies to better define the most anomalous areas, with the objective of drill testing these key areas in the near future.

## Aphrodite Region

The area around and adjacent to the 1.7Moz Au Aphrodite Deposit is under-explored and has untested strike and depth extensions as well as having areas of mineralisation that have not yet been included in Resource models due to insufficient drilling density.

The current mineral resource areas have focused on the Alpha and Phi Lodes. There is unmodelled and poorly understood mineralisation outside of the resource modelling at Omega, Sigma and Gamma.

During the last few years, Bardoc undertook additional drilling at the Omega Lode, as well as first-pass programs at the Sigma and Gamma Lodes.

### SIGMA

Drilling results from 2021 (ASX release 29 July 2021) include,

- 5m @ 17.7g/t Au from 109m in 21APRC0019
- 15m @ 1.49g/t Au from 97m in 21APRC0027
- 7.7m @ 2.98g/t Au from 133.3m in 21APD0007

Drilling in 2020 returned other encouraging results (ASX release 19 November 2020) including,

- 21m @ 3.94g/t Au from 147m including 7m @ 6.12g/t Au from 161m 20APRC0013
- 7m @ 2.77g/t Au from 177m in 20APRC0015
- 8m @ 2.92g/t Au from 78m in 20APRC0024
- 10m @ 1.23g/t Au from 56m in 20APRC0015
- 9m @ 1.51g/t Au from 69m in 20APRC0029

Structural, geological and assay results from the targeted drilling campaigns suggest that Sigma Lode has a gentle northerly plunge and appears to be improving with depth. It is considered to have the potential to host significant gold mineralisation such as that found at the Alpha Lode which is within the Mineral Resource estimate.

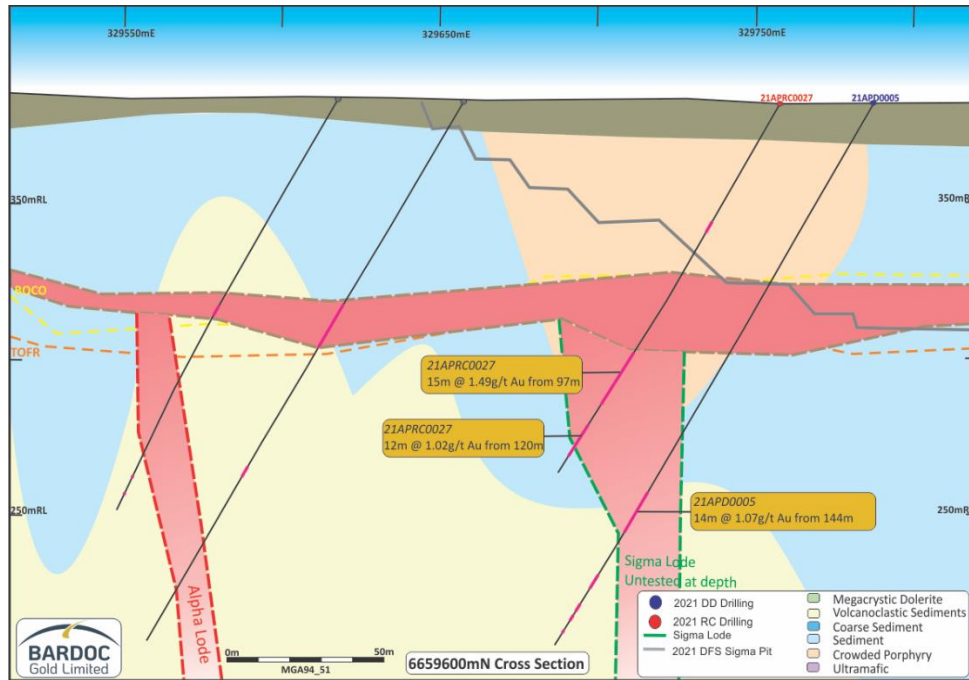


Figure 9 Sigma cross section 6659600mN +/-10m looking north

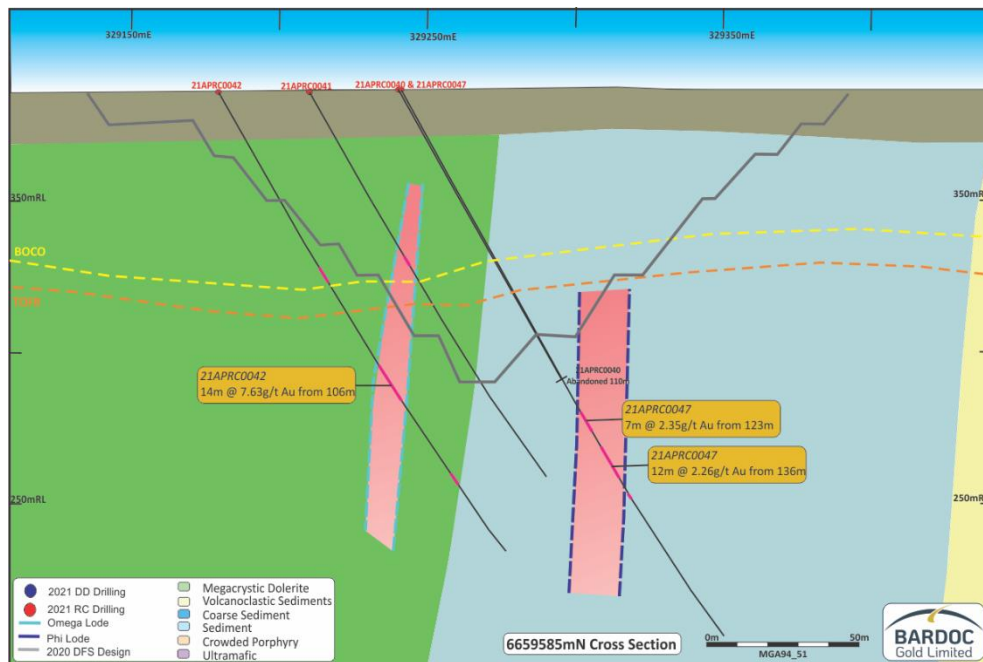


Figure 10 Sigma cross section 6659585mN +/-10m looking north



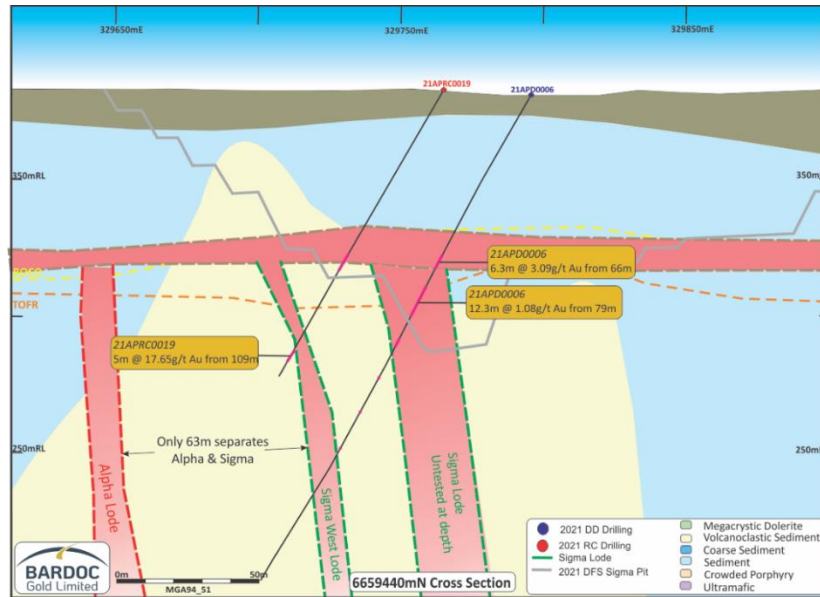


Figure 11 Sigma cross section 6659440mN +/-10m looking north.

## GAMMA

At Gamma mineralisation is interpreted as supergene, importantly over the Phi and Alpha lodes there is an oxide supergene zone. No shear related lodes have yet been delineated at Gamma.

Drilling in this area intersected:

- 9m @ 2.36g/t Au from 70m in 21APRC0007
- 16m @ 1.04g/t Au from 76m in 21APRC 0008

The drilling is wide spaced on a nominal 40m x 40m spacing and has similar characteristics to the supergene above the Phi and Alpha Lodes.

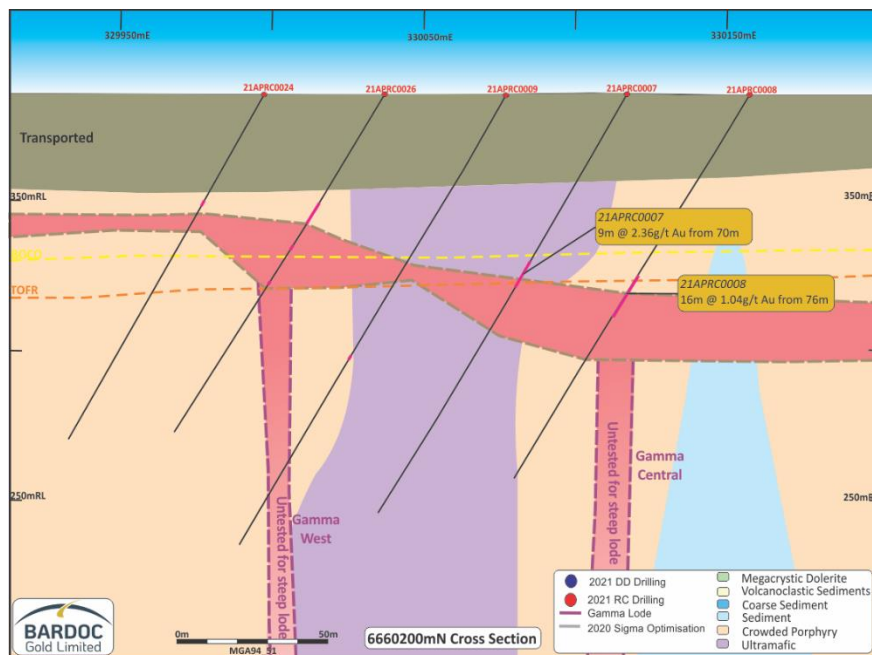


Figure 12 Gamma target cross section 6660200mN +/-10m looking north.

## OMEGA

The Omega Lode is located on the southern edge of the Aphrodite Stage 1 Open Pit and is not included in the current Reserves. These recent results from the Omega Lode have intersected mineralisation that is just outside the southern pit wall of the Stage 1 open pit, as seen in the cross section below, which presents an opportunity to either deepen the proposed open pit and/or potentially extend the Aphrodite underground mine.

Results from drilling during the June Quarter 2021 (ASX release 29 July 2021) included:

- 5m @ 3.99g/t Au from 67m in 21APRC0042
- 14m @ 7.63g/t Au from 106m in 21APRC0042
- 2m @ 13.8g/t Au from 140m in 21APRC0045
- 7m @ 2.35g/t Au from 123m in 21APRC0047
- 5m @ 2.60g/t Au from 63m in 21APRC0041
- 37m @ 6.21g/t Au including 13m @ 10.94g/t Au from 90m in 20APRC0006
- 7m @ 8.95g/t Au including 4m @ 15.07g/t Au from 132m in 20APRC0001

The Omega Lode is a north-south striking lode that trends sub-parallel to the Phi Lode. Omega is about 50-80m west of the Phi trend and is geologically controlled by the proximity of a dolerite and fine-grained porphyry.

## 4. South Woodie Woodie Manganese Project

### 4.1. Location and Access

The South Woodie Woodie project area (Figure 13) is approximately 70 km south of Woodie Woodie and approximately 340 km Southeast of Port Hedland, in the East Pilbara region of Western Australia. Figure 13 shows the granted tenements in green with the blue tenement being the only tenement application.

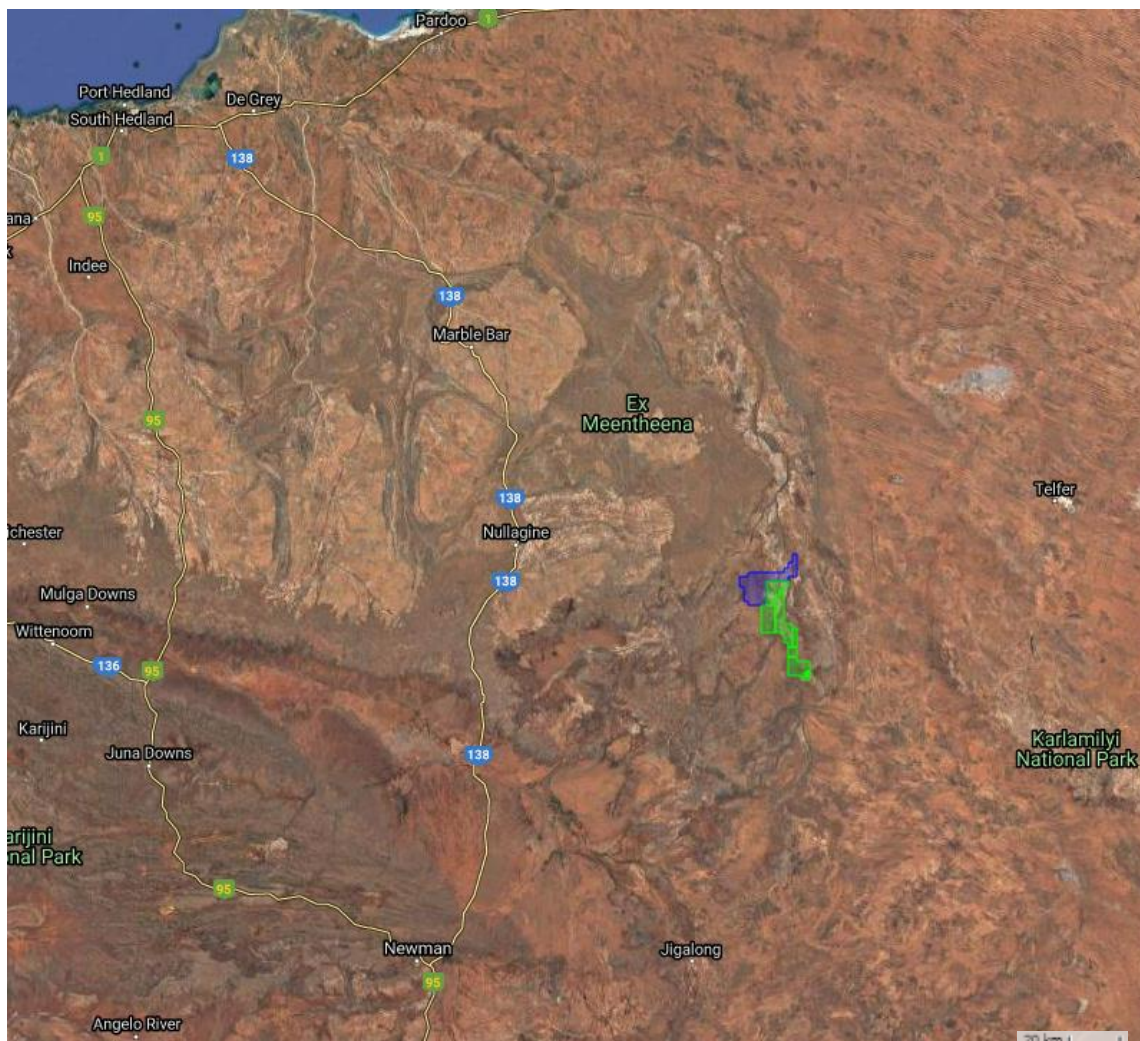


Figure 13 Location of the South Woodie Woodie Manganese Project.

### 4.2. Geology

Figure 14 shows the regional geology of the South Woodie Woodie project area with the area extensively Cainozoic cover. Only in the southern sections of the project at the Tally-Ho prospect is there any bedrock exposure. In 2013 and 2014 Spitfire generated several targets based on Gradient Array induced polarisation (IP) with most of these targets remaining untested.

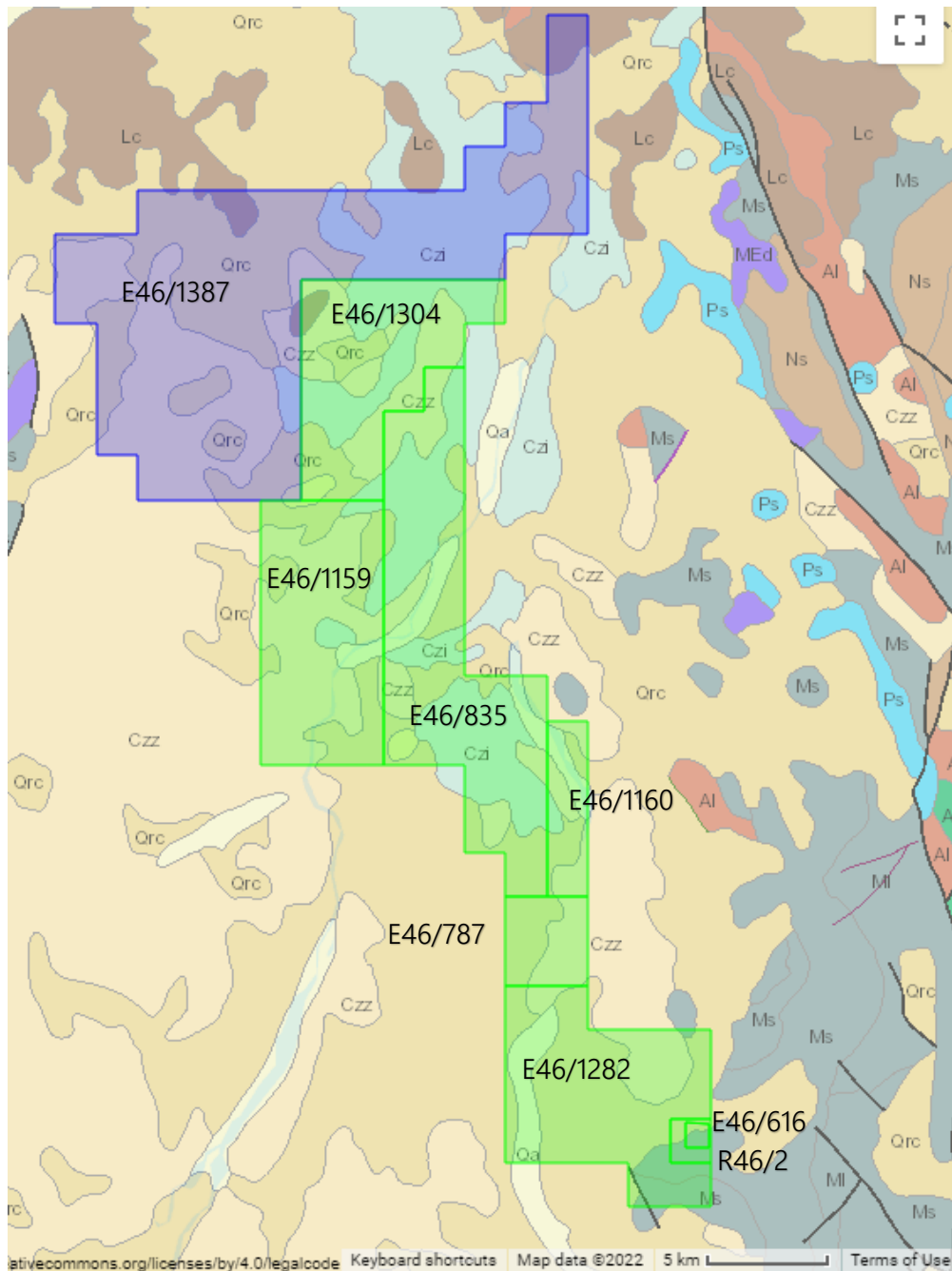


Figure 14 Regional geology dominated by cover

### 4.3. Recent Exploration

Due to a downturn in the price of manganese there has been no significant exploration within the South Woodie Woodie project since 2014. Bardoc has reported that they plan to undertake a review of the project, especially given the recent improvement in the manganese market however no significant exploration work has been conducted since the 2014 and the targets identified in the gradient array IP survey remain untested.

## 4.4. Resources

There are no JORC 2012 Resources for the South Woodie Woodie Manganese Project. All resources have been estimated under the JORC 2004 Code and no new work has been conducted within these resource areas since these estimates were undertaken. The JORC 2004 resources were estimate using industry standard techniques and was based on sufficient drilling to classify the resource as inferred. VRM considers the JORC 2004 estimate as a valid resource estimate and expects that the only limiting factor to them being classified as JORC 2012 mineral resource estimates is the disclosure in JORC Table 1 as required under JORC 2012. There are mineral resource estimates for the Contact, Contact North projects and the Tally-Ho deposits. Table 4 is the combined mineral resource estimate for all three deposits (from the Spitfire 2017 Annual Report). It should be noted that these are JORC 2004 Mineral Resource estimates.

Table 4 Combined JORC 2004 Mineral Resource Estimate for the Woodie Woodie Manganese Project

JORC Inferred Resource	Mt	Mn%	Al <sub>2</sub> O <sub>3</sub> %	Fe %	SiO <sub>2</sub> %	P %	LOI (1000)
Contact	2.8	13.6	5.1	15.7	42.9	0.054	8.4
Contact North	8.5	15.4	3.0	15.0	42.4	0.057	8.6
Tally-Ho	2.9	7.1	6.7	9.1	62.9	0.04	7.95
<b>Total</b>	<b>14.2</b>	<b>13.3</b>	<b>4.2</b>	<b>13.9</b>	<b>46.7</b>	<b>0.053</b>	<b>8.45</b>

\* This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

\*\* Differences may occur due to rounding.

The Inferred Resources for the Tally-Ho and the Contact/Contact North deposits have not changed since their initial release in 2009 and 2011 respectively. They were reported under the 2004 JORC code and with no additional work being performed since their release, have not been updated to the 2012 JORC requirements. If further work is undertaken on these deposits which changes the current resource standing, they will be updated to the 2012 JORC reporting standards.

Beneficiation test work undertaken to date indicates that manganese from the two main deposits, Contact and Contact North, is able to be upgraded to a saleable manganese product of ~40% Mn.

## 4.5. Exploration Upside

In addition to the potential for additions to the resources adjacent to the known mineralisation the 2014 Gradient Array IP (GAIP) survey (Figure 15) identified several other anomalies that are immediate drill targets. The magnitude and size of these IP anomalies suggests that a shallow body of manganese similar to the known resources may be present. In addition to additional exploration within these Gradient Array targets the 2014 survey also shows that Gradient Array IP can be a rapid cost-effective targeting tool for similar mineralisation close to surface. The GAIP targets require additional exploration.



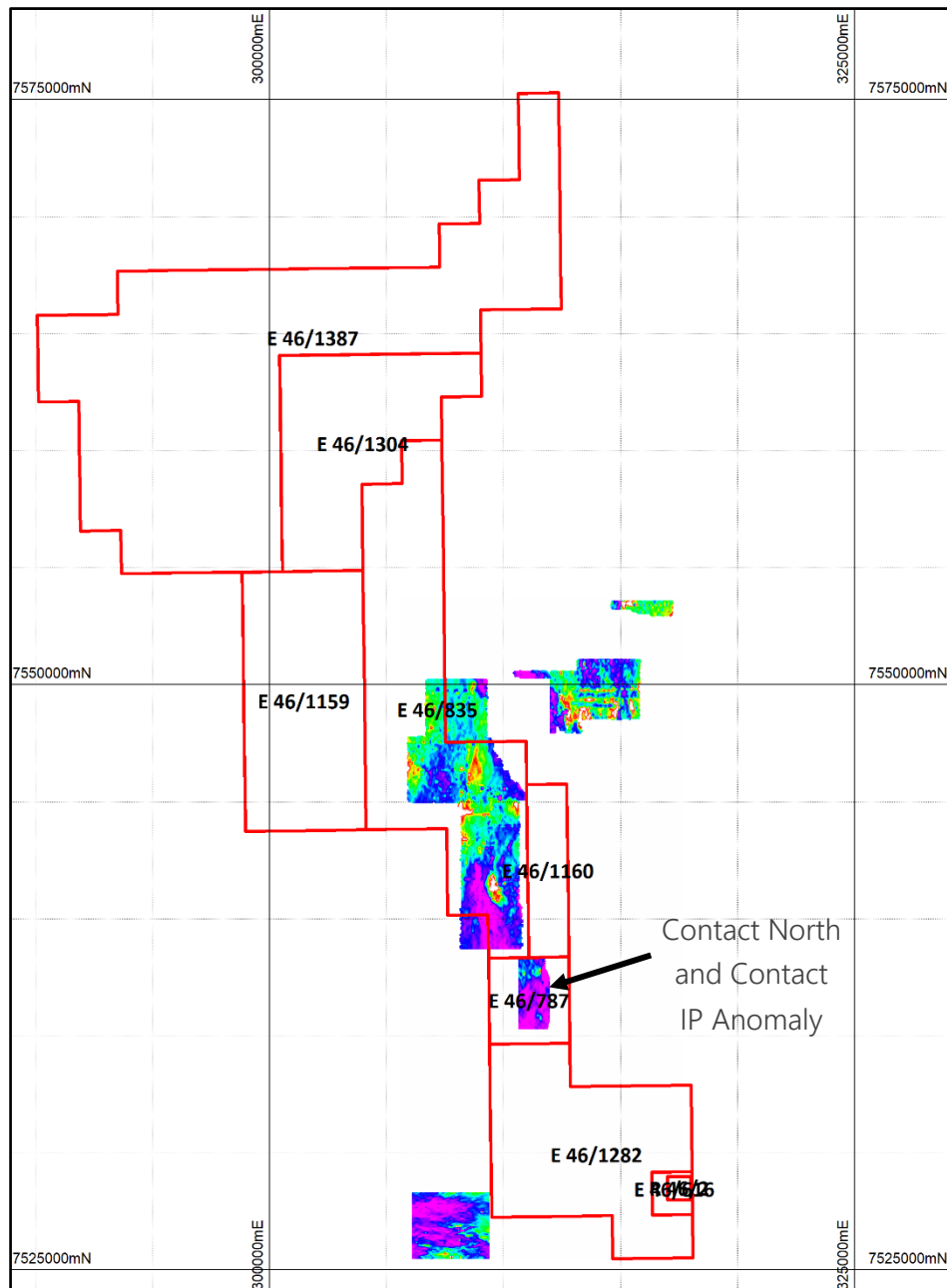


Figure 15 Gradient Array IP Survey showing Contact and Contact North IP Anomaly and significant additional targets

## 5. Valuation Methodology

The VALMIN Code outlines various valuation approaches that are applicable for Properties at various stages of the development pipeline. These include valuations based on market-based transactions, income or costs as shown in Table 5 and provides a guide as to the most applicable valuation techniques for different assets.

**Table 5 VALMIN Code 2015 valuation approaches suitable for mineral Properties.**

Valuation Approaches suitable for mineral properties				
Valuation Approach	Exploration Projects	Pre-development Projects	Development Projects	Production Projects
Market	Yes	Yes	Yes	Yes
Income	No	In some cases	Yes	Yes
Cost	Yes	In some cases	No	No

According to the VALMIN definitions of project status the Bardoc Gold Project would be classified as a Pre-Development Project. While there are declared Ore Reserves and a completed feasibility study that produced a positive economic outcome there has been no decision to proceed to construction, therefore in VRM's opinion the project remains as a Pre-Development Project. However, given the status of the feasibility study and the declared Ore Reserves in VRM's opinion the Modifying Factors as defined in the JORC Code have been sufficiently delineated to allow an income-based valuation method to be used for the declared Ore Reserves. The Mineral Resource estimates, excluding the Ore Reserves those portions of the projects would be classified as Advanced Exploration Projects while the exploration potential away from the Mineral Resources are best described as early-stage prospects.

### 5.1. Previous Valuations

In 2018 as a part of the initial acquisition of the project by Spitfire Materials Limited, now Bardoc Gold Limited, DRM, an entity owned by Mr Paul Dunbar a director and principal of VRM, completed a valuation of most of the Projects now owned by Bardoc. The only projects that were not included in the previous valuation is the Mayday North and North Kanowna Star projects. The 2018 valuation and ITAR was appended and relied on in an IER prepared by BDO Corporate Finance W.A. Pty Ltd and included in the Spitfire and Excelsior Scheme Booklet, ASX release 10 August 2018. The DRM report was dated 17 July 2018.

### 5.2. Valuation Subject to Change

The valuation of any mineral Property is subject to several critical inputs most of these change over time and this valuation is using information available as of 20 December 2021 being the valuation date of this Report and considering information up to the valuation date. This valuation is subject to change due to updates in the geological understanding, variable assumptions and mining conditions, climatic variability that may impact on the development assumptions, the ability and timing of available funding to advance the

properties, the current and future metal prices, exchange rates, political, social, environmental aspects of a possible development, a multitude of input costs including but not limited to fuel and energy prices, steel prices, labour rates and supply and demand dynamics for critical aspects of the potential development like mining equipment. While VRM has undertaken a review of several key technical aspects that could impact the valuation there are numerous factors that are beyond the control of VRM.

As at the date of this Report in VRM's opinion there have been no significant changes in the underlying inputs or circumstances that would make a material impact on the outcomes or findings of this Report. As at the date of this report the current gold price has strengthened from US\$1795.30/oz to US\$1806.36/oz however it has fluctuated between US\$1784.65/oz and US\$1844.8/oz since the transaction was announced. Therefore, in VRM's opinion there has not been any material movement in the commodity prices that would result in a material impact on the valuation contained in this report.

### 5.3. General assumptions

The Mineral Assets of Bardoc are valued using appropriate methodologies as described Table 5 and in the following sections. The valuation is based on several specific assumptions detailed above, including the following general assumptions.

That all information provided to VRM is accurate and can be relied upon,

The valuations only relate to the Bardoc Mineral Assets located within tenements controlled by the Company and not the Company itself nor its shares or market value,

That the mineral rights, tenement security and statutory obligations were fairly stated to VRM and that the mineral licences will remain active,

That all other regulatory approvals for exploration and mining are either active or will be obtained in the required and expected timeframe,

That the owners of the mineral assets can obtain the required funding to continue exploration activities,

The following commodity prices and exchange rates have been used in this valuation and are (as at 20 December 2021).

- Gold US\$1795.30/oz (S&P Global)
- Manganese US\$5.25/DMTU. Mn32% Fe20%, Tianjin (S&P Global)
- The US\$ - AUS\$ exchange rate of 0.7117 ([www.xe.com](http://www.xe.com)).

All currency in this report is Australian Dollars or AUS, unless otherwise noted, if a particular value is in United States Dollars, it is prefixed with US\$.

### 5.4. Gold Market Analysis

The gold price is fundamentally different to many of the other commodities as the gold price is frequently seen as a pseudo currency and is considered by many as a safe-haven investment option, especially in the current monetary policies of many of the major countries reserve banks. Global uncertainty regarding the outbreak of COVID-19 and the resulting impact to the world economy had driven an increase in the gold price during 2020 and 2021 which continued to be elevated at the valuation date. Due to the significant



variations in the price over such a short period it is considered critical to ensure that any transactions that are used in a market or transactional based valuation are normalised to the current gold price. This allows a more accurate representation of the value of the mineral asset under the current market environment. The Gold price since 1 January 2010 to 20 January 2022 is shown in Figure 16 below.



(Source: S&P Global Market Intelligence)

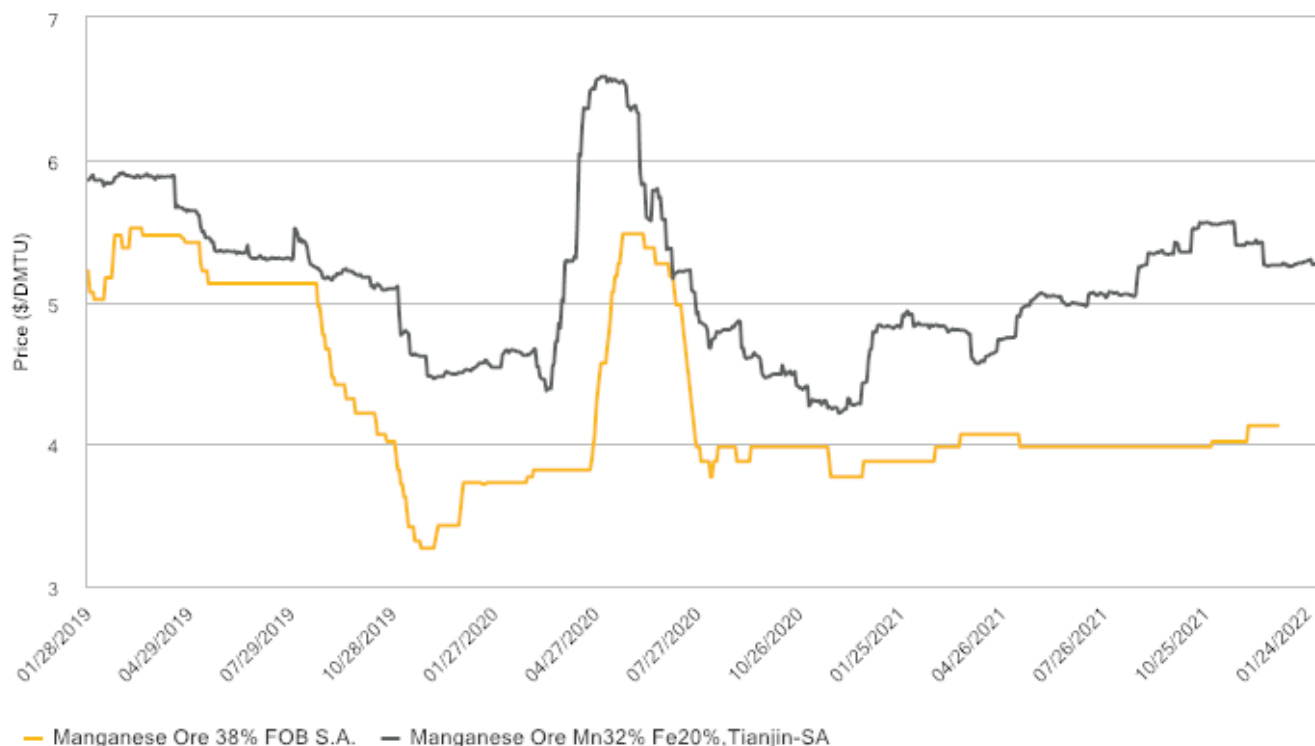
Figure 16 - Gold price graph in US\$/oz from 1 January 2010 to 20 January 2022

## 5.5. Manganese Market Analysis

Manganese is essentially a bulk commodity with multiple uses including in steel and aluminium alloys.

Standard steel contains about 1% manganese, to increase the strength and also improve workability and resistance to wear, specialist high manganese steel can contain around 13% manganese with the main use being in railway tracks, safes, rifle barrels and prison bars and other uses where high strength is critical. Manganese of various oxidation states has multiple other uses from a being a catalyst, decolourise glass (removal of iron) to fertilisers and ceramics.

The manganese price of two commonly traded qualities is shown in Figure 17.



(Source: S&P Global Market Intelligence)

Figure 17 - Three-year Manganese price graph in US\$/DMTU

## 5.6. Valuation of Advanced Properties

There are several valuation methods that are suitable for advanced Properties including the following:

- Financial modelling including discounted cash flow (DCF) valuations (generally limited to Properties with published Ore Reserves),
- Comparable Market Based transactions including Resource and Reserve Multiples
- Joint Venture Transactions
- Yardstick valuations

### 5.6.1. Discounted Cashflow Modelling

As a part of the engagement VRM was requested to provide an assessment and recommendations regarding the technical inputs used in the DCF model provided to RSM by Bardoc. RSM requested that VRM undertake an analysis and review of the technical inputs and provide support to justify several modifications to the DCF model. These recommendations are tabulated in the valuation section below and are adjustments based on the financial model that only exploited the currently delineated Ore Reserves.

### 5.6.2. Comparable Market Based Transactions – Resource Based

A comparable transactional valuation is a simple and easily understood valuation method which is broadly based on the real estate approach to valuation. It can be applied to a transaction based on the contained metal for projects with Mineral Resource or Ore Reserves estimates reported. Advantages of this type of

valuation method include that it is easily understood and applied, especially where the resources or tenement area is comparable, and the resource or exploration work is reported according to an industry standard (like the JORC Code or NI43-101).

However, it is not as robust for projects where the resources are either historic in nature, reported according to a more relaxed standard, or are using a cut-off grade that reflects a commodity price that is not justified by the current market fundamentals. If the projects being valued are in the same or a comparable jurisdiction, then it removes the requirement for a geopolitical adjustment. Finally, if the transaction being used is recent then it should reflect the current market conditions.

Difficulties arise when there are a limited number of transactions, where the projects have subtle but identifiable differences that impact the economic viability of one of the projects. For example, the requirement for a very fine grind required to liberate gold from a sulphide rich ore or where the ore is refractory in nature and requires a non-standard processing method. As the comparable transactions are considered to be similar to the project being valued aspects like environmental liabilities are generally included in the valuation. Additionally, if the comparable transactions are associated with projects with infrastructure for example a processing facility, then the price paid by other market participants is considered an accurate reflection of the value of the entire project including the processing facility. There are often significant identifiable differences in the potentially comparable projects, therefore it is critical to review the projects, where possible only use projects with similar resource size, similar grades, similar infrastructure and mining or processing requirements and remove any outliers or transactions that are significantly different to the project being valued. In some project there identifiable and documented differences in the required the environmental rehabilitation and potential rehabilitation liabilities, these also need to be considered in determining any potential comparable transactions.

The information for the comparable transactions has been derived from various sources including the ASX and other securities exchange releases associated with these transactions, a database compiled by VRM for exploration stage projects (with resources estimated) and development ready projects.

This valuation method is typically the primary valuation method for exploration or advanced (pre-development) projects where Mineral Resources have been estimated. More advanced projects would generally be valued using an income approach due to the modifying factors for a mining operation being better defined.

The preference is to limit the transactions and resource multiples to completed transactions from the past three to five years in either the same geopolitical region or same geological terrain. The comparable transactions have been compiled where Mineral Resources and in some cases Ore Reserves have been estimated. Appendix A details the Resource Multiples for a series of transactions that are considered at least broadly comparable with the BGP.

### 5.6.3. Yardstick Valuation

A yardstick valuation was undertaken as a check of the comparable transactions. This yardstick valuation is based on a rule of thumb as supported by a large database of transactions where resources and reserves at various degrees of confidence are multiplied by a percentage of the spot price. The yardstick valuation factors used in this report are in line with other yardstick valuation factors commonly used by other independent specialists and used in other VALMIN reports. The US\$-AUS\$ exchange rate and base metal price as of 20 December 2021 and documented above have been used to determine the yardstick valuation. Due to the likely product from the mining operation being a Gold Dore the yardstick multiples used are between 2% and 5% of the product value for Measured Mineral Resources and stockpiles, 1% and 2% for Indicated Mineral Resources and 0.5% and 1% for Inferred Mineral Resources.

Where a project has the potential to produce a lower capital intensity product, like a direct shipping ore or a concentrate with minor processing a lower ratio would be expected, and that yardstick multiple would be applied to the total tonnes of material that is potentially saleable rather than the contained metal in the Mineral Resource. This would be expected for Iron Ore or Manganese concentrates where minimal or no processing would be required prior to the sale of the product.

## 6.6 Exploration Asset Valuation

To generate a value of an early-stage exploration Property or the exploration potential away from a mineral deposit it is important to value all the separate parts of the mineral assets under consideration. In the case of the advanced Properties the most significant value drivers for the overall Property are the declared Mineral Resources or Ore Reserves, while for earlier stage Properties a significant contributor to the Property's value is the exploration potential. There are several ways to determine the potential of pre-resource Properties, these being:

- A Geoscientific (Kilburn) Valuation

- Comparable transactions (purchase) based on the Properties' area.

- Joint Venture terms based on the Properties' area.

- A prospectivity enhancement multiplier (PEM)

The methodology to determine the Comparable transactions based on a projects area is undertaken using the same methodology as that described for the Comparable transactions' valuation for advanced projects section; however transactional value is applied to the project's area rather than the Mineral Resources or Ore Reserves. The Joint Venture terms valuation is similar to the comparable transactions based on the project area, other than a discount to the Joint Venture terms is applied to account for the time value of money (an appropriate discount rate is applied) and a discount to the earn-in expenditure to account for the chance that the Joint Venture earn-in expenditure is not completed in the agreed timeframe.

VRM considers a Geoscientific or Kilburn valuation as a robust valuation method. The comparable transaction multiples can also be useful but are strongly related to the projects tenement area so can be conservative for small areas and overstate large areas. It is the view of VRM that the least transparent and

most variable valuation method is a PEM valuation as this depends on an assessment of the effectiveness of the expenditure.

### 6.6.1 Geoscientific (Kilburn) Valuation

One valuation technique that is widely used to determine the value of a project that is at an early exploration stage without any Mineral Resources or Ore Reserve estimates was developed and is described in an article published in the CIM bulletin by Kilburn (1990). This method is widely termed the geoscientific method where a series of factors within a project are assessed for their potential.

While this technique is somewhat subjective and open to interpretation it is a method that when applied correctly by a suitably experienced specialist enables an accurate estimate of the value of the project. There are five critical aspects that need to be considered when using a Kilburn or Geoscientific valuation, these are the base acquisition cost, which put simply is the cost to acquire and continue to retain the tenements being valued. The other aspects are the proximity to both adjacent to and along strike of a major deposit (Off Property Factors), the occurrence of a mineral system on the tenement (On Property Factors), the success of previous exploration within the tenement (Anomaly Factors) and the geological prospectivity of the geological terrain covered by the mineral claims or tenements (Geological Factors). In early-stage projects often the anomaly factors and geological factors have limited information.

While this valuation method is robust and transparent it can generate a very wide range in valuations, especially when the ranking criteria are assigned to a large tenement. This method was initially developed in Canada where the mineral claims are generally small therefore reducing the potential errors associated with spreading both favourable and unfavourable ranking criteria to be spread over a large tenement. Therefore, VRM either values each tenement or breaks down a larger tenement into areas of higher and lower prospectivity.

Table 6 documents the ranking criteria while the inputs and assumptions that were used to derive the base acquisition cost (BAC) for each tenement are detailed in the valuation section below.

VRM determines the BAC based on the holding cost of maintaining the tenement for the next year. That cost is determined by the minimum exploration commitment required on the tenement. The BAC is derived from the tenement rents and exploration commitments on tenements in Western Australia as detailed in the tenure section above.

The technical valuation derived from the Kilburn ranking factors are frequently adjusted to reflect the geopolitical risks associated with the location of the project and the current market conditions toward a specific commodity or geological terrain. These adjustments can either increase or decrease the technical value to derive the fair market valuation.

Using the ranking criteria from Table 6 along with the base acquisition costs tabulated in the appendices an overall technical valuation is determined.

**Table 6 Ranking criteria are used to determine the geoscientific technical valuation.**

Geoscientific Ranking Criteria				
Rating	Off-property factor	On-property factor	Anomaly factor	Geological factor
0.1				Generally unfavourable geological setting
0.5			Extensive previous exploration with poor results	Poor geological setting
0.9			Poor results to date	Generally unfavourable geological setting, under cover
1.0	No known mineralisation in district	No known mineralisation within	No targets defined	Generally favourable geological setting
1.5	Mineralisation identified	Mineralisation identified	Target identified; initial indications positive	
2.0	Resource targets identified	Exploration targets identified	Significant intersections – not correlated on section	Favourable geological setting
2.5				
3.0	Along strike or adjacent to known mineralisation	Mine or abundant workings with significant previous production	Several significant ore grade intersections that can be correlated	Mineralised zones exposed in prospective host rocks
3.5				
4.0	Along strike from a major mine(s)	Major mine with significant historical production		
5.0	Along strike from world class mine			

The technical valuation was discounted / escalated to derive a market valuation. A market factor was derived to account for the gold price which, is close to historical highs and also to account for the market sentiment toward advanced gold projects. The gold price is currently elevated compared to the past ten years as shown in Figure 16. Based on the commodity prices the technical valuation for each tenement was increased by 5% for the gold projects while the technical valuation was discounted by 5% for the Manganese projects due to the current Manganese price (Figure 17). There are social, environmental, and geopolitical risks associated with the projects therefore a slight discount of 2% has been applied, this discount is due to a is partly due to the COVID-19 pandemic and the short-term impacts of the travel restrictions and the limits for project critical staff.

For early-stage Projects (where there are no Mineral Resources estimated), VRM typically considers the Geoscientific (Kilburn) Valuation method to be the most robust and is commonly the primary valuation method used.

## 7 Valuation of the Mineral Assets of Bardoc Gold Limited

The two projects that are included in this valuation are the BGP and the South Woodie Woodie Manganese Project.

Each of the projects has been valued using a sum of the parts approach.

The BGP has been valued in this report with the Mineral Resource estimates excluding the Ore Reserves primary valuation being done by a comparable transaction method with a yardstick approach being a supporting or secondary valuation. The exploration potential has been valued by a Geoscientific or Kilburn approach. The Ore Reserves have been valued by RSM using a discounted cashflow model (DCF) with VRM providing recommendations and confirmation that the technical inputs into the DCF are reasonable.

The South Woodie Woodie Project has been valued using a comparable transaction valuation method as a primary method with a supporting valuation being a Geoscientific or Kilburn method. The Kilburn valuation for the tenements away from the existing resources and accurately value the exploration potential within the exploration licences and can be added to the Comparable transaction valuation to provide a value of the entire project.

## 8 Bardoc Gold Project

### 8.1 Technical Inputs into DCF Model

VRM was requested to review the technical inputs to the DCF model for the Project. The models provided were:

- BDC\_FM\_DFS\_OPTI\_40.02\_Inventory\_Ind & Inf\_Cashflow, and
- BDC\_FM\_DFS\_OPTI\_20.03\_Bank\_No Inf\_Cashflow\_Tax update

The second spreadsheet, with no Inferred Resources was used for the review. VRM notes that the Inferred Resources add 13% more ounces and 12% more tonnes, indicating additional potential beyond the Ore Reserve. These resources are valued outside the DCF model. The grade of the Inferred Resources for the Underground deposits is higher than the Indicated Resource grade, this is counter intuitive and VRM recommends moderating these grade and conversion of tonnage if included in a DCF model

VRM reviewed specific aspects of the BGP Definitive Feasibility Study Report (DFS Reports) and an Independent Technical Review report in assessing the basis for changes to the inputs to the DCF model.

VRM recommends the DCF model is adjusted for the following, as described below with details of the adjustments provided to RSM.

- Remove Inferred Resources – addressed in the “No Inf” model.
- Moderate plant ramp-up to 6 months, from 3 months.
- Moderate the open pit tonnes and grades-based modelling technique and further dilution.
- Moderate the underground grades and tonnage to allow for increased dilution and reduced recovery.
- Apply increase to the mining unit costs (impacts operating and capitalised development).
- Apply an increase to the Plant and Infrastructure capital cost.

This report is based on:

- BDC\_FM\_DFS\_OPTI\_40.02\_Inventory\_Ind & Inf\_Cashflow
- Bardoc Gold project Definitive Feasibility Study

### 8.1.1 Open Pit - Ore Loss and Dilution

Traditional ore reserve estimation allows for the application of Ore Loss and Dilution to the modelled in-situ ore zones. The LUC Mineral Resource estimation technique was used to allow for the lack of mineralisation continuity (short-scale variability) and the drill spacing. Given the limitations on modelling short-scale variability, the LUC approach is considered to be an appropriate technique.

The Ore Reserve block size (Selected Mining Unit (SMU)) is considered to incorporate dilution on the basis of selective mining, whereby the modelled block size (5m \* 5m \* 5m), for Ore Reserve estimation is a “reblocking” of the Mineral Resource model blocks of 5m \* 5m \* 2.5m.

When compared to the Mineral Resource model, the Ore Reserve model estimates a variation in the ore tonnage and contained metal. The premise being the Ore Reserve predicts less gold than the Mineral Resource model, thus dilution and ore loss (mining recovery) are accounted for.

VRM considers that dilution should be applied to the designed production shapes as the SMU reflects the smallest selective mining unit and the dilution will account for mining beyond the designed boundary.

For valuation sensitivity purposes VRM recommends that 5% dilution is included to allow for the potential inability to selectively mine to the SMU. Noting the Bulletin South pit applies a 5% dilution, Aphrodite 3% and Excelsior, Zoroastrian and Mayday North pit has no dilution allowed.

Further VRM recommends that a 5% Mining Loss is applied to allow for conventional losses during open pit mining. The DCF model includes 3% mining losses.

### 8.1.2 Underground - Ore Loss and Dilution

The DFS notes a 10% dilution and 95% stope recovery for the underground projects. VRM considers these to be optimistic and at the upper end of operational performance.



VRM note there is a risk of increased dilution due to the stope widths (some stopes 2.5m wide) and potential for lower stope recovery.

VRM recommends allowing for 20% dilution and 10% ore losses in the stope tonnages.

### 8.1.3 Plant ramp-up

The DFS reports a 3-month ramp-up period for the processing plant throughput and recoveries has been applied. Free-mill recovery of 95%, 100% and 100%, Refractory recovery 90%, 95% and 95% and Refractory mass pull, 110, 110 and 105%.

VRM considers the 3-month ramp-up to be optimistic and recommends a 6-month ramp-up period is applied for recovery and throughput.

This is to allow for the typical processing plant commissioning issues and potential delays in mining and challenges in transitioning from the free milling to refractory operations.

### 8.1.4 Operating and Capital Costs

The basis of the operating and capital cost estimates are well documented, and the open pit and mining costs include 5% and 6.5% contingency respectively.

VRM considers that the following aspects should be evaluated to determine the sensitivity of the project to various potential cost increases, the sensitivity analysis should review.

- The mining unit costs with a potential increase of 10% to allow for cost increases and productivity short falls that will have an impact on the fixed cost component. This adjustment will impact the capitalised open pit waste movement and underground development.
- A potential 10% increase in the processing costs to allow for cost increases and the impact of the campaign operations on continuity and the requirement to ram-up and down when the feed type changes.
- A possible 5% increase in the capital cost should be tested to allow for increases in construction costs and potential for time related delays.

## 8.2 Valuation of the Mineral Resources excluding Ore Reserves

### 8.2.1 Comparable Transactions – Resource Multiples

As detailed in Appendix A, VRM has reviewed a series of transactions on projects that are broadly comparable to the BGP. The broad criteria to be considered potentially comparable was that the project must have.

- 1) Be located in Western Australia,
- 2) Been announced or completed since 20 December 2016,
- 3) Had a Mineral Resource above 100,000oz of gold,
- 4) Any project that was operating or had processing facilities associated with the transaction were excluded.
- 5) The comparable projects that would reasonably be expected to be exploited by conventional open pit mining methods and potentially with underground extensions and
- 6) The mineralisation likely to be processed via a standard processing flowsheet.

These criteria identified 34 potentially comparable project specific transactions. Of these 34 transactions 7 had Ore Reserves and Mineral Resources while 27 has Mineral Resources but no Ore Reserves delineated.

The comparable transactions have been selected from Projects where there are Mineral Resources where Ore Reserves have not yet been delineated. The reason for excluding the projects where Ore Reserves have been estimated is due to the Ore Reserves within the BGP have been valued using the DCF model and the Resource Multiples for projects where there are Mineral Resources and Ore Reserves are between 19% and 59% higher than for projects where there are only Resources delineated. In VRM's opinion if the Resource Multiples for entire dataset or only for the projects with Ore Reserves were used then it would likely result in a valuation for the BGP that does not reflect the true market value of the Mineral Resources within the BGP.

To remove the fluctuations in the gold price the transaction multiples have been normalised to the gold price at the time the transaction was announced and the gold price at the valuation date (20 December 2021). From the analysis of the 27 completed transactions from comparable projects where there are Mineral Resources, but no Ore Reserves VRM has determined that the resource multiples for broadly comparable transactions range from A\$0.38/oz to A\$98.78/oz. Analysis of the dataset indicated the median of the comparable transactions is A\$25.73/oz while the average is A\$33.35/oz, the 25th percentile and 75th percentile are A\$9.28/oz and A\$59.44/oz respectively.

In VRM's opinion it would usually be preferable to use the 25th and 75th percentiles and the median of the transactions for potential resource multiples in this case it would result in a valuation range that is unreasonably wide. Therefore, VRM has used the median of the 27 transactions that involved projects with Mineral Resources but no Ore Reserves to generate an initial valuation with the range being +/- 20% from the median Resource Multiple. The preferred valuation was determined based on 105% of the median Resource Multiple. The reason for a 5% premium compared to the median resource multiple is due to a population analysis of the transactions over the past five years which showed that the normalised Resource multiples, while having a low correlation coefficient have a general trend of higher normalised Resource Multiples for the more recent transactions. Appendix A contains the graph of the normalised Resource Multiples over the past five years.

The normalised Resource Multiples detailed above and supported by the information in Appendix A have been used along with the JORC 2012 BGP Mineral Resources excluding the Ore Reserves detailed above to determine the valuations shown in Table 7.

**Table 7 Comparable Transaction Valuation Summary for the Bardoc Gold Deposit.**

Bardoc Valuations	Low	Median	Preferred	Upper
Total Resources excluding Reserves	2,067,000	2,067,000	2,067,000	2,067,000
Median Comparable Transactions	\$25.73	\$25.73	\$25.73	\$25.73
Range	80%	100%	105%	120%
Multiple	\$20.58	\$25.73	\$27.02	\$30.88
<b>Total Resource Multiple Valuation</b>	<b>\$42.6</b>	<b>\$53.2</b>	<b>\$55.8</b>	<b>\$63.8</b>

Note appropriate rounding has been applied to the Resource estimate and the valuation.

Therefore, VRM considers that the Mineral Resource Estimates within the BGP to be valued, based on comparable transactions, at between \$42.6 million and \$63.8 million with a preferred valuation of \$55.8 million. In addition to this value the exploration potential on the surrounding tenements needs to be included to determine the value of the entire project. The exploration potential has been derived via a Geoscientific or Kilburn method for early-stage exploration projects.

## 8.2.2 Yardstick Method

Table 8 details the yardstick multiples were used to determine the value of the Mineral Resources excluding the Ore Reserves BGP while Table 9 tabulates the valuation for the BGP based on the current Mineral Resource estimates.

**Table 8 Yardstick Multiples used for the BGP.**

	Yardstick Multiples	
	Low	High
Reserves	5%	10%
Measured	2%	5%
Indicated	1%	2%
Inferred	0.50%	1%

**Table 9 Yardstick Valuation of the Mineral Resources (excluding the Ore Reserves) within the BGP**

Valuation	Mineral Resources ex Ore Reserves	Gold Price	Valuation (A\$ Million)		
			Low	Mid-Point	High
Indicated	1,049,000	\$2,522.58	26.5	39.7	52.9
Inferred	1,018,000	\$2,522.58	12.8	19.3	25.7
<b>Valuation AU\$</b>			<b>39.3</b>	<b>59.0</b>	<b>78.6</b>

Note: The yardstick valuation of uses the gold price and US\$ - AU\$ exchange rate as at 20 December 2021

Appropriate rounding has been applied to the valuation.

The yardstick valuation determined to be between \$39.3 million and \$78.6 million with a mid-point valuation of \$59.0 million is broadly in line with the comparable transaction valuation between \$42.6 million and \$63.8 million with a preferred valuation of \$55.8 million however it is considered by VRM to be a useful guide of a possible valuation and should not be used as a primary valuation method.

## 8.3 Valuation of Exploration Potential

### 8.3.1 Geoscientific Valuation

There are several specific inputs that are critical in determining a valid geoscientific or Kilburn valuation, these are ensuring that the specialist undertaking the valuation has a good understanding of the mineralisation styles within the overall region, the tenements and has access to all the exploration and geological information to ensure that the rankings are based on a thorough knowledge of the project. In addition to ensuring the rankings are correct deriving the base acquisition costs (BAC) is critical as that is the primary driver of the final value. In this case the BAC is derived by the exploration commitment to maintain the tenement in good standing and annual tenement rents while the costs of the tenement applications and targeting have not been included.

In VRM's opinion the value of the exploration potential within the mining leases that contain or are adjacent to the Mineral Resources of the BGP has been captured by the Resource Multiple and yardstick valuation methods above however the surrounding tenements have exploration potential which has been valued by this Geoscientific or Kilburn valuation.

The Geoscientific rankings were derived for each of the ranking criteria with the Off-Property Criteria considered to be between 1 and 3.5, the On-Property Criteria between 1.5 and 3.5, the Anomaly Factor between 0.9 and 4.0 while the Geology Criteria are considered to be between 0.5 and 3.0. When these ranking criteria are combined with the base acquisition cost as detailed in Appendix B this has determined the technical value as shown in Table 10.

Table 10 details the technical value of the exploration potential of the tenements while the Market Value of the exploration potential is based on a jurisdictional and market discount. There are social, environmental, and geopolitical risks associated with the projects therefore a slight discount of 2% has been applied, this discount is partly due to the COVID-19 pandemic and the short-term impacts of the travel restrictions and the limits for project critical staff while a 5% premium has been applied for the gold market. Overall, the market valuation is detailed in Table 10. The base acquisition cost used in this valuation is based on the tenement rents and exploration commitments are detailed in Appendix C

**Table 10 Valuation of the Exploration Potential within the BGP.**

	Technical Valuation (AUS\$)			Fair Market Valuation (AUS\$M)		
	Lower	Preferred	Upper	Lower	Preferred	Upper
Kalgoorlie North Gold Project						

	Technical Valuation (AUS\$)			Fair Market Valuation (AUS\$M)		
	Lower	Preferred	Upper	Lower	Preferred	Upper
<b>Total</b>	<b>1,300,800</b>	<b>2,054,000</b>	<b>2,807,200</b>	<b>1.28</b>	<b>1.98</b>	<b>2.7</b>
<b>Aphrodite</b>						
<b>Total</b>	<b>485,800</b>	<b>940,400</b>	<b>1,395,000</b>	<b>0.5</b>	<b>0.97</b>	<b>1.43</b>
<b>Mulwarrie (All Value attributed to the JORC Resources)</b>						
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Mayday North - North Kanowna Star</b>						
<b>Total</b>	<b>36,900</b>	<b>62,050</b>	<b>87,200</b>	<b>0.04</b>	<b>0.06</b>	<b>0.09</b>
<b>Total Gold Projects</b>	<b>1,823,500</b>	<b>3,056,450</b>	<b>4,289,400</b>	<b>1.82</b>	<b>3.01</b>	<b>4.22</b>

Note the technical valuation is the base acquisition cost multiplied by the ranking factors outlined in Appendix B while the Market Value is the Technical Value multiplied by the geopolitical risk and market adjustment, in this case a 5% premium is applied to the technical value for the gold market and a 2% discount is applied for Geopolitical, heritage, environmental and COVID -19 risks.

Appropriate rounding to the total valuation has been undertaken

The exploration potential in the BGP tenements that do not contain Mineral resources or are not considered to be valued by the Resource Multiples are considered by VRM to have a market value in Australian dollars of between A\$1.8 million and A\$4.2 million with a preferred value of \$3.0 million.

## 9 South Woodie Woodie Manganese Project

The South Woodie Woodie Manganese project is an early-stage exploration project, containing a JORC 2004 historical mineral resource estimate. According to Bardoc the mineral resource has not been updated to comply with JORC 2012 due to there being no additional information that would make a material difference to the estimate. In VRM's opinion the project should be valued using a comparable transaction method based on Resource Multiples as a primary valuation method with a secondary valuation being a Geoscientific or Kilburn approach.

### 9.1 Comparable Transactions – Resource Multiples

As detailed in Appendix B, VRM has reviewed a series of transactions on projects that are broadly comparable to the project. While there are very few projects that have transacted in Australia that would be considered to be comparable. VRM has identified five transactions for early-stage manganese projects, one of these transactions has been excluded from the analysis as it is clearly an outlier and while detailed as being a project specific transaction it is essentially a corporate transaction where the seller of the project attained an approximate holding of 75% in the company. That transaction also had a significant development loan associated with it resulting in a near term development option for the project. The other project specific transactions all contain between 1.1Mt and 37.6Mt in Resource

To remove the fluctuations in the manganese price the transaction multiples have been normalised to the Manganese price at the time the transaction was announced and the manganese price at the valuation date (20 December 2021). From the analysis of the only four completed transactions for comparable projects

have been identified. The normalised resource multiples for broadly comparable transactions range for the contained Manganese of between 0.76\$/t to A\$2.47/t with an average of \$1.33/t of contained Manganese. In a resource multiple was undertaken on the entire resource tonnage then the multiples ranged from \$0.15/resource tonne to 0.44/resource tonne with an average of \$0.27/resource tonne.

The normalised Resource Multiples detailed above as supported by the information in Appendix B have been used along with the JORC 2004 South Woodie Woodie historical mineral resources detailed above to determine the valuations shown in Table 7. The contained Manganese is determined by calculating the Manganese grade (13.3%) by the Resource tonnage (14.2Mt) to generate contained Manganese of 1,888,600t.

	Lower (A\$ million)	Preferred (A\$ million)	Upper (A\$ million)
<b>Contained Tonnes Mn</b>	1,888,600		
<b>Normalised Resource Multiple Contained Mn</b>	\$1.33		
<b>Resource Tonnes</b>	14,200,000		
<b>Normalised Resource Multiple Resource Tonnes</b>	\$0.27		
<b>VRM Valuation Range</b>	<b>Lower</b>	<b>Mid-Point</b>	<b>Upper</b>
	\$2.5	\$3.1	\$3.8

Table 11 Comparable Transaction Valuation Summary for the South Woodie Woodie Manganese Project.

Note appropriate rounding has been applied to the Resource estimate and the valuation.

The Upper valuation is based on the potential to sell all of the Mineral Resource and there being no beneficiation losses, the lower valuation assumes there is no beneficiation of the mineralised material.

Therefore, VRM considers that the South Woodie Woodie Manganese Project has a market value, based on comparable transactions, of between \$2.5 million and \$3.8 million with a preferred valuation of \$3.1 million.

## 9.2 Geoscientific Valuation

The Geoscientific valuation for the South Woodie Woodie Project has been determined the same way as the Bardoc Gold Project Geoscientific valuation above however as this is an entire project valuation the value has been determined for all of the tenements.

The Geoscientific rankings were derived for each of the ranking criteria with the Off-Property Criteria considered to be between 1 and 3, the On-Property Criteria between 1.2 and 2.5, the Anomaly Factor between 1 and 4 while the Geology Criteria are considered to be between 1.0 and 2.5. When these ranking criteria are combined with the base acquisition cost, as detailed in Appendix D, this has determined the technical value. The technical value was then discounted by 5% for the current Manganese market and 2% for the labour shortage, Covid as shown in Table 10.

Table 12 details the technical value of the exploration potential of the tenements while the Market Value of the exploration potential is based on a jurisdictional and market discount. There are social, environmental,

and geopolitical risks associated with the projects therefore a slight discount of 2% has been applied, this discount is partly due to the COVID-19 pandemic and the short-term impacts of the travel restrictions and the limits for project critical staff while a 5% premium has been applied for the gold market. Overall, the market valuation is detailed in Table 12.

Table 12 Valuation of the South Woodie Woodie Manganese Project

Tenement	Contains Resources	Technical Valuation (AUS\$)			Fair Market Valuation (AUS\$M)		
		Lower	Preferred	Upper	Lower	Preferred	Upper
<b>E 46/616</b>	Yes	420,000	710,000	1,000,000	0.43	0.73	1.03
<b>E 46/787</b>	Yes	420,000	710,000	1,000,000	0.43	0.73	1.03
<b>E 46/835</b>	No	877,500	1,608,750	2,340,000	0.90	1.66	2.41
<b>R 46/2</b>	Yes	-	-	-	-	-	-
<b>E 46/1159</b>	No	36,000	83,800	131,600	0.04	0.09	0.14
<b>E 46/1160</b>	No	24,000	55,900	87,800	0.02	0.06	0.09
<b>E 46/1282</b>	No	24,000	55,900	87,800	0.02	0.06	0.09
<b>E 46/1304</b>	No	24,000	55,900	87,800	0.02	0.06	0.09
<b>E 46/1387</b>	No	64,800	150,850	236,900	0.07	0.16	0.24
<b>Total South Woodie Woodie Project</b>		<b>1,777,500</b>	<b>3,168,450</b>	<b>4,559,400</b>	<b>1.82</b>	<b>3.27</b>	<b>4.70</b>

Note the technical valuation is the base acquisition cost multiplied by the ranking factors outlined in Appendix D while the Market Value is the Technical Value multiplied by the geopolitical risk and market adjustment, in this case a 5% discount is applied to the technical value for the Manganese market and a 2% discount is applied for Geopolitical, heritage, environmental and COVID -19 risks. VRM has assigned a BAC for E46/787 based on the DMIRS mandated expenditure rather than the tenement title records. Appropriate rounding to the total valuation has been undertaken

The Geoscientific valuation for the South Woodie Woodie Project is considered by VRM to have a market value in Australian dollars of between A\$1.8 million and A\$4.7 million with a preferred value of \$3.3 million.

The exploration potential away from E46/616, E46/787 and E46/835 as detailed in Table 12 above indicates that the exploration potential as a value of between \$0.17 million and \$0.65 million with a mid-point (preferred) valuation of \$0.43 million. When appropriate rounding is applied the valuation range is between \$0.2 and \$0.6 million with a preferred value of \$0.4 million. VRM considers it reasonable to value the exploration tenements at the lower range of the valuation, being \$0.2 million.

If the valuation of the Mineral Resource is considered to be limited to E46/616, E46/787 and E46/835 then the exploration potential within the other tenements should be added to the Comparable transaction valuation, therefore providing a whole project valuation of between \$2.7 million (\$2.5 million resource value and \$0.2 million exploration potential) and \$4.0 million (\$3.8 million resource value and \$0.2 million exploration potential) with a preferred valuation of \$3.3 million (\$3.1 million resource value and \$0.2 million exploration potential).

## 10 Risks and Opportunities

As with all mineral assets there are several risks and opportunities associated with the projects and any valuation.

Some of the risks and opportunities that are common to most projects include the risks associated with the security of tenure, environmental approvals, and geopolitical risks. A significant risk to the project and this valuation is the risks of obtaining sufficient capital to undertake the potential mining activity. An additional risk is the economic climate including the gold market including the gold price and financial markets which have a significant impact on the ability of a company to secure the required funding and profitably exploit the identified mineralisation. These risks are largely outside the control of the company.

For the BGP, key opportunities identified during the 2021 DFS include, but are not limited to:

- Not all of the Bardoc Project Resources were investigated or included in the DFS mine plan/study.
- Mine extensions through additional drilling, specifically for Zoroastrian and Aphrodite Underground.
- Optimised mine plan through scheduling opportunities with multiple ore sources.
- Optimised mill throughput to increase ounces produced based on various mill feed types.
- Optimised Tailings Storage Facility to reduce up front capital costs.
- Review of further opportunities to bring forward high grade underground mines, Zoroastrian and Aphrodite.
- Improved mining contractor rates through competitive tender process.
- Decreased Processing Infrastructure costs through competitive tender process and including additional items into scope, e.g., bore field establishment, to improve management and overhead costs currently estimated.
- Exploration success specifically at the Mayday North and North Kanowna Star deposits; and
- Commencing production early and utilising toll treatment options in the goldfields.

Key risks identified during the 2021 DFS include, but are not limited to:

- Adverse movement in gold price.
- Adverse movement in USD: AUD exchange rates.
- Access to project funding.
- Approvals by government authorities.
- Access to land associated with water supply.
- Increased mining costs as a result of competitive tender process due to current labour and resource market.
- Not achieving mining production rates, gold grade in orebody, recovery and dilution assumptions and metallurgical recovery rates; and
- Supply chain and resource disruptions due to events such as COVID-19.

In addition to the risks identified by Bardoc in the DFS VRM considers that as with all projects there is a risk associated with the Resource estimates of the various deposits, this risk, while significantly reduced through the extensive drilling and interpretation there is always an inherent risk that the grade and geological continuity of the modelled mineralisation does not accurately reflect the mineralisation once extraction commences.



An additional risk is the metallurgical recovery of the mineralisation at the Aphrodite project, while extensive studies have been undertaken to determine the optimal metallurgical processing route there is a risk that the samples collected for the metallurgical tests do not accurately represent the mineralisation once it has been extracted.

For the South Woodie Woodie project there are the typical risks associated with early-stage exploration projects and additional risks associated with the current, JORC 2004 Mineral Resource estimate along with the risks of delineation of additional material that may be exploitable. There are also significant opportunities within the South Woodie Woodie project with the opportunities predominantly associated with the potential to delineate additional mineralisation within the project.

## 11 Preferred Valuations

Based on the valuation techniques detailed above, Table 13 provides a summary of the valuations derived for the Mineral Resources and the exploration potential within the projects by the various techniques. The combined valuation range for and VRM's preferred valuation in Table 14. Figure 18 graphically shows the valuation range and preferred valuation for the Mineral Resources and exploration potential within the project and the combined valuation range and preferred valuation for the mineral assets.

The preferred valuation that VRM has determined is based on the comparable transaction approach recognising that most of the value in the tenement package is attributed to the currently defined Mineral Resources estimates. The comparable transaction valuation is supported by the yardstick approach which took into account the classification of the Mineral Resources discounted for assessed resource and environmental risks.

The Geoscientific or Kilburn method is considered viable options to value the exploration potential adjacent to the currently defined Mineral Resources.

**Table 13 Valuation Summary Projects by method**

Valuation summary by various methods				
Valuation Technique	Priority	Lower (\$M)	Preferred (\$M)	Upper (\$M)
Bardoc Gold Project				
Comparable Transactions (Mineral Resources)	Primary	\$42.5	\$55.8	\$63.8
Yardstick (Mineral Resources)	Supporting	\$39.3	\$59.0	\$78.6
Kilburn / Geoscientific (Exploration properties)	Primary	\$0.2	\$0.4	\$0.6
South Woodie Woodie Manganese Project				

Comparable Transactions (Mineral Resources)	Primary	\$2.5	\$3.1	\$3.8
Kilburn / Geoscientific (Exploration properties)	Primary	\$0.2	\$0.4	\$0.6

Table 14 VRM's Preferred Valuation as at 20 December 2021

Bardoc Mineral Assets Valuation Summary			
	Lower (\$M)	Preferred (\$M)	Upper (\$M)
Bardoc Gold Project			
Mineral Resources	\$42.5	\$55.8	63.8\$
Exploration Potential	\$1.8	\$3.0	\$4.2
Bardoc Gold Project Valuation (AUD\$ million)	<b>\$44.4</b>	<b>\$58.9</b>	<b>\$68.0</b>
South Woodie Woodie Manganese Project			
Mineral Resources	\$2.5	\$3.1	\$3.8
Exploration Potential	\$0.2	\$0.2	\$0.2
South Woodie Woodie Valuation (AUD\$ million)	\$2.7	<b>\$3.3</b>	<b>\$4.0</b>

Note the totals do not add due to rounding in the valuations.



Figure 18 Valuation summary

Based on the rationale outlined in the body of this Report, VRM is of the view that the Mineral Resource estimates (excluding Ore Reserves) are most appropriately valued considering a comparable transaction approach, while the exploration potential is most appropriately valued applying a Geoscientific or Kilburn valuation method. On this basis in VRM's opinion, as detailed in Table 14 the likely market value of the Bardoc Gold Project is between \$44.4 million and \$68.0 million with a preferred valuation of \$58.9 million while the South Woodie Woodie Manganese Project has a likely market value between \$2.7 million and \$4.0 million with a preferred valuation of \$3.3 million

## 12 References

The references below document the main documents referred to in this report however the various ASX releases for the various companies including Bardoc have not been included in the reference list.

### Project Specific References

- BDC\_FM\_DFS\_OPTI\_40.02\_Inventory\_Ind & Inf\_Cashflow
- Bardoc Gold project Definitive Feasibility Study
- BDC\_FM\_DFS\_OPTI\_40.02\_Inventory\_Ind & Inf\_Cashflow, and
- BDC\_FM\_DFS\_OPTI\_20.03\_Bank\_No Inf\_Cashflow\_Tax update

### Published References

JORC, 2012. Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code). Available from: <http://www.jorc.org>

Kilburn, L.C., 1990, *Valuation of mineral properties which do not contain exploitable reserve*, CIM Bulletin, 83, pp. 90–93.

VALMIN, 2015. Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code). Available from <http://valmin.org/>

## 7 Glossary

Below are brief descriptions of some terms used in this report. For further information or for terms that are not described here, please refer to internet sources such as Webmineral [www.webmineral.com](http://www.webmineral.com), Wikipedia [www.wikipedia.org](http://www.wikipedia.org),

*The following terms are taken from the 2015 VALMIN Code.*

**Annual Report** means a document published by public corporations on a yearly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

**Australasian** means Australia, New Zealand, Papua New Guinea, and their off-shore territories.

**Code of Ethics** means the Code of Ethics of the relevant Professional Organisation or Recognised Professional Organisations.

**Corporations Act** means the Australian Corporations Act 2001 (Cth).

**Experts** are persons defined in the Corporations Act whose profession or reputation gives authority to a statement made by him or her in relation to a matter. A Practitioner may be an Expert. Also see Clause 2.1.

**Exploration Results** is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

**Feasibility Study** means a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-feasibility Study.

**Financial Reporting Standards** means Australian statements of generally accepted accounting practice in the relevant jurisdiction in accordance with the Australian Accounting Standards Board (AASB) and the Corporations Act.

**Independent Expert Report** means a Public Report as may be required by the Corporations Act, the Listing Rules of the ASX or other security exchanges prepared by a Practitioner who is acknowledged as being independent of the Commissioning Entity. Also see ASIC Regulatory Guides RG 111 and RG 112 as well as Clause 5.5 of the VALMIN Code for guidance on Independent Expert Reports.

**Information Memoranda** means documents used in financing of projects detailing the project and financing arrangements.

**Investment Value** means the benefit of an asset to the owner or prospective owner for individual investment or operational objectives.

**Life-of-Mine Plan** means a design and costing study of an existing or proposed mining operation where all Modifying Factors have been considered in sufficient detail to demonstrate at the time of reporting that extraction is reasonably justified. Such a study should be inclusive of all development and mining activities proposed through to the effective closure of the existing or proposed mining operation.

**Market Value** means the estimated amount of money (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing wherein the parties each acted knowledgeably, prudently and without compulsion. Also see Clause 8.1 for guidance on Market Value.

**Materiality** or being **Material** requires that a Public Report contains all the relevant information that investors and their professional advisors would reasonably require, and reasonably expect to find in the report, for the purpose of making a reasoned and balanced judgement regarding the Technical Assessment or Mineral Asset Valuation being reported. Where relevant information is not supplied, an explanation must be provided to justify its exclusion. Also see Clause 3.2 for guidance on what is Material.

**Member** means a person who has been accepted and entitled to the post-nominals associated with the AIG or the AusIMM or both. Alternatively, it may be a person who is a member of a Recognised Professional Organisation included in a list promulgated from time to time.

**Mineable** means those parts of the mineralised body, both economic and uneconomic, that are extracted or to be extracted during the normal course of mining.

**Mineral Asset** means all property including (but not limited to) tangible property, intellectual property, mining and exploration Tenure and other rights held or acquired in connection with the exploration, development of and production from those Tenures. This may include the plant, equipment and infrastructure owned or acquired for the development, extraction, and processing of Minerals in connection with that Tenure.

Most Mineral Assets can be classified as either:

(a) **Early-stage Exploration Projects** – Tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified.

(b) **Advanced Exploration Projects** – Tenure holdings where considerable exploration has been undertaken and specific targets identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category.

(c) **Pre-Development Projects** – Tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely), but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken.

(d) **Development Projects** – Tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a Pre-Feasibility Study.

(e) **Production Projects** – Tenure holdings – particularly mines, wellfields, and processing plants – that have been commissioned and are in production.

**Mine Design** means a framework of mining components and processes taking into account mining methods, access to the Mineralisation, personnel, material handling, ventilation, water, power, and other technical requirements spanning commissioning, operation, and closure so that mine planning can be undertaken.

**Mine Planning** includes production planning, scheduling and economic studies within the Mine Design taking into account geological structures and mineralisation, associated infrastructure and constraints, and other relevant aspects that span commissioning, operation, and closure.

**Mineral** means any naturally occurring material found in or on the Earth's crust that is either useful to or has a value placed on it by humankind, or both. This excludes hydrocarbons, which are classified as Petroleum.

**Mineralisation** means any single mineral or combination of minerals occurring in a mass, or deposit, of economic interest. The term is intended to cover all forms in which mineralisation might occur, whether by class of deposit, mode of occurrence, genesis, or composition.

**Mineral Project** means any exploration, development, or production activity, including a royalty or similar interest in these activities, in respect of Minerals.

**Mineral Securities** means those Securities issued by a body corporate or an unincorporated body whose business includes exploration, development or extraction and processing of Minerals.

**Mineral Resources** is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

**Mining** means all activities related to extraction of Minerals by any method (e.g., quarries, open cast, open cut, solution mining, dredging etc).

**Mining Industry** means the business of exploring for, extracting, processing, and marketing Minerals.

**Modifying Factors** is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

**Ore Reserves** is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

**Petroleum** means any naturally occurring hydrocarbon in a gaseous or liquid state, including coal-based methane, tar sands and oil-shale.

**Petroleum Resource** and **Petroleum Reserve** are defined in the current version of the Petroleum Resources Management System (PRMS) published by the Society of Petroleum Engineers, the American Association of Petroleum Geologists, the World Petroleum Council, and the Society of Petroleum Evaluation Engineers. Refer to <http://www.spe.org> for further information.

**Practitioner** is an Expert as defined in the Corporations Act, who prepares a Public Report on a Technical Assessment or Valuation Report for Mineral Assets. This collective term includes Specialists and Securities Experts.

**Preliminary Feasibility Study (Pre-Feasibility Study)** means a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors that are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resources may be converted to an Ore Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study.

**Professional Organisation** means a self-regulating body, such as one of engineers or geoscientists or of both, that:

- (a) admits members primarily on the basis of their academic qualifications and professional experience.
- (b) requires compliance with professional standards of expertise and behaviour according to a Code of Ethics established by the organisation; and
- (c) has enforceable disciplinary powers, including that of suspension or expulsion of a member, should its Code of Ethics be breached.

**Public Presentation** means the process of presenting a topic or project to a public audience. It may include, but not be limited to, a demonstration, lecture or speech meant to inform, persuade, or build good will.

**Public Report** means a report prepared for the purpose of informing investors or potential investors and their advisers when making investment decisions, or to satisfy regulatory requirements. It includes, but is not limited to, Annual Reports, Quarterly Reports, press releases, Information Memoranda, Technical Assessment Reports, Valuation Reports, Independent Expert Reports, website postings and Public Presentations. Also see Clause 5 for guidance on Public Reports.

**Quarterly Report** means a document published by public corporations on a quarterly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

**Reasonableness** implies that an assessment which is impartial, rational, realistic, and logical in its treatment of the inputs to a Valuation or Technical Assessment has been used, to the extent that another Practitioner with the same information would make a similar Technical Assessment or Valuation.

**Royalty or Royalty Interest** means the amount of benefit accruing to the royalty owner from the royalty share of production.

**Securities** has the meaning as defined in the Corporations Act.

**Securities Expert** are persons whose profession, reputation or experience provides them with the authority to assess or value Securities in compliance with the requirements of the Corporations Act, ASIC Regulatory Guides and ASX Listing Rules.

**Scoping Study** means an order of magnitude technical and economic study of the potential viability of Mineral Resources. It includes appropriate assessments of realistically assumed Modifying Factors



together with any other relevant operational factors that are necessary to demonstrate at the time of reporting that progress to a Pre-Feasibility Study can be reasonably justified.

**Specialists** are persons whose profession, reputation, or relevant industry experience in a technical discipline (such as geology, mine engineering or metallurgy) provides them with the authority to assess or value Mineral Assets.

**Status** in relation to Tenure means an assessment of the security of title to the Tenure.

**Technical Assessment** is an evaluation prepared by a Specialist of the technical aspects of a Mineral Asset. Depending on the development status of the Mineral Asset, a Technical Assessment may include the review of geology, mining methods, metallurgical processes and recoveries, provision of infrastructure and environmental aspects.

**Technical Assessment Report** involves the Technical Assessment of elements that may affect the economic benefit of a Mineral Asset.

**Technical Value** is an assessment of a Mineral Asset's future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by a Practitioner, excluding any premium or discount to account for market considerations.

**Tenure** is any form of title, right, licence, permit or lease granted by the responsible government in accordance with its mining legislation that confers on the holder certain rights to explore for and/or extract agreed minerals that may be (or is known to be) contained. Tenure can include third-party ownership of the Minerals (for example, a royalty stream). Tenure and Title have the same connotation as Tenement.

**Transparency** or being **Transparent** requires that the reader of a Public Report is provided with sufficient information, the presentation of which is clear and unambiguous, to understand the report and not be misled by this information or by omission of Material information that is known to the Practitioner.

**Valuation** is the process of determining the monetary Value of a Mineral Asset at a set Valuation Date.

**Valuation Approach** means a grouping of valuation methods for which there is a common underlying rationale or basis.

**Valuation Date** means the reference date on which the monetary amount of a Valuation in real (dollars of the day) terms is current. This date could be different from the dates of finalisation of the Public Report or the cut-off date of available data. The Valuation Date and date of finalisation of the Public Report **must** not be more than 12 months apart.

**Valuation Methods** means a subset of Valuation Approaches and may represent variations on a common rationale or basis.

**Valuation Report** expresses an opinion as to monetary Value of a Mineral Asset but specifically excludes commentary on the value of any related Securities.

**Value** means the Market Value of a Mineral Asset.



## Appendix A - Comparable Gold Transactions

### Resource Comparable Transactions

Buyer	Date	Deal Summary	Description Of Consideration	Equity Acquired	Value	Reserves Acquired	Resources Acquired	Gold Price at Transaction Date	\$/Reserve Oz	\$/Resource Oz	Normalised \$/Reserve Oz	Normalised \$/Resource Oz
Linden Gold Alliance Pty Ltd/Red October and Devon project	20/12/2021	Linden Gold Alliance Pty Ltd has agreed to acquire Red October and Devon project from Matsa Resources Limited. The projects are located in Western Australia, Australia.	Linden Gold Alliance Pty Ltd will pay A\$6 million in cash and A\$9M worth of shares or cash to acquire Red October and Devon project from Matsa Resources Limited. In addition to this, Linden Gold Alliance Pty Ltd will make a deferred cash payment of \$2.5M within 24 months of LGL receiving conditional approval from the ASX for admission to the ASX and a net profit payment of \$2.5M payable quarterly from mining operations at the Devon gold project.	100	20	-	314,000	1795.3	NA	63.694		\$63.69
Strickland Metals Limited/Millrose project	17/12/2021	Strickland Metals Ltd. has acquired Millrose project from an investor group comprised of Millrose Gold Mines Ltd. and Golden Eagle Mining Ltd. The project is located in Western Australian.	Strickland Metals Limited paid A\$8.0 million in cash and issued 28,050,491 shares of its common stock to acquire Millrose project from an investor group comprised of Millrose Gold Mines Ltd. and Golden Eagle Mining Ltd.	100	10	-	346,000	1803.45	NA	28.902		\$28.77
Aurumin Limited/Sandstone Project	7/12/2021	Aurumin Limited has agreed to acquire Sandstone project from Middle Island Resources Limited. The project is located in Western Australia.	Aurumin Limited will pay A\$6 million in cash and issue 30 million common shares worth A\$6 million to acquire Sandstone project from Middle Island Resources Limited.	100	12	-	784,300	1783.11	NA	15.3		\$15.40
Red Dirt Metals Limited/Mount Ida project	13/09/2021	West Perth, Australia-based Red Dirt Metals Ltd. has acquired Mount Ida project from West Perth, Australia-	Red Dirt Metals Ltd. paid A\$11.0 million in cash to acquire the Mount Ida project from Ora Banda Mining Ltd.	100	11	-	141,000	1795.24	NA	78.014		\$78.02

Buyer	Date	Deal Summary	Description Of Consideration	Equity Acquired	Value	Reserves Acquired	Resources Acquired	Gold Price at Transaction Date	\$/Reserve Oz	\$/Resource Oz	Normalised \$/Reserve Oz	Normalised \$/Resource Oz
		based Ora Banda Mining Ltd., through the acquisition of Mt Ida Gold Pty Ltd. The project is located in Western Australia.										
Northern Star Resources Limited/Kurnalpi Project	17/03/2021	Perth, Australia-based Northern Star Resources Ltd. unit Subiaco, Australia-based Northern Star (Carosue Dam) Pty Ltd. has acquired the Kurnalpi Project from Kalgoorlie, Australia-based KalNorth Gold Mines Ltd. The project is located in Western Australia.	Northern Star Resources Ltd. paid A\$18 million to acquire the Kurnalpi Project from KalNorth Gold Mines Ltd.	100	18	-	189,400	1727.24	NA	95.037		\$98.78
Genesis Minerals Limited/Kookynie project	12/01/2021	Perth, Australia-based Genesis Minerals Ltd. has acquired Kookynie project from an investor group comprised of Burwood, Australia-based A&C Mining Investment Pty Ltd and Ms. Yijun Zhu. The project is located in Western Australia.	Genesis Minerals Ltd. paid A\$12.5 million in cash and issued 26,595,745 shares of its common stock to acquire Kookynie project from an investor group comprised of A&C Mining Investment Pty Ltd and Ms. Yijun Zhu. Furthermore, Genesis Minerals Ltd. also granted a 1.0% net smelter return to the vendors on future gold production, capped at A\$5.0 million.	100	13.5	-	414,000	1845.49	NA	30.669		\$31.72
Nu-Fortune Gold Ltd/Lindsays project	4/12/2020	East Perth, Australia-based Nu-Fortune Gold Ltd has acquired Lindsays project from Kalgoorlie, Australia-based KalNorth Gold	Nu-Fortune Gold Ltd. has paid A\$2.4 million, A\$100,000 as a non-refundable deposit, A\$1 million on earlier of commencement of underground mining operations at Lindsays project or 12 months after completion date and	100	5	-	215,100	1833.94	NA	23.245		\$22.76

Buyer	Date	Deal Summary	Description Of Consideration	Equity Acquired	Value	Reserves Acquired	Resources Acquired	Gold Price at Transaction Date	\$/Reserve Oz	\$/Resource Oz	Normalised \$/Reserve Oz	Normalised \$/Resource Oz
Horizon Minerals Limited/Kalpini project	12/10/2020	Mines Ltd. The project is located in Western Australia.  Perth, Australia-based Horizon Minerals Ltd. has acquired the Kalpini project from West Perth, Australia-based NBT Metals Pty Ltd. The project comprises of mining lease M27/485 and miscellaneous lease L27/88 located in Western Australia.	A\$1.5 million 24 months after completion date to acquire Lindsays project from KalNorth Gold Mines Ltd.  Horizon Minerals Ltd. paid A\$2.75 million in cash to acquire the Kalpini project from NBT Metals Pty Ltd.	100	2.75	-	255,600	1921.98	NA	10.759		\$10.05
Black Cat Syndicate Limited/Trojan, Slate Dam and Clinker Hill projects	7/10/2020	Perth, Australia based-Black Cat Syndicate Ltd. has acquired Trojan, Slate Dam and Clinker Hill projects from Perth, Australia based-Aruma Resources Ltd. The projects are located in Western Australia.	Black Cat Syndicate Ltd. paid A\$500,000 in cash to acquire Trojan, Slate Dam and Clinker Hill projects from Aruma Resources Ltd.	100	0.5	-	115,000	1883.72	NA	4.348		\$4.14
Calidus Resources Limited/Blue Spec project	19/09/2020	West Perth, Australia-based Calidus Resources Ltd. has acquired the Blue Spec project from Vancouver, British Columbia-based Novo Resources Corp. The project is located in Western Australia.	Calidus Resources Ltd. paid A\$12.5 million in cash and issued 13,333,333 shares of its common stock to acquire the Blue Spec project from Novo Resources Corp. In addition to this, Calidus Resources Ltd. assumed the existing third-party royalty related to the project.	100	19.5	-	246,900	1954.65	NA	78.979		\$72.54
Linden Gold Alliance Pty Ltd/Linden project	26/08/2020	Bassendean, Australia-based Linden Gold Alliance Pty Ltd has acquired Linden project	Linden Gold Alliance Pty Ltd paid A\$5 million in cash and would pay further A\$3.5 million in cash as a non-contingent future payment to acquire	100	9	64,941	138,699	1940.06	138.587	64.889	\$128.25	\$60.05

Buyer	Date	Deal Summary	Description Of Consideration	Equity Acquired	Value	Reserves Acquired	Resources Acquired	Gold Price at Transaction Date	\$/Reserve Oz	\$/Resource Oz	Normalised \$/Reserve Oz	Normalised \$/Resource Oz
		from Perth, Australia-based Anova Metals Ltd. The project includes Second Fortune Mine and is located in Western Australia.	Linden project from Anova Metals Limited. Furthermore, Linden Gold Alliance Pty Ltd granted NSR of 1.5% on each ounce of gold produced from the Linden project after a total of 75,000 cumulative ounces of gold have been produced from the project, capped at a total royalty payable of A\$1.0 million. Following total royalty payments of A\$1.0 million, the NSR will reduce to a 1.0% NSR on every ounce of gold produced.									
Specrez Pty Ltd/Leonora project tenements	10/08/2020	Perth, Australia-based Specrez Pty Ltd. has acquired the Leonora project tenements from Perth, Australia-based Kingwest Resources Ltd. These tenements includes M37/1202, E37/893 and P37/8901, located in Western Australia.	Specrez Pty Ltd. paid A\$190,000 in cash to acquire the Leonora project tenements from Kingwest Resources Ltd. Furthermore, Specrez Pty Ltd has also issued a 1.75% net smelter return royalty for all production from M37/1202.	100	0.19	-	104,000	2036.19	NA	1.827		\$1.61
Red 5 Limited/Cables and Mission deposits	22/05/2020	Perth, Australia-based Red 5 Ltd. unit West Perth, Australia-based Darlot Mining Co. Ltd. has acquired the Cables and Mission deposits from Mr. Andrew George Paterson. The deposits are located in Western Australia.	Red 5 Ltd. paid A\$150,000 and issued 7,773,109 shares of its common stock to acquire the Cables and Mission deposits from Mr. Andrew George Paterson. In addition to this, Red 5 Ltd. will also pay A\$500,000 in cash or shares on delineation and reporting of a 500koz JORC 2012 Resource. The deposits are also subject to a Western Australian state government net smelter return royalty of 2.50%.	100	2.5	-	185,527	1736.32	NA	13.475		\$13.93
Kingwest Resources Limited/Menzies	9/07/2019	Perth, Australia-based Kingwest Resources Ltd.	Kingwest Resources Ltd. paid A\$1.75 million in cash, issued 20 million shares	100	8	12,700	195,210	1397.13	598.425	38.932	\$809.44	\$52.66

Buyer	Date	Deal Summary	Description Of Consideration	Equity Acquired	Value	Reserves Acquired	Resources Acquired	Gold Price at Transaction Date	\$/Reserve Oz	\$/Resource Oz	Normalised \$/Reserve Oz	Normalised \$/Resource Oz
and Goongarrie projects		has acquired a 100% interest in the Menzies and Goongarrie projects from Perth, Australia-based Horizon Minerals Ltd. The projects are located in Western Australia, Australia.	of its common stock and paid A\$1.625 million in cash and issued 10,833,333 shares of its common stock as a non-contingent future payment to acquire a 100% interest in the Menzies and Goongarrie projects from Horizon Minerals Ltd.									
Rox Resources Limited/OYG Joint venture	21/06/2019	Perth, Australia-based Rox Resources Ltd. has acquired a 70% interest in OYG Joint venture from Perth, Australia-based Venus Metals Corp. Ltd. through an earn-in and joint venture agreement. The project is located in Western Australia, Australia.	Rox Resources Ltd. paid A\$2.80 million in cash, issued 25.0 million shares of its common stock and incurred A\$2.0 million in exploration expenditures to acquire an initial 50% interest in the OYG Joint venture from Venus Metals Corp. Ltd. To earn a further 20% in OYG Joint venture, Rox Resources Ltd. has paid an additional A\$2.0 million in cash and issued 41,666,667 shares. Moreover, Rox Resources Ltd. will also issue a 0.70% net smelter return royalty to Venus Metals Corp. Ltd.	70	6	-	833,420	1393.47	NA	15.358		\$9.28
Pantoro Limited/Central Norseman project	14/05/2019	Perth, Australia-based Pantoro Ltd. acquired a 50% interest in the Central Norseman project from Bondi Junction, Australia-based Norseman Gold Plc, through a joint venture transaction. The project is located in Western Australia.	Pantoro Ltd. paid A\$10.0 million in cash, issued 100.0 million shares of its common stock and incurred A\$50.0 million in exploration expenditures to acquire a 50% interest in the Central Norseman project from Norseman Gold Plc. In addition to this, Pantoro Ltd. will also pay: an aggregate of A\$15.0 million in deferred cash payments over 24 months after completion; and A\$10.0 million as milestone payment upon definition of 1.8 Moz JORC ore reserve. Furthermore, Pantoro Ltd. will issue a 1.0% net smelter return royalty, on	50	55	-	1,745,500	1296.96	NA	32.655		\$43.62

Buyer	Date	Deal Summary	Description Of Consideration	Equity Acquired	Value	Reserves Acquired	Resources Acquired	Gold Price at Transaction Date	\$/Reserve Oz	\$/Resource Oz	Normalised \$/Reserve Oz	Normalised \$/Resource Oz
			Pantoro Ltd.'s attributable gold and silver produced from Central Norseman project, capped at a total of A\$6.0 million plus a 0.0025% royalty for a period of 5 years after the first A\$6.0 million is paid.									
RNC Minerals/Higginsville Gold Operations	13/05/2019	Toronto-based RNC Minerals has acquired Higginsville gold operations from Perth, Australia-based Westgold Resources Ltd. The project is located in Western Australia, Australia.	RNC Minerals paid A\$25.0 million in cash and issued 56,916,019 shares of its common stock to acquire the Higginsville gold operations from Westgold Resources Ltd.	100	50	367,000	1,906,000	1297.4	130.847	25.195	\$188.52	\$36.30
Bardoc Gold Limited/Bardoc project	8/05/2019	Perth, Australia-based Bardoc Gold Ltd. acquired 100% interest in the Bardoc project from Perth, Australia-based Torian Resources Ltd. The project consists of a package of 40 tenements, located in Western Australia.	Bardoc Gold Ltd. paid A\$150,000 in cash to acquire 100% interest in the Bardoc project from Torian Resources Ltd.	100	0.15	-	549,000	1282.72	NA	0.273		\$0.38
Saracen Mineral Holdings Limited/Box Well and Deep South mining leases and 18 tenements	18/04/2019	Perth, Australia-based Saracen Mineral Holdings Ltd. has acquired a 100% interest in Box Well and Deep South mining leases along with 18 tenements from Melbourne-based Hawthorn Resources Ltd. The 18 tenements	Saracen Mineral Holdings Ltd. paid A\$13.50 million in cash to acquire a 100% interest in the Box Well and Deep South mining leases along with 18 tenements from Hawthorn Resources Ltd.	100	13.5	-	206,800	1275.31	NA	65.28		\$91.90

Buyer	Date	Deal Summary	Description Of Consideration	Equity Acquired	Value	Reserves Acquired	Resources Acquired	Gold Price at Transaction Date	\$/Reserve Oz	\$/Resource Oz	Normalised \$/Reserve Oz	Normalised \$/Resource Oz
		and leases are located in Western Australia, Australia.										
Horizon Minerals Limited/Coolgardie project	8/02/2019	Perth, Australia-based Horizon Minerals Ltd. would have acquired a 100% interest in Coolgardie project from Perth, Australia-based Focus Minerals Ltd. The project is located in Western Australia.	Horizon Minerals Ltd. would have paid an aggregate of A\$52.0 million in cash, A\$30.0 million in cash on completion and A\$22.0 million in cash within 12 months of closing date, to acquire a 100% interest in Coolgardie project from Focus Minerals Ltd.	100	52	170,800	2,127,500	1314.26	304.45	24.442	\$415.88	\$33.39
Adaman Resources Pty Ltd./Snake Well project	27/12/2018	Perth, Australia-based Adaman Resources Pty Ltd. has acquired the Snake Well project from Perth, Australia-based Kalamazoo Resources Ltd. The project is located in Western Australia.	Adaman Resources Pty Ltd. paid A\$1.5 million in cash and will pay A\$5.50 million in six tranches to acquire the Snake Well project from Kalamazoo Resources Ltd. In addition to this, Kalamazoo Resources Ltd. will retain a 2.50% net smelter royalty on base metals mined and recovered from the tenements. Further, Kalamazoo Resources Ltd. can elect to engage Adaman Resources Pty Ltd. to provide up to \$4.0 million of drilling services at the Kalamazoo Resources Ltd.'s Wattle Gully project with any amount incurred deducted from the consideration payable.	100	7	-	140,900	1275.31	NA	49.681		\$69.94
Westgold Resources Limited/Gold Projects	24/12/2018	Perth, Australia-based Westgold Resources Ltd. would have acquired a 100% interest in two gold projects from Perth, Australia-based Doray Minerals Ltd. These	Westgold Resources Ltd. would have paid A\$2.50 million in cash and A\$6.50 million in common shares to acquire a 100% interest in gold projects comprised of Andy Well and Gnaweeda Gold Projects from Doray Minerals Ltd. Westgold Resources Ltd. would have made further deferred installment	100	15	-	827,000	1265.54	NA	18.138		\$25.73

Buyer	Date	Deal Summary	Description Of Consideration	Equity Acquired	Value	Reserves Acquired	Resources Acquired	Gold Price at Transaction Date	\$/Reserve Oz	\$/Resource Oz	Normalised \$/Reserve Oz	Normalised \$/Resource Oz
		projects are Andy Well and Gnaweeda gold projects located in Western Australia.	payments each of A\$2.0 million cash to Doray Minerals Ltd. upon cumulative production of 100,000 ounces; 250,000 ounces; and 500,000 ounces from Andy Well and/or Gnaweeda project.									
Golden State Mining Limited/Cue Project	23/10/2018	West Perth, Australia-based Golden State Mining Ltd. unit Cue Consolidated Mining Pty Ltd. has acquired the Cue project from Huntingdale, Australia-based Western Mining Pty Ltd. The acquisition includes 31 granted tenements and two applications, together with small-scale gravity plant, infrastructure and equipment on site. The project is located in Western Australia.	Golden State Mining Ltd. paid 150,000 in cash and issued 2,750,000 shares of its common stock to acquire the Cue project from Western Mining Pty Ltd. Golden State Mining Ltd. will also be required to pay a royalty in relation to gold produced from the acquired tenements, \$50 per ounce for the first 40,000 ounces, \$15 per ounce up to 250,000 ounces and then \$5 per ounce produced thereafter. As part of the transaction, Western Mining Pty Ltd. will get a 10.0% minority interest in Cue Consolidated Mining Pty Ltd.	100	0.7	13,000	136,000	1233.08	53.846	5.147	\$78.40	\$7.49
Galane Gold Limited/Andy Well project	4/10/2018	Toronto-based Galane Gold Ltd. would have acquired Andy Well project from Perth, Australia-based Doray Minerals Ltd. The Andy Well project is located in Western Australia.	Galane Gold Ltd. would have paid A\$0.50 million in cash, a further payment of A\$2.50 million in cash and would have issued A\$1.0 million worth of its common stock or paid in cash to acquire Andy Well project from Doray Minerals Ltd. In addition to this, Galane Gold Ltd. would have paid further A\$3.0 million in cash on the earlier of recommencement of operations at Andy Well project or 29 September 2019 and final instalment of A\$3.0 million in cash which was due on the earlier of 12 months after the	100	10	-	505,000	1203.34	NA	19.802		\$29.54



Buyer	Date	Deal Summary	Description Of Consideration	Equity Acquired	Value	Reserves Acquired	Resources Acquired	Gold Price at Transaction Date	\$/Reserve Oz	\$/Resource Oz	Normalised \$/Reserve Oz	Normalised \$/Resource Oz
			recommencement of operations at Andy Well project or 29 September 2020.									
Ramelius Resources Limited/Marda project	13/09/2018	Perth, Australia-based Ramelius Resources Ltd. has acquired a 100% interest in the Marda project from Brisbane, Australia-based Black Oak Minerals Ltd. The Marda project is located in Western Australia.	Ramelius Resources Ltd. paid A\$13.0 million in cash to acquire a 100% interest in the Marda project from Black Oak Minerals Ltd. This consideration included A\$0.5 million as non-refundable deposit paid to the liquidators of Black Oak Minerals Ltd. to help fund third party transaction costs and contribute towards the monies in the Black Oak Minerals Ltd. creditors trust.	100	13	174,900	480,532	1203.07	74.328	27.053	\$110.92	\$40.37
Australian Mines Ltd./Marymia project	21/05/2018	West Perth, Australia-based Australian Mines Ltd. has acquired an 80% interest in the Marymia project from West Perth, Australia-based Riedel Resources Ltd., through an earn-in and joint venture agreement. The project is located in Western Australia.	Australian Mines Ltd. paid A\$300,000 in cash and incurred A\$3.0 million in exploration expenditures to acquire an 80% interest in the Marymia project from Riedel Resources Ltd.	80	0.3	-	624,800	1288.69	NA	0.48		\$0.67
De Grey Mining Limited/Indee project	9/02/2018	Perth, Australia-based De Grey Mining Ltd. has acquired Indee project from Xi'an, China-based Shaanxi Non-ferrous Metals Holding Group Co. Ltd. unit Melbourne-based Northwest Nonferrous Australia Mining Pty	De Grey Mining Ltd. paid A\$12.0 million in cash, issued 59,065,579 shares of its common stock and incurred A\$900,000 in exploration expenditures to acquire Indee project from Shaanxi Non-ferrous Metals Holding Group Co. Ltd.	100	15	-	345,000	1313.27	NA	40.636		\$59.44

Buyer	Date	Deal Summary	Description Of Consideration	Equity Acquired	Value	Reserves Acquired	Resources Acquired	Gold Price at Transaction Date	\$/Reserve Oz	\$/Resource Oz	Normalised \$/Reserve Oz	Normalised \$/Resource Oz
		Ltd., through the acquisition of Indee Gold Pty Ltd. The Indee project is located in Western Australia, Australia.										
Black Cat Syndicate Limited/Bulong project	24/01/2018	Perth, Australia-based Black Cat Syndicate Ltd. has acquired Bulong project from Subiaco, Australia-based Bulong Mining Pty Ltd. Bulong project is located in Western Australia, Australia.	Black Cat Syndicate Ltd. paid A\$700,000 in cash to acquire Bulong project from Bulong Mining Pty Ltd.	100	0.7	-	109,000	1352.7	NA	6.422		\$8.52
Alt Resources Limited/Bottle Creek Project	3/11/2017	Jindabyne, Australia-based Alt Resources Ltd. has agreed to acquire a 100% interest in Bottle Creek project from an undisclosed seller. The Bottle Creek project is located in Western Australia and is comprised of M29/150 and M29/151 leases.	Alt Resources Ltd. will pay A\$6.00 million to acquire a 100% interest in the Bottle Creek project from an undisclosed seller. In addition to this, Alt Resources Ltd. will also pay A\$25,000 rehabilitation security bond and undertake a minimum of 8,000 meter of reverse circulation at the project.	100	6	-	160,000	1267.8	NA	37.5		\$53.10
Northern Star Resources Limited/Western Tanami project	2/10/2017	Perth, Australia-based Northern Star Resources Ltd. unit Northern Star (Tanami Gold) Pty Ltd. has acquired a 100% interest in the Western Tanami project from Perth, Australia-based Tanami Gold NL,	Northern Star Resources Ltd. paid A\$4.0 million in cash to acquire a 100% interest in the Western Tanami project from Tanami Gold NL.	100	4	-	523,000	1273.71	NA	7.648		\$10.78

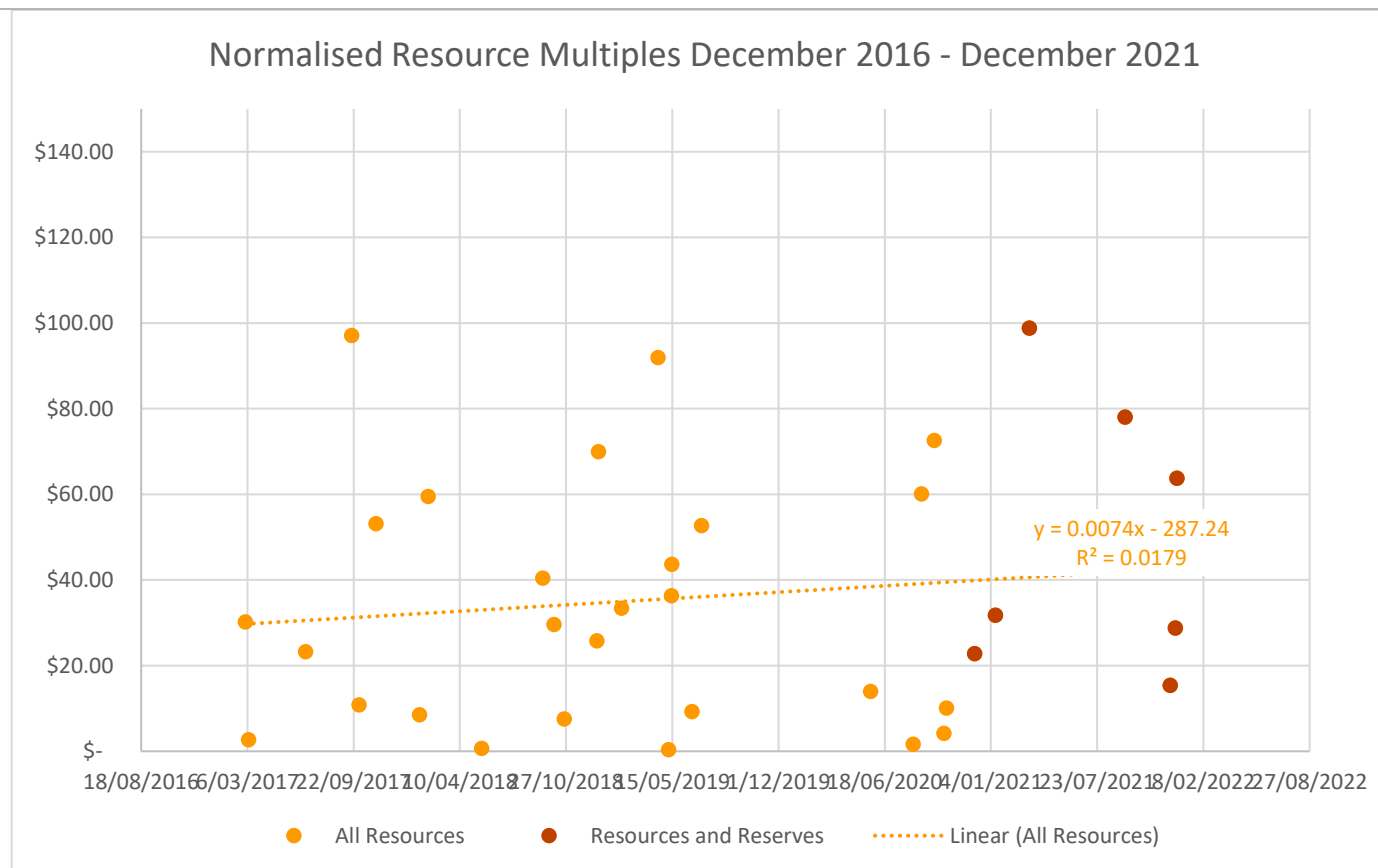
Buyer	Date	Deal Summary	Description Of Consideration	Equity Acquired	Value	Reserves Acquired	Resources Acquired	Gold Price at Transaction Date	\$/Reserve Oz	\$/Resource Oz	Normalised \$/Reserve Oz	Normalised \$/Resource Oz
		through the purchase of 100% of the fully paid ordinary shares in Tanami Gold Exploration NL, a 100% owned subsidiary of Tanami Gold NL and the legal and beneficial owner of the Western Tanami project located in Western Australia.										
Ramelius Resources Limited/Edna May mine	18/09/2017	Perth, Australia-based Ramelius Resources Ltd. unit Adelaide, Australia-based Ramelius Operations Pty Ltd. has acquired Edna May mine from Sydney-based Evolution Mining Ltd. The Edna May mine is located near Westonia in Western Australia, Australia.	Ramelius Resources Ltd. paid up front A\$38.36 million in cash (after working capital adjustment) to acquire Edna May mine from Evolution Mining Ltd. In addition to this, Ramelius Resources Ltd. will also pay contingent payment which has two components: (1) A\$20.0 million in cash or Ramelius shares, or a combination of both, at Ramelius sole election, upon a Board approved decision-to-mine the Edna May Stage 3 open pit; (2) Royalty payments of up to a maximum of A\$30.0 million payable at A\$60/oz from gold production over 200,000 ounces - (or up to A\$50.0 million payable at A\$100/oz if Stage 3 open pit is not mined).	100	60	426,000	848,000	1309.22	140.845	70.755	\$193.14	\$97.02
Westgold Resources Limited/Tuckabianna assets	23/06/2017	Perth, Australia-based Westgold Resources Ltd. unit Milton, Australia-based Big Bell Gold Operations Pty. Ltd. has acquired Tuckabianna assets from Perth, Australia-	Westgold Resources Ltd. paid A\$6 million in cash and issued 1,250,000 shares of its common stock to acquire 100% interest in Tuckabianna assets from Silver Lake Resources Ltd.	100	8.5	-	523,500	1256.37	NA	15.867		\$23.20

Buyer	Date	Deal Summary	Description Of Consideration	Equity Acquired	Value	Reserves Acquired	Resources Acquired	Gold Price at Transaction Date	\$/Reserve Oz	\$/Resource Oz	Normalised \$/Reserve Oz	Normalised \$/Resource Oz
		based Silver Lake Resources Ltd. These assets comprise Tuckabianna gold processing facility and underlying mining tenure, located in Australia.										
Intermin Resources Limited/Anthill project	8/03/2017	Perth, Australia-based Intermin Resources Ltd. has acquired the Anthill project from Perth, Australia-based Echo Resources Ltd unit Metaliko Resources Ltd. The Anthill project is located in Western Australia, Australia.	Intermin Resources Ltd. paid A\$0.30 million in cash to acquire the Anthill project from Echo Resources Ltd. In addition to this, Intermin Resources Ltd. will pay Echo Resources Ltd. a gold production royalty of A\$5 per ounce for the first 100,000 ounces mined from the project.	100	0.3	-	167,000	1208.09	NA	1.796		\$2.67
Saracen Mineral Holdings Limited/Bundarra gold project	2/03/2017	Perth, Australia-based Saracen Mineral Holdings Ltd. would have acquired Bundarra project from Perth, Australia-based Bligh Resources Ltd. The Bundarra gold project is located in Western Australia.	Saracen Mineral Holdings Ltd. would have issued 7,142,857 shares of its common stock and an amount of cash to make the share and cash consideration equal to A\$9 million to acquire Bundarra project from Bligh Resources Ltd.	100	9	-	431,000	1241.78	NA	20.882		\$30.19

#### Comparable Transaction statistics

	Reserve Multiples	Resource Multiples for projects with Resources and Reserves	Resource Multiples No Reserves	% Difference between Resource Multiples with and without Reserves
Average	\$274.94	\$48.45	\$33.35	31%

	<b>Reserve Multiples</b>	<b>Resource Multiples for projects with Resources and Reserves</b>	<b>Resource Multiples No Reserves</b>	<b>% Difference between Resource Multiples with and without Reserves</b>
Median	\$188.52	\$31.72	\$25.73	19%
25th percentile	\$110.92	\$22.76	\$9.28	59%
75th percentile	\$415.88	\$59.59	\$59.44	0%
min	\$78.40	\$15.40	\$0.38	98%
max	\$809.44	\$98.78	\$98.78	0%
count	7	7	27	



If the normalising process fully accounted for the market sentiment toward transaction multiples, then the slope of the trendline for the Resource multiples should be consistent irrespective of the timeframe however the data indicates that the trendline of the data, while the correlation coefficient is very low does show an overall trend for higher Resource Multiples for the more recent transactions when compared to the older transactions. Therefore, VRM has used professional judgement to determine the preferred resource multiple that generates the valuation as being 5% higher than the median resource multiple for the 27 transactions.

## Appendix B - Comparable Manganese Transactions

Project	Date	Transaction Value (A\$)	% Acquired	BUYER	SELLER	Reserves and Resource Tonnes Acquired	Reserves and Resource Tonnes	Resource Grade	Acquired Mn contained	Acquired Resource Tonnes	\$/Contained Mn	Mn price at transaction date	Normalised \$/contained Mn	Normalised Acquired tonnes
Matthews Ridge project	4/11/2016	13.20	100%	Bosai Minerals Group	Reunion Gold Corp	37,667,000	37,667,000	14%	5,348,714	\$0.35	\$2.47	7.11	\$1.82	\$0.26
Seven licences	29/06/2017	0.12	88%	Giyani Metals Corp	Marcelle Holdings	1,100,000	968,000	24%	234,256	\$0.12	\$0.51	4.35	\$0.62	\$0.15
Earaheedy project	12/10/2017	0.55	75%	Rumble Resources	Zenith Minerals	4,000,000	3,000,000	24%	721,200	\$0.18	\$0.76	4.48	\$0.89	\$0.21
Ant Hill	18/03/2020	30.34	100%	Resource Development Group	Mineral Resources	7,800,000	7,800,000	21%	1,630,512	\$3.89	\$18.61	4.54	\$21.52	\$4.50
Otjozondu project	6/05/2020	0.58	7%	Premier African Minerals	Nera Consulting	15,000,000	1,050,000	23%	236,250	\$0.55	\$2.46	6.55	\$1.97	\$0.44
Average Multiples										\$0.30	\$1.55		\$1.33	\$0.27

Note The Ant Hill transaction has been excluded from the analysis as discussed in the body of the report, it is considered a corporate transaction not a project transaction, additionally the transaction included significant funding to progress the project to development, it is therefore considered more advanced than the South Woodie Woodie project.

The average normalised resource multiple per Resource tonne is \$0.27/t while the average normalised contained manganese multiple is \$1.33/t contained manganese.

VRM considers that the Resource tonnage multiple can be used as an upper multiple as it would be the total tonnage sold if all the resource were sold and there was no losses due to beneficiation however the lower valuation would be from the contained manganese multiple as it assumes that there is no beneficiation however the Resource grades are all below the grade that any commercially published manganese product is sold.

The valuation for the South Woodie Woodie Resource is based on a Resource tonnage of 14.2Mt of manganese material with the total contained Manganese in that Resource is 1,888,600t of manganese. Using the multiples above the project is valued at between \$2.6 million and 3.8 million. VRM's preferred valuation is based on the mid-point of \$3.1 million. This valuation does not account for the exploration potential away from the Mineral Resource estimates.

## Appendix C - Geoscientific Valuation Bardoc Gold Project

Note only tenements that are not valued using Resource Multiples are valued using the Geoscientific or Kilburn valuation method, therefore not all tenements in the tenement schedule (Table 1) are included in this valuation

To determine the market value the technical value has had a premium of 5% due to the gold market and a discount of 2% for the geopolitical risks associated with Western Australia due to labour shortages, access issues, environmental approvals and possible heritage delays.

Tenement	BAC (AUS\$)	Equity	Off Property		On Property		Anomaly Factor		Geology Factor		Technical Valuation (AUS\$)			Fair Market Valuation (AUS\$M)		
			Low	High	Low	High	Low	High	Low	High	Lower	Preferred	Upper	Lower	Preferred	Upper
Kalgoorlie North Sub Project																
M 24/364	10,000	No	2	2.5	1	1.2	1	1.2	1	1.2	20000	31600	43200	0.02	0.03	0.04
M 24/491	31,890	No	2	2.5	1	1.1	0.9	1	1.5	2	86100	130750	175400	0.09	0.13	0.18
M 24/498	10,000	No	2	2.5	1	1.2	1	1.2	1	1.2	20000	31600	43200	0.02	0.03	0.04
M 24/512	53,030	No	1	1.2	1	1.2	1	1.2	1	1.2	53000	81500	110000			
M 24/888	5,000	No	3	3.2	3	3.5	3.5	4	2.5	3	393800	532900	672000	0.41	0.55	0.69
M 24/889	10,000	No	2.5	3.2	1	1.5	1	1.4	1.5	1.5	37500	69150	100800	0.04	0.07	0.1
M 24/891	10,000	No	1	1.2	1	1.2	1	1.2	1	1.2	10000	15350	20700			
M 24/942	10,000	No	2.5	3	1.5	2	1	1.5	1.5	2	56300	118150	180000	0.06	0.12	0.19
M 24/943	10,000	No	2.5	3.2	1.5	2	1	1.4	1.5	1.8	56300	108800	161300	0.06	0.11	0.17
M 24/955	5,000	No	3	3.2	1.5	2	1	1.4	1.5	1.8	33800	57200	80600	0.03	0.06	0.08
P 24/4512 M24/985	2,080	No	1	1.2	1	1.2	1	1.2	1	1.2	2100	3200	4300	0	0	0
P 24/4587 M24/988	2,000	No	1	1.2	1	1.2	1	1.2	1	1.2	2000	3050	4100	0	0	0
P 24/4628 M24/995	8,000	No	1	1.2	1	1.2	1	1.2	1	1.2	8000	12300	16600	0.01	0.01	0.02
P 24/4816	2,000	No	1.5	2	1	1.1	0.9	1	1	1.5	2700	4650	6600	0	0	0.01
P 24/4821	6,370	No	1	1.2	1	1.2	1	1.2	1	1.2	6400	9800	13200	0.01	0.01	0.01
P 24/4822	5,298	No	1	1.2	1	1.2	1	1.2	1	1.2	5300	8150	11000	0.01	0.01	0.01
P 24/4823	6,977	No	1	1.2	1	1.2	1	1.2	1	1.2	7000	10750	14500	0.01	0.01	0.01
P 24/4824	6,057	No	1	1.2	1	1.2	1	1.2	1	1.2	6100	9350	12600	0.01	0.01	0.01
P 24/4825	6,212	No	1	1.2	1	1.2	1	1.2	1	1.2	6200	9550	12900	0.01	0.01	0.01
P 24/4826	7,004	No	1	1.2	1	1.2	1	1.2	1	1.2	7000	10750	14500	0.01	0.01	0.01
P 24/4832	4,596	No	2	2.5	1	1.2	1	1.2	1	1.2	9200	14550	19900	0.01	0.01	0.02
P 24/4833	4,297	No	1.5	2	1	1.1	0.9	1	1	1.2	5800	8550	11300	0.01	0.01	0.01
P 24/4840	4,280	No	2	2.5	1	1.2	1	1.2	1	1.2	8600	13550	18500	0.01	0.01	0.02
P 24/4857	4,840	No	2	2.5	1	1.2	1	1.2	1	1.2	9700	15300	20900	0.01	0.02	0.02
P 24/4858	3,440	No	2.5	3	1	1.2	0.9	1	1	1.5	7700	13150	18600	0.01	0.01	0.02



Tenement	BAC (AUS\$)	Equity	Off Property		On Property		Anomaly Factor		Geology Factor		Technical Valuation (AUS\$)			Fair Market Valuation (AUS\$M)		
			Low	High	Low	High	Low	High	Low	High	Lower	Preferred	Upper	Lower	Preferred	Upper
P 24/4859	6,960	No	2.5	3	1	1.2	0.9	1	1	1.5	15700	26650	37600	0.02	0.03	0.04
P 24/4860	3,960	No	2.5	3	1	1.2	0.9	1	1	1.5	8900	15150	21400	0.01	0.02	0.02
P 24/4861	7,280	No	2.5	3	1	1.2	0.9	1	1	1.5	16400	27850	39300	0.02	0.03	0.04
P 24/4886	2,000	No	2.5	3	1	1.2	0.9	1	1	1.5	4500	7650	10800	0	0.01	0.01
P 24/4887	2,226	No	2.5	3	1	1.1	0.9	1	1.5	1.8	7500	10350	13200	0.01	0.01	0.01
P 24/5003	4,420	No	1	1.2	1	1.2	1	1.2	1	1.2	4400	6800	9200	0	0.01	0.01
P 24/5004	4,030	No	1	1.2	1	1.2	1	1.2	1	1.2	4000	6200	8400	0	0.01	0.01
P 24/5005	4,047	No	1	1.2	1	1.2	1	1.2	1	1.2	4000	6200	8400	0	0.01	0.01
P 24/5006	4,592	No	1	1.2	1	1.2	1	1.2	1	1.2	4600	7050	9500	0	0.01	0.01
P 24/5007	4,853	No	1	1.2	1	1.2	1	1.2	1	1.2	4900	7500	10100	0.01	0.01	0.01
P 24/5008	4,531	No	1	1.2	1	1.2	1	1.2	1	1.2	4500	6950	9400	0	0.01	0.01
P 24/5009	2,000	No	1	1.2	1	1.2	1	1.2	1	1.2	2000	3050	4100	0	0	0
P 24/5023	4,760	No	2	2.5	1	1.2	1	1.2	1	1.2	9500	15050	20600	0.01	0.02	0.02
P 24/5024	4,480	No	2	2.5	1	1.2	1	1.2	1	1.2	9000	14200	19400	0.01	0.01	0.02
P 24/5025	4,400	No	2	2.5	1	1.2	1	1.2	1	1.2	8800	13900	19000	0.01	0.01	0.02
P 24/5026	4,840	No	2	2.5	1	1.2	1	1.2	1	1.2	9700	15300	20900	0.01	0.02	0.02
P 24/5027	4,840	No	2	2.5	1	1.2	1	1.2	1	1.2	9700	15300	20900	0.01	0.02	0.02
P 24/5028	4,360	No	2	2.5	1	1.2	1	1.2	1	1.2	8700	13750	18800	0.01	0.01	0.02
P 24/5029	4,680	No	2	2.5	1	1.2	1	1.2	1	1.2	9400	14800	20200	0.01	0.02	0.02
P 24/5030	4,244	No	2	2.5	1	1.2	1	1.2	1	1.2	8500	13400	18300	0.01	0.01	0.02
P 24/5031	4,358	No	2	2.5	1	1.2	1	1.2	1	1.2	8700	13750	18800	0.01	0.01	0.02
P 24/5032	5,260	No	2	2.5	1	1.2	1	1.2	1	1.2	10500	16600	22700	0.01	0.02	0.02
P 24/5033	6,044	No	3	3.5	1	1.2	1	1.2	1	1.2	18100	27350	36600	0.02	0.03	0.04
P 24/5034	4,523	No	2	2.5	1	1.2	1	1.2	1	1.2	9000	14250	19500	0.01	0.01	0.02
P 24/5035	5,920	No	2	2.5	1	1.2	1	1.2	1	1.2	11800	18700	25600	0.01	0.02	0.03
P 24/5060	2,000	No	1	1.2	1	1.2	1	1.2	1	1.2	2000	3050	4100	0	0	0
P 24/5061	2,000	No	1	1.2	1	1.2	1	1.2	1	1.2	2000	3050	4100	0	0	0
P 24/5082	4,424	No	1	1.2	1	1.2	1	1.2	1	1.2	4400	6800	9200	0	0.01	0.01
P 24/5083	4,380	No	2	2.5	1	1.2	1	1.2	1	1.2	8800	13850	18900	0.01	0.01	0.02
P 24/5084	7,520	No	2	2.5	1	1.2	1	1.2	1	1.2	15000	23750	32500	0.02	0.02	0.03
P 24/5085	4,480	No	2	2.5	1	1.2	1	1.2	1	1.2	9000	14200	19400	0.01	0.01	0.02
P 24/5086	4,920	No	1	1.2	1	1.2	1	1.2	1	1.2	4900	7550	10200	0.01	0.01	0.01
P 24/5089	6,048	No	2	2.5	1	1.2	1	1.2	1	1.2	12100	19100	26100	0.01	0.02	0.03
P 24/5090	5,840	No	2	2.5	1	1.2	1	1.2	1	1.2	11700	18450	25200	0.01	0.02	0.03
P 24/5091	6,560	No	2	2.5	1	1.2	1	1.2	1	1.2	13100	20700	28300	0.01	0.02	0.03
P 24/5092	7,320	No	2.5	3	1	1.2	0.9	1	1	1.5	16500	28000	39500	0.02	0.03	0.04
P 24/5093	7,840	No	2	2.5	1	1.2	1	1.2	1	1.2	15700	24800	33900	0.02	0.03	0.03
P 24/5103	2,000	No	1	1.2	1	1.2	1	1.2	1	1.2	2000	3050	4100	0	0	0

Tenement	BAC (AUS\$)	Equity	Off Property		On Property		Anomaly Factor		Geology Factor		Technical Valuation (AUS\$)			Fair Market Valuation (AUS\$M)		
			Low	High	Low	High	Low	High	Low	High	Lower	Preferred	Upper	Lower	Preferred	Upper
P 24/5104	2,000	No	1	1.2	1	1.2	1	1.2	1	1.2	2000	3050	4100	0	0	0
P 24/5105	2,000	No	1	1.2	1	1.2	1	1.2	1	1.2	2000	3050	4100	0	0	0
P 24/5109	5,959	No	2	2.5	1	1.2	1	1.2	1	1.2	11900	18800	25700	0.01	0.02	0.03
P 24/5178	2,000	No	1	1.2	1	1.2	1	1.2	1	1.2	2000	3050	4100	0	0	0
P 24/5252	2,000	No	2.5	3	1.5	2	1	1.5	1.5	2	11300	23650	36000	0.01	0.02	0.04
P 24/5253	4,316	No	1	1.2	1	1.2	1	1.2	1	1.2	4300	6600	8900	0	0.01	0.01
P 24/5254	2,000	No	1	1.2	1	1.2	1	1.2	1	1.2	2000	3050	4100	0	0	0
P 24/5261	6,116	No	1	1.5	1	1.1	0.9	1	1	1.5	5500	10300	15100	0.01	0.01	0.02
P 24/5262	7,720	No	1	1.5	1	1.1	0.9	1	1	1.5	6900	13000	19100	0.01	0.01	0.02
P 24/5263	3,276	No	1.5	2	1	1.1	0.9	1	1	1.5	4400	7600	10800	0	0.01	0.01
P 24/5264	5,411	No	1	1.5	1	1.1	0.9	1	0.5	1	2400	5650	8900	0	0.01	0.01
P 24/5285	4,880	No	1	1.2	1	1.2	1	1.2	1	1.2	4900	7500	10100	0.01	0.01	0.01
P 24/5286	4,967	No	1	1.2	1	1.2	1	1.2	1	1.2	5000	7650	10300	0.01	0.01	0.01
P 24/5323	4,814	No	1	1.2	1	1.2	1	1.2	1	1.2	4800	7400	10000	0	0.01	0.01
P 24/5324	4,820	No	1	1.2	1	1.2	1	1.2	1	1.2	4800	7400	10000	0	0.01	0.01
P 24/5337	2,000	No	2.5	3	1.5	2	1	1.5	1.5	2	11300	23650	36000	0.01	0.02	0.04
P 24/5351	6,883	No	2.5	3.2	1	1.5	1	1.4	1	1.5	17200	43300	69400	0.02	0.04	0.07
P 24/5460	7,542	No	1	1.2	1	1.2	1	1.2	1	1.2	7500	11550	15600	0.01	0.01	0.02
<b>Total</b>											<b>1300800</b>	<b>2054000</b>	<b>2807200</b>	<b>1.28</b>	<b>1.98</b>	<b>2.7</b>
<b>Aphrodite Sub Project</b>																
M24/779	94,400	No	2.7	3	1.2	1.5	1	1.5	1	1.5	305900	630850	955800	0.31	0.65	0.98
M24/681	44,636	No	2.5	3	1.2	1.5	1	1.2	1.2	1.5	160700	261150	361600	0.17	0.27	0.37
P24/5014	5,661	No	2.5	3	1	1.5	1	1.5	1	1.5	14200	35750	57300	0.01	0.04	0.06
P24/5015	2,000	No	2.5	3	1	1.5	1	1.5	1	1.5	5000	12650	20300	0.01	0.01	0.02
<b>Total</b>											<b>485800</b>	<b>940400</b>	<b>1395000</b>	<b>0.5</b>	<b>0.97</b>	<b>1.43</b>
Mulwarrie Sub Project – Only valued using Resource Multiples																
<b>Mayday - North Kanowna Star Sub Project</b>																
P27/2369	7,960	no	1.5	2	1	1.2	1	1.2	1	1.2	11900	19700	27500	0.01	0.02	0.03
P27/2370	5,680	no	1.5	2	1	1.2	1	1.2	1	1.2	8500	14050	19600	0.01	0.01	0.02
P27/2371	5,920	no	1.5	2	1	1.2	1	1.2	1	1.2	8900	14700	20500	0.01	0.02	0.02
P27/2386	7,560	no	1	1.5	1	1.2	1	1.2	1	1.2	7600	13600	19600	0.01	0.01	0.02
<b>Total</b>											<b>36900</b>	<b>62050</b>	<b>87200</b>	<b>0.04</b>	<b>0.06</b>	<b>0.09</b>
<b>Total Gold Projects</b>											<b>1823500</b>	<b>3056450</b>	<b>4289400</b>	<b>1.82</b>	<b>3.01</b>	<b>4.22</b>

## Appendix D - Geoscientific Valuation South Woodie Woodie Manganese Project

To determine the market value the technical value has been discounted by 5% discount for the Manganese market and 2% for the geopolitical risks associated with Western Australia due to labour shortages, access issues, environmental approvals and possible heritage delays.

The retention licence has not been valued as there is no minimum exploration commitment and the retention licence tenement area is valued in the exploration licence that is partly covered by the retention licence.

Tenement	BAC (AUS\$)	Valuation by	Off Property		On Property		Anomaly Factor		Geology Factor		Technical Valuation (AUS\$)			Fair Market Valuation (AUS\$M)		
		Resource Multiple	Low	High	Low	High	Low	High	Low	High	Lower	Preferred	Upper	Lower	Preferred	Upper
Total South Woodie Woodie Project																
E 46/616	20000	Yes	1.5	2	2	2.5	3.5	4	2	2.5	420,000	710,000	1,000,000	0.43	0.73	1.03
E 46/787	20000	Yes	1.5	2	2	2.5	3.5	4	2	2.5	420,000	710,000	1,000,000	0.43	0.73	1.03
E 46/835	78000	Yes	2.5	3	2	2.5	1.5	2	1.5	2	877,500	1,608,750	2,340,000	0.90	1.66	2.41
R 46/2	980	Yes									-	-	-	-	-	-
E 46/1159	30000	No	1	1.3	1.2	1.5	1	1.5	1	1.5	36,000	83,800	131,600	0.04	0.09	0.14
E 46/1160	20000	No	1	1.3	1.2	1.5	1	1.5	1	1.5	24,000	55,900	87,800	0.02	0.06	0.09
E 46/1282	20000	No	1	1.3	1.2	1.5	1	1.5	1	1.5	24,000	55,900	87,800	0.02	0.06	0.09
E 46/1304	20000	No	1	1.3	1.2	1.5	1	1.5	1	1.5	24,000	55,900	87,800	0.02	0.06	0.09
E 46/1387	54000	No	1	1.3	1.2	1.5	1	1.5	1	1.5	64,800	150,850	236,900	0.07	0.16	0.24
Total South Woodie Woodie Project											1,777,500	3,168,450	4,559,400	1.82	3.27	4.70

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**Annexure B – Scheme of Arrangement**

# Scheme of Arrangement

Bardoc Gold Limited (**Bardoc**)

Scheme Participants

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# Scheme of Arrangement

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# Scheme of Arrangement

## Details

<b>Parties</b>	<b>Bardoc and Scheme Participants</b>	
<b>Bardoc</b>	Name	<b>Bardoc Gold Limited</b>
	ACN	125 578 743
	Address	130 Stirling Highway North Fremantle WA 6159
	Email	rhardwick@bardocgold.com.au
	Attention	Russell Hardwick
<b>Scheme Participants</b>	Each registered holder of a fully paid ordinary share in Bardoc (other than a Bardoc Loan Share) as at the Record Date.	
<b>Governing law</b>	Western Australia	

# General terms

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## 1 Definitions and interpretation

### 1.1 Definitions

Unless the contrary intention appears, these meanings apply:

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the market operated by it, as the context requires.

**ASX Official List** means the official list of the entities that ASX has admitted and not removed.

**ATO** means the Australian Taxation Office.

**Bardoc Loan Plan Share Transfer Deed** means the loan plan share transfer deed dated 19 July 2018 between Bardoc (formerly Excelsior Gold Limited), Spitfire Materials Limited and the Bardoc Loan Share Holders.

**Bardoc Loan Share** means a Bardoc Share that is subject to a loan under and in accordance with the Bardoc Loan Plan Share Transfer Deed between Bardoc and the holder of that Bardoc Share.

**Bardoc Loan Share Holder** means the holder of a Bardoc Loan Share.

**Bardoc Share** means a fully paid ordinary share in the capital of Bardoc.

**Bardoc Shareholder** means each person who is registered in the Register of Bardoc as a holder of Bardoc Shares.

**Business Day** means a business day as defined in the Listing Rules of ASX, provided that such day is not a day on which the banks in Perth, Western Australia are authorised or required to close.

**CHESS** means the clearing house electronic sub-register system of share transfers operated by ASX Settlement and Transfer Corporation Pty Ltd.

**Commissioner** means the Commissioner of Taxation of Australia.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Court** means the Supreme Court of Western Australia, or another court of competent jurisdiction under the Corporations Act agreed in writing by Bardoc and St Barbara.

**Deed Poll** means the deed poll executed by St Barbara substantially in the form of Annexure B of the Scheme Implementation Deed or as otherwise agreed by St Barbara and Bardoc under which St Barbara covenants in favour of each Scheme Participant to perform the obligations attributed to St Barbara under this Scheme.

**Details** means the section of this document headed "Details".

**Effective** means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to this Scheme, but in any event at no time before an office copy of the order of the Court is lodged with ASIC.

**Effective Date** means the date on which this Scheme becomes Effective.

**Encumbrance** means any security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power or title retention or flawed deposit arrangement, “security interest” as defined in sections 12(1) or 12(2) of the PPSA, right of first refusal, preemptive right, any similar restriction, or any agreement to create any of them or allow them to exist.

**End Date** means the date that is 7 months after the date of the Scheme Implementation Deed or such other date as is agreed in writing by St Barbara and Bardoc.

**Governmental Authority** means:

- (a) any supranational, national, federal, state, county, municipal, local, provincial or foreign government or any entity exercising executive, legislative, judicial, arbitral, regulatory, taxing, or administrative functions of or pertaining to government;
- (b) any public international governmental organisation;
- (c) any agency, division, bureau, department, committee, or other political subdivision of any government, entity or organisation described in the foregoing clauses (a) or (b) of this definition (including patent and trademark offices); or
- (d) quasi-governmental, self-regulatory agency, commission or authority, including any national securities exchange or national quotation system,

and includes ASX, ASIC, the Takeovers Panel and any federal, state or territory revenue offices.

**Implementation Date** means the 5th Business Day following the Record Date or such other date after the Record Date as is agreed in writing by St Barbara and Bardoc.

**Ineligible Foreign Shareholder** means a Scheme Participant whose address shown in the Register is a place outside Australia, its external territories and New Zealand or who is acting on behalf of such a person, unless St Barbara determines that:

- (a) it is lawful and not unduly onerous or unduly impracticable to issue that Scheme Participant with the New SBM Shares on implementation of this Scheme; and
- (b) it is lawful for that Scheme Participant to participate in this Scheme by the law of the relevant place outside Australia, its external territories and New Zealand.

**Ineligible Shareholder Sale Facility** means the facility to be conducted in accordance with clause 6.7 of this Scheme.

**Listing Rules** means the Listing Rules of ASX and any other applicable rules of ASX modified to the extent of any express written waiver by ASX.

**New SBM Shares** means the fully paid SBM Shares to be issued to Scheme Participants as Scheme Consideration under this Scheme.

**Nominee Holder** means a Scheme Participant who holds one or more parcels of Scheme Shares as trustee or nominee for, or otherwise on account of, another person.

**Opt-in Notice** means a notice by an Unmarketable Parcel Shareholder requesting to receive the Scheme Consideration as New SBM Shares.

**PPSA** means the *Personal Property Securities Act 2009* (Cth).

**Record Date** means 5.00pm on the 2nd Business Day following the Effective Date or any other date as agreed by Bardoc and St Barbara.

**Register** means the register of members of Bardoc maintained by or on behalf of Bardoc in accordance with section 168(1) of the Corporations Act.

**Registered Address** means, in relation to a Bardoc Shareholder, the address of that Bardoc Shareholder shown in the Register.

**Relevant Unmarketable Parcel Shareholder** means an Unmarketable Parcel Shareholder who has not provided Bardoc with an Opt-in Notice before 5.00pm on the Business Day prior to the Record Date.

**Sale Agent** means an entity or person appointed by St Barbara (after consultation with Bardoc and with Bardoc's approval, not to be unreasonably withheld) to sell New SBM Shares under the Ineligible Shareholder Sale Facility that are attributable to Ineligible Foreign Shareholders and Relevant Unmarketable Parcel Shareholders.

**SBM Share** means a fully paid ordinary share in the capital of St Barbara.

**Scheme** means this scheme of arrangement between Bardoc and Scheme Participants under which all of the Scheme Shares will be transferred to St Barbara under Part 5.1 of the Corporations Act as described in clause 6 of this Scheme, in consideration for the Scheme Consideration, subject to any amendments or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act to the extent they are approved in writing by Bardoc and St Barbara in accordance with clause 11 of this Scheme.

**Scheme Consideration** means the consideration payable by St Barbara for the transfer of Scheme Shares held by a Scheme Participant to St Barbara, being, in respect of each Scheme Share, 0.3604 SBM Shares.

**Scheme Implementation Deed** means the Scheme Implementation Deed dated 19 December 2021 between Bardoc and St Barbara under which, amongst other things, Bardoc has agreed to propose this Scheme to Scheme Shareholders, and each of St Barbara and Bardoc have agreed to take certain steps to give effect to this Scheme, a copy of which was released in full to ASX on 20 December 2021.

**Scheme Meeting** means the meeting of Scheme Shareholders ordered by the Court to be convened pursuant to section 411(1) of the Corporations Act at which Scheme Shareholders will vote on this Scheme.

**Scheme Participant** means each person who is registered in the Register of Bardoc as a holder of Scheme Shares as at the Record Date.

**Scheme Participant Declaration** means a declaration in accordance with the requirements of section 14-225 of Schedule 1 of the TAA that covers (at least) the Implementation Date.

**Scheme Share** means a Bardoc Share (other than a Bardoc Loan Share) held by a Scheme Participant as at the Record Date and, for the avoidance of doubt, includes any Bardoc Shares issued on or before the Record Date.

**Scheme Shareholder** means each person who is registered in the Register of Bardoc as a holder of a Scheme Share.

**Second Court Date** means the first day on which an application made to the Court under section 411(4)(b) of the Corporations Act approving the Scheme is heard or scheduled to be heard or, if the application is adjourned for any reason, the date on which the adjourned application is heard or scheduled to be heard.

**Share Scheme Transfer** means, for each Scheme Participant, a duly completed and executed proper instrument of transfer of the Scheme Shares held by that Scheme Participant for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all Scheme Shares.

**St Barbara** means St Barbara Limited (ACN 009 165 066).

**St Barbara Register** means the register of shareholders maintained by St Barbara or its agent.

**TAA** means the *Taxation Administration Act 1953* (Cth).

**Unmarketable Parcel Shareholder** means a Scheme Participant (other than an Ineligible Foreign Shareholder) who, based on their holding of Scheme Shares on the Record Date, would, on the Implementation Date, be entitled to receive less than a marketable parcel (as that term is defined in the Listing Rules) of New SBM Shares (assessed by reference to the price of SBM Shares on ASX at the close of trade on the trading day prior to the Record Date) as Scheme Consideration.

## 1.2 General interpretation

Headings and labels used for definitions are for convenience only and do not affect interpretation. Unless the contrary intention appears, in this document:

- (a) the singular includes the plural and vice versa;
- (b) the meaning of general words is not limited by specific examples introduced by “including”, “for example”, “such as” or similar expressions;
- (c) a reference to “**person**” includes an individual, a body corporate, a partnership, a joint venture, an unincorporated association and an authority or any other entity or organisation;
- (d) a reference to a particular person includes the person’s executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (e) a reference to a time of day is a reference to the time in Perth, Western Australia;
- (f) a reference to dollars, \$ or A\$ is a reference to the currency of Australia;
- (g) a reference to “law” includes common law, principles of equity and legislation (including regulations);
- (h) a reference to any legislation includes regulations under it and any consolidations, amendments, re-enactments or replacements of any of them;

- (i) a reference to “**regulations**” includes instruments of a legislative character under legislation (such as regulations, rules, by-laws, ordinances and proclamations);
- (j) a reference to a group of persons is a reference to any 2 or more of them jointly and to each of them individually;
- (k) a period of time starting from a given day or the day of an act or event, is to be calculated exclusive of that day;
- (l) if a party must do something under this document on or by a given day and it is done after 5.00pm on that day, it is taken to be done on the next day; and
- (m) if the day on which a party must do something under this document is not a Business Day, the party must do it on the next Business Day.

---

## **2 Preliminary**

### **2.1 Bardoc**

Bardoc is:

- (a) a public company limited by shares;
- (b) incorporated in Australia and registered in Western Australia; and
- (c) admitted to the official list of ASX and Bardoc Shares are officially quoted on the stock market conducted by ASX.

As at [●] 2022, Bardoc had on issue [290,723,953] Bardoc Shares, of which [1,604,015] were Bardoc Loan Shares.

### **2.2 St Barbara**

St Barbara is:

- (a) a public company limited by shares;
- (b) incorporated in Australia and registered in Western Australia; and
- (c) admitted to the official list of ASX and SBM Shares are officially quoted on the stock market conducted by ASX.

### **2.3 If Scheme becomes Effective**

If this Scheme becomes Effective:

- (a) in consideration of the transfer of each Scheme Share to St Barbara, St Barbara will provide the Scheme Consideration to each Scheme Participant in accordance with the terms of this Scheme;
- (b) all Scheme Shares will be transferred to St Barbara on the Implementation Date; and
- (c) Bardoc will enter the name of St Barbara in the Register in respect of all Scheme Shares transferred to St Barbara in accordance with the terms of this Scheme.

## **2.4 Scheme Implementation Deed**

Bardoc and St Barbara have agreed by executing the Scheme Implementation Deed to implement the terms of this Scheme.

## **2.5 Deed Poll**

St Barbara has executed the Deed Poll for the purpose of covenanting in favour of the Scheme Participants to perform (or procure the performance of) the obligations attributable to St Barbara as contemplated by this Scheme, including to provide the Scheme Consideration to the Scheme Participants.

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# **3 Conditions precedent**

## **3.1 Conditions precedent to Scheme**

This Scheme is conditional on, and will have no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) as at 8.00am on the Second Court Date, the Scheme Implementation Deed and Deed Poll not having been terminated;
- (b) all of the conditions precedent in clause 3.1 of the Scheme Implementation Deed having been satisfied or waived (other than the conditions precedent relating to Court approval set out in item 3.1(b) of the Scheme Implementation Deed) in accordance with the terms of the Scheme Implementation Deed;
- (c) the Court having approved this Scheme, with or without any modification or condition, pursuant to section 411(4)(b) of the Corporations Act, and if applicable, Bardoc and St Barbara having accepted in writing any modification or condition made or required by the Court under section 411(6) of the Corporations Act; and
- (d) the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable, section 411(6) of the Corporations Act) in relation to this Scheme.

## **3.2 Conditions precedent and operation of clause 5 of this Scheme**

The satisfaction of each condition of clause 3.1 of this Scheme is a condition precedent to the operation of clause 5 of this Scheme.

## **3.3 Certificate in relation to conditions precedent**

Bardoc and St Barbara must provide to the Court on the Second Court Date a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent set out in clause 3.1 of this Scheme (other than the conditions precedent in clauses 3.1(c) and 3.1(d) of this Scheme) have been satisfied or waived as at 8.00am on the Second Court Date.

The certificate referred to in this clause 3.3 will constitute conclusive evidence of whether the conditions precedent referred to in clause 3.1 of this Scheme (other than the condition precedent in clauses 3.1(c) and 3.1(d) of this Scheme) have been satisfied or waived as at 8.00am on the Second Court Date.

---

## **4 Scheme**

### **4.1 Effective Date**

Subject to clause 4.2 of this Scheme, this Scheme will come into effect pursuant to section 411(10) of the Corporations Act on and from the Effective Date.

### **4.2 End Date**

This Scheme will lapse and be of no further force or effect if:

- (a) the Effective Date does not occur on or before the End Date; or
- (b) the Scheme Implementation Deed or Deed Poll is terminated in accordance with its terms.

---

## **5 Implementation of Scheme**

### **5.1 Lodgement of Court orders with ASIC**

If the conditions precedent set out in clause 3.1 of this Scheme (other than the condition precedent in clause 3.1(d) of this Scheme) are satisfied, Bardoc must lodge with ASIC, in accordance with section 411(10) of the Corporations Act, an office copy of the Court order approving this Scheme as soon as possible, and in any event by no later than 4.00pm on the first Business Day after the day on which the Court approves this Scheme or such later time as St Barbara and Bardoc agree in writing.

### **5.2 Transfer and registration of Scheme Shares**

On the Implementation Date, but subject to the provision of the Scheme Consideration for the Scheme Shares in accordance with clause 6 of this Scheme and St Barbara having provided Bardoc with written confirmation of the provision of the Scheme Consideration:

- (a) the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, will be transferred to St Barbara, without the need for any further act by any Scheme Participant (other than acts performed by Bardoc as attorney and agent for Scheme Participants under clause 9 of this Scheme), by:
  - (i) Bardoc delivering to St Barbara a duly completed and executed Share Scheme Transfer executed on behalf of the Scheme Participants by Bardoc, for registration; and
  - (ii) St Barbara duly executing the Share Scheme Transfer and delivering it to Bardoc for registration; and
- (b) as soon as practicable after receipt of the duly executed Share Scheme Transfer, Bardoc must enter, or procure the entry of, the name of St Barbara in the Register in respect of all Scheme Shares transferred to St Barbara in accordance with the terms of this Scheme.

### **5.3 Entitlement to Scheme Consideration**

On the Implementation Date, in consideration for the transfer to St Barbara of the Scheme Shares, each Scheme Participant will be entitled to receive the Scheme Consideration in respect of each of their Scheme Shares in accordance with clause 6 of this Scheme.



#### **5.4 Title and rights in Scheme Shares**

Subject to the provision of the Scheme Consideration for the Scheme Shares as contemplated by clause 6 of this Scheme, on and from the Implementation Date, St Barbara will be beneficially entitled to the Scheme Shares transferred to it under the Scheme, pending registration by Bardoc of St Barbara in the Register as the holder of the Scheme Shares.

#### **5.5 Warranty by Scheme Participants**

Each Scheme Participant warrants to and is deemed to have authorised Bardoc to warrant to St Barbara as agent and attorney for the Scheme Participant by virtue of this clause 5.5, that:

- (a) all their Scheme Shares (including any rights and entitlements attaching to those shares) transferred to St Barbara under the Scheme will, as at the date of the transfer, be fully paid and free from all Encumbrances; and
- (b) they have full power and capacity to sell and to transfer their Scheme Shares (including any rights and entitlements attaching to those shares) to St Barbara under this Scheme.

#### **5.6 Transfer free of Encumbrances**

To the extent permitted by law, all Scheme Shares (including any rights and entitlements attaching to those shares) which are transferred to St Barbara under this Scheme will, at the date of the transfer of them to St Barbara, vest in St Barbara free from all Encumbrances and interests of third parties of any kind, whether legal or otherwise, and free from any restrictions on transfer of any kind not referred to in this Scheme.

#### **5.7 Appointment of St Barbara as sole proxy**

Subject to the provision of the Scheme Consideration for the Scheme Shares as contemplated by clauses 5.2 and 6 of this Scheme, on and from the Implementation Date until Bardoc registers St Barbara as the holder of all of the Scheme Shares in the Register, each Scheme Participant:

- (a) irrevocably appoints Bardoc as attorney and agent (and directs Bardoc in such capacity) to appoint St Barbara and each of its directors from time to time (jointly and each of them individually) as its sole proxy, and where applicable corporate representative, to attend shareholders' meetings, exercise the votes attaching to Scheme Shares registered in its name and sign any shareholders resolution, and no Scheme Participant may itself attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to this clause 5.7(a));
- (b) must take all other actions in the capacity of the registered holder of Scheme Shares as St Barbara directs; and
- (c) acknowledges and agrees that in exercising the powers referred to in clause 5.7(a) of this Scheme, St Barbara and any director or corporate representative nominated by St Barbara under clause 5.7(a) of this Scheme may act in the best interests of St Barbara as the intended registered holder of the Scheme Shares.

Bardoc undertakes in favour of each Scheme Participant that it will appoint St Barbara and each of its directors from time to time (jointly and each of them

individually) as that Scheme Participant's proxy or, where applicable, corporate representative in accordance with clause 5.7(a) of this Scheme.

---

## **6 Scheme Consideration**

### **6.1 Consideration under this Scheme**

On the Implementation Date, St Barbara:

- (a) must provide the Scheme Consideration to the Scheme Participants (or to the Sale Agent in accordance with clause 6.7 of this Scheme) in accordance with this clause 6; and
- (b) agrees to (in satisfaction of St Barbara's obligation to provide such Scheme Consideration to the Scheme Participants under clause 6.1(a) of this Scheme) issue the Scheme Consideration to the Scheme Participants in accordance with this clause 6.

### **6.2 Scheme Consideration**

Subject to the terms and conditions of this Scheme (including clauses 6.6 and 6.7 of this Scheme in relation to Ineligible Foreign Shareholders and Relevant Unmarketable Parcel Shareholders, and clause 6.4 of this Scheme in relation to fractional elements), the Scheme Consideration to be provided to each Scheme Participant will be provided by the issue by St Barbara of the Scheme Consideration to that Scheme Participant on the Implementation Date.

### **6.3 Provision of Scheme Consideration**

Subject to the other provisions of this clause 6, the obligations of St Barbara to provide (or procure the provision of) the Scheme Consideration to the Scheme Participants will be satisfied by procuring that:

- (a) the name and address of each such Scheme Participant is entered into the St Barbara Register on the Implementation Date in respect of the New SBM Shares to which it is entitled under this clause 6; and
- (b) a share certificate or holding statement is sent to the Registered Address of each such Scheme Participant representing the number of New SBM Shares issued to the Scheme Participant pursuant to this Scheme.

### **6.4 Fractional entitlements**

- (a) If the number of Scheme Shares held by a Scheme Participant at the Record Date is such that the aggregate entitlement of the Scheme Participant to Scheme Consideration includes a fractional entitlement to a New SBM Share, the entitlement will be rounded as follows:
  - (i) if the fractional entitlement is less than 0.5, it will be rounded down to zero New SBM Shares; and
  - (ii) if the fractional entitlement is equal to or more than 0.5, it will be rounded up to one New SBM Share.
- (b) If a Nominee Holder holds more than one parcel of Scheme Shares as trustee or nominee for, or otherwise on account of, another person, then for the purposes of this clause 6.4, the Scheme Consideration for the Nominee Holder will be calculated and rounded based on the aggregate

number of Scheme Shares held by the Nominee Holder in those parcels as trustee or nominee for, or otherwise on account of, other persons.

## **6.5 Scheme Participants' agreements**

Under this Scheme, each Scheme Participant (and the Sale Agent) irrevocably:

- (a) agrees to the transfer of their Scheme Shares together with all rights and entitlements attaching to those Scheme Shares in accordance with this Scheme;
- (b) agrees to the variation, cancellation or modification of the rights attached to their Scheme Shares constituted by or resulting from this Scheme;
- (c) agrees to, on the direction of St Barbara, destroy any holding statements or share certificates relating to their Scheme Shares;
- (d) agrees to become a shareholder of St Barbara, to have their name entered in the St Barbara Register and accepts the New SBM Shares issued to them;
- (e) agrees and acknowledges that the issue of New SBM Shares in accordance with clause 6.1 of this Scheme constitutes satisfaction of all that person's entitlements under this Scheme;
- (f) acknowledges that this Scheme binds Bardoc and all of the Scheme Participants from time to time (including those who do not attend the Scheme Meeting and those who do not vote, or vote against this Scheme, at the Scheme Meeting);
- [\(g\)](#) appoints Bardoc, and each director and officer of Bardoc, as its agent to receive on its behalf any financial services guide (or similar or equivalent document) and any other notices (including any updates of those documents) that the Sale Agent is required to provide to Ineligible Shareholders under the Corporations Act or any other applicable law; and
- [\(h\)](#) consents to Bardoc and St Barbara doing all things and executing all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to this Scheme and the transactions contemplated by it.

## **6.6 Election by Unmarketable Parcel Shareholders**

- (a) Bardoc must provide each Unmarketable Parcel Shareholder with, or procure the provision to each Unmarketable Parcel Shareholder of, an Opt-in Notice.
- (b) Unless an Unmarketable Parcel Shareholder provides Bardoc with a duly completed Opt-in Notice prior to 5.00pm on the Business Day prior to the Record Date, St Barbara will be under no obligation under this Scheme or the Deed Poll to issue, and will not issue, any New SBM Shares to any Unmarketable Parcel Shareholder, and instead, unless St Barbara and Bardoc otherwise agree, St Barbara must procure that the Consideration Shares that each Unmarketable Parcel Shareholder would otherwise be entitled to receive as Scheme Consideration are dealt with in accordance with clause 6.7 of this Scheme.

## **6.7 Ineligible Shareholder Sale Facility**

Where a Scheme Participant is an Ineligible Foreign Shareholder or a Relevant

Unmarketable Parcel Shareholder (each, an **Ineligible Shareholder**), each Ineligible Shareholder authorises St Barbara to:

- (a) issue to the Sale Agent any New SBM Shares to which an Ineligible Shareholder would otherwise be entitled to (**Relevant SBM Shares**);
- (b) procure, as soon as reasonably practicable after the Implementation Date, and in no event no more than 40 days after the Implementation Date, that the Sale Agent:
  - (i) sells or procures the sale of all of the Relevant SBM Shares issued to the Sale Agent pursuant to clause 6.7(a) of this Scheme in the ordinary course of trading on ASX; and
  - (ii) remits to St Barbara the proceeds of sale (after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges) (**Net Proceeds**); and
- (c) promptly after the last sale of the Relevant SBM Shares in accordance with clause 6.7(b)(i) of this Scheme, pay to each Ineligible Shareholder an amount equal to the proportion of the net proceeds of sale received by St Barbara under clause 6.7(b)(ii) of this Scheme to which that Ineligible Shareholder is entitled, in full satisfaction of their entitlement to the Relevant SBM Shares, in accordance with the following formula:

$$A = (B/C) \times D$$

Where

**A** is the amount to be paid to the Ineligible Shareholder;

**B** is the number of Relevant SBM Shares attributable to, and that would otherwise have been issued to, that Ineligible Shareholder had it not been an Ineligible Shareholder and which are instead issued to the Sale Agent;

**C** is the total number of Relevant SBM Shares attributable to, and which would otherwise have been issued to, all Ineligible Shareholders collectively and which are instead issued to the Sale Agent; and

**D** is the Net Proceeds. Neither Bardoc nor St Barbara make any representation as to the amount of proceeds of sale to be received by Ineligible Shareholders under the Ineligible Shareholder Sale Facility. Each of Bardoc and St Barbara expressly disclaim any fiduciary duty to the Ineligible Shareholders which may arise in connection with the Ineligible Shareholder Sale Facility.

## 6.8 Foreign resident capital gains tax withholding

- (a) If St Barbara is required by Subdivision 14-D of Schedule 1 of the TAA (**Subdivision 14-D**) to pay any amounts to the Commissioner in respect of the acquisition of Scheme Shares from certain Scheme Participants, St Barbara is permitted to deduct the relevant amounts from the payment of the Scheme Consideration to those Scheme Participants, and remit such amounts to the Commissioner. The aggregate sum payable to Scheme Participants shall not be increased to reflect the deduction and the net aggregate sum payable to those Scheme Participants shall be taken to be in full and final satisfaction of the amounts owing to those Scheme Participants.

- (b) For the purposes of clause 6.8(a) of this Scheme, St Barbara may:
  - (i) treat those Scheme Participants as Ineligible Foreign Shareholders for the purposes of the Scheme (if they are not already treated as such); and
  - (ii) deduct the relevant amounts from those Scheme Participants' proportion of the net proceeds of sale referred to in clause 6.7(b)(ii) of this Scheme and remit the amounts deducted to the Commissioner.
- (c) St Barbara acknowledges and agrees that it shall not pay any amounts to the Commissioner under clause 6.8(a) of this Scheme with respect to a Scheme Participant where St Barbara:
  - (i) receives a Scheme Participant Declaration from the Scheme Participant prior to the Implementation Date; and
  - (ii) does not know that the Scheme Participant Declaration is false.
- (d) Bardoc agrees St Barbara may approach the ATO to obtain clarification as to the application of Subdivision 14-D to the Scheme and will provide all information and assistance St Barbara reasonably requires in making any such approach.
- (e) The parties agree to consult in good faith as to the application of Subdivision 14-D, including taking into account any clarification provided by the ATO following any process described in clause 6.8(d) of this Scheme. The parties agree to take all actions that they agree (each acting reasonably) are necessary or desirable following that consultation which may include, without limitation, making amendments to this document and the Deed Poll to ensure that relevant representations are obtained from Scheme Participants.

## **6.9 Orders of a Court or Governmental Authority**

- (a) Bardoc may deduct and withhold from any consideration which would otherwise be provided to a Scheme Participant in accordance with this clause 6, any amount which Bardoc and St Barbara determine is required to be deducted and withheld from that consideration under any applicable law, including any order, direction or notice made or given by a court of competent jurisdiction or by another Governmental Authority.
- (b) To the extent that amounts are so deducted or withheld, such deducted or withheld amounts will be treated for all purposes under this Scheme as having been paid to the person in respect of which such deduction and withholding was made, provided that such deducted or withheld amounts are actually remitted to the appropriate taxing agency.
- (c) If written notice is given to Bardoc of an order, direction or notice made or given by a court of competent jurisdiction or by another Governmental Authority that:
  - (i) requires consideration which would otherwise be provided to a Scheme Participant in accordance with this clause 6 to instead be paid or provided to a Governmental Authority or other third party (either through payment of a sum or the issuance of a security), then Bardoc shall be entitled to procure that provision of that consideration is made in accordance with that order, direction or notice (and payment or provision of that consideration in accordance with that order, direction or notice

will be treated for all purposes under this Scheme as having been paid or provided to that Scheme Participant); or

- (ii) prevents consideration being provided to any particular Scheme Participant in accordance with this clause 6, or the payment or provision of such consideration is otherwise prohibited by applicable law, Bardoc shall be entitled to (as applicable) direct St Barbara not to issue (or procure the issue of), or to issue or provide to a trustee or nominee, such number of New SBM Shares as that Scheme Participant would otherwise be entitled to under this clause 6, until such time as payment or provision of the consideration in accordance with this clause 6 is permitted by that order or direction or otherwise by law.

## **6.10 Shares to rank equally**

St Barbara covenants in favour of Bardoc (in its own right and on behalf of the Scheme Participants) that:

- (a) the New SBM Shares will, upon their issue, rank equally in all respects with all other SBM Shares then on issue;
- (b) it will do everything reasonably necessary to ensure that trading in the New SBM Shares commences by the first Business Day after the Implementation Date;
- (c) the New SBM Shares will be duly and validly issued in accordance with applicable laws; and
- (d) on issue, each New SBM Share will be fully paid and free from any Encumbrance.

## **6.11 Joint holders**

In the case of Scheme Shares held in joint names:

- (a) any New SBM Shares to be issued under this Scheme must be issued and registered in the names of the joint holders and entry in the St Barbara Register must take place in the same order as the holders' names appear in the Register; and
- (b) any document required to be sent under this Scheme, will be forwarded to either, at the sole discretion of Bardoc, the holder whose name appears first in the Register as at the Record Date or to the joint holders.

---

# **7 Dealings in Scheme Shares**

## **7.1 Determination of Scheme Participants**

To establish the identity of the Scheme Participants, dealings in Scheme Shares or other alterations to the Register will only be recognised by Bardoc if:

- (a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Register as the holder of the relevant Scheme Shares on or before the Record Date; and
- (b) in all other cases, registrable transmission applications or transfers in registrable form in respect of those dealings are received on or before the Record Date at the place where the Register is kept.

## **7.2 Register**

Bardoc must register any registrable transmission applications or transfers of the Scheme Shares received in accordance with clause 7.1(b) of this Scheme on or before the Record Date.

## **7.3 No disposals after Effective Date**

If this Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of or purport or agree to dispose of any Scheme Shares or any interest in them after the Record Date in any way except as set out in this Scheme and any such disposal will be void and of no legal effect whatsoever.

Bardoc will not accept for registration or recognise for any purpose any transmission, application or transfer in respect of Scheme Shares received after the Record Date (except a transfer to St Barbara pursuant to this Scheme and any subsequent transfer by St Barbara or its successors in title).

## **7.4 Maintenance of Bardoc Register**

For the purpose of determining entitlements to the Scheme Consideration, Bardoc will maintain the Register in accordance with the provisions of this clause 7.4 until the Scheme Consideration has been issued to the Scheme Participants and St Barbara has been entered in the Register as the holder of all the Scheme Shares. The Register in this form will solely determine entitlements to the Scheme Consideration.

## **7.5 Effect of certificates and holding statements**

Subject to provision of the Scheme Consideration and registration of the transfer to St Barbara contemplated in clauses 5.2 and 7.4 of this Scheme, any statements of holding in respect of Scheme Shares will cease to have effect after the Record Date as documents of title in respect of those shares (other than statements of holding in favour of St Barbara and its successors in title). After the Record Date, each entry current on the Register as at the Record Date (other than entries in respect of St Barbara or its successors in title) will cease to have effect except as evidence of entitlement to the Scheme Consideration.

## **7.6 Details of Scheme Participants**

Within 3 Business Days after the Record Date, Bardoc will ensure that details of the names, Registered Addresses and holdings of Scheme Shares for each Scheme Participant, as shown in the Register at the Record Date, are available to St Barbara in such form as St Barbara reasonably requires.

## **7.7 Quotation of Bardoc Shares**

Suspension of trading on ASX in Bardoc Shares will occur from the close of trading on ASX on the Effective Date.

## **7.8 Termination of quotation of Bardoc Shares**

After this Scheme has been fully implemented (including after the Register and the St Barbara Register have been updated in accordance with clauses 5.2(b) and 6.3(a) of this Scheme), Bardoc will apply:

- (a) for termination of the official quotation of Bardoc Shares on ASX; and
- (b) to have itself removed from the official list of ASX.

---

## **8 Instructions and notification**

If not prohibited by law (and including where permitted or facilitated by relief granted by a Governmental Authority), all instructions, notifications or elections by a Scheme Participant to Bardoc that are binding or deemed binding between the Scheme Participant and Bardoc relating to Bardoc or Bardoc Shares, including instructions, notifications or elections relating to:

- (a) whether dividends are to be paid by cheque or into a specific bank account;
- (b) payments of dividends on Bardoc Shares; and
- (c) notices or other communications from Bardoc (including by email),

will be deemed from the Implementation Date (except to the extent determined otherwise by St Barbara in its sole discretion), by reason of this Scheme, to be made by the Scheme Participant to St Barbara and to be a binding instruction, notification or election to, and accepted by, St Barbara until that instruction, notification or election is revoked or amended in writing addressed to St Barbara at its registry.

---

## **9 Power of attorney**

Each Scheme Participant, without the need for any further act by any Scheme Participant, irrevocably appoints Bardoc and each of its directors and secretaries (jointly and each of them individually) as its attorney and agent for the purpose of:

- (a) executing any document necessary or expedient to give effect to this Scheme including the Share Scheme Transfer;
- (b) enforcing the Deed Poll against St Barbara,

and Bardoc accepts such appointment.

---

## **10 Notices**

### **10.1 No deemed receipt**

If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Bardoc, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Bardoc's registered office or at the office of the registrar of Bardoc Shares.

### **10.2 Accidental omission**

The accidental omission to give notice of the Scheme Meeting or the non-receipt of such a notice by any Bardoc Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.



---

## **11 General**

### **11.1 Variations, alterations and conditions**

- (a) Bardoc may, with the consent of St Barbara, by its counsel or solicitor consent on behalf of all persons concerned to any variations, alterations or conditions to this Scheme which the Court thinks fit to impose.
- (b) Each Scheme Participant agrees to any such alterations or conditions which Bardoc has consented to pursuant to clause 11.1(a) of this Scheme.

### **11.2 Further action by Bardoc**

Bardoc will execute all documents and do all things (on its own behalf and on behalf of each Scheme Participant) necessary or expedient to implement, and perform its obligations under, this Scheme.

### **11.3 Authority and acknowledgement**

Each of the Scheme Participants:

- (a) irrevocably consents to Bardoc and St Barbara doing all things necessary or expedient for or incidental to the implementation of this Scheme; and
- (b) acknowledges that this Scheme binds Bardoc and all Scheme Participants (including those who do not attend the Scheme Meeting or do not vote at that meeting or vote against the Scheme at that Scheme Meeting) and, to the extent of any inconsistency and to the extent permitted by law, overrides the constitution of Bardoc.

### **11.4 No liability when acting in good faith**

Without prejudice to the parties' rights under the Scheme Implementation Deed, neither Bardoc nor St Barbara, nor any of their respective officers, will be liable for anything done or omitted to be done in the performance of this Scheme in good faith.

### **11.5 Enforcement of Deed Poll**

Bardoc undertakes in favour of each Scheme Participant to enforce the Deed Poll against St Barbara on behalf of and as agent and attorney for the Scheme Participants.

### **11.6 Stamp duty**

St Barbara will pay all stamp duty (including any fines, penalties and interest) payable in connection with this Scheme.

---

## **12 Governing law**

### **12.1 Governing law and jurisdiction**

The law in force in the place specified in the Details governs this document. The parties submit to the non-exclusive jurisdiction of the courts of that place.

## **12.2 Serving documents**

Without preventing any other method of service, any document in an action in connection with this document may be served on a party by being delivered or left at that party's address set out in the Details.

**Annexure C – Deed Poll**

# Deed Poll

Dated 21 February 2022

Given by St Barbara Limited (**St Barbara**)

In favour of each Scheme Participant

**King & Wood Mallesons**  
Level 30  
QV1 Building  
250 St Georges Terrace  
Perth WA 6000  
Australia  
**T** +61 8 9269 7000  
**F** +61 8 9269 7999  
DX 210 Perth  
[www.kwm.com](http://www.kwm.com)  
Ref:HFL:NC: 608-0068776

# Deed Poll

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# Deed Poll

## Details

<b>Parties</b>	<b>St Barbara</b>	
<b>St Barbara</b>	<b>Name</b>	<b>St Barbara Limited</b>
	<b>ACN</b>	009 165 066
	<b>Address</b>	Level 7, 40 The Esplanade Perth Western Australia 6000
	<b>Email</b>	company.secretary@stbarbara.com.au
	<b>Attention</b>	Sarah Standish Company Secretary and General Counsel
<b>In favour of</b>	Each Scheme Participant.	
<b>Governing law</b>	Western Australia	
<b>Recitals</b>	<b>A</b>	The directors of Bardoc have resolved that Bardoc should propose the Scheme.
	<b>B</b>	The effect of the Scheme will be that all Scheme Shares will be transferred to St Barbara.
	<b>C</b>	Bardoc and St Barbara have entered into the Scheme Implementation Deed.
	<b>D</b>	In the Scheme Implementation Deed, St Barbara agreed (amongst other things) to provide the Scheme Consideration to the Scheme Participants, subject to the satisfaction of certain conditions.
	<b>E</b>	St Barbara is entering into this deed poll for the purpose of covenanting in favour of Scheme Participants to perform the obligations attributed to St Barbara in relation to the Scheme.

# Deed Poll

## General terms

---

### 1 Definitions and interpretation

#### 1.1 Definitions

Unless the contrary intention appears, these meanings apply:

**Scheme** means the proposed scheme of arrangement between Bardoc and Scheme Participants under which all the Scheme Shares will be transferred to St Barbara under Part 5.1 of the Corporations Act, substantially in the form of Annexure A to this document, or as otherwise agreed by St Barbara and Bardoc, subject to any amendments or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act to the extent they are approved in writing by Bardoc and St Barbara in accordance with clause 11 of the Scheme.

**Scheme Implementation Deed** means the scheme implementation deed dated 19 December 2021 between Bardoc and St Barbara under which, amongst other things, Bardoc has agreed to propose the Scheme to Scheme Shareholders, and each of St Barbara and Bardoc has agreed to take certain steps to give effect to the Scheme.

All other words and phrases used in this document have the same meaning as given to them in the Scheme.

#### 1.2 General interpretation

Clause 1.2 of the Scheme applies to this document.

#### 1.3 Nature of deed poll

St Barbara acknowledges that this document may be relied on and enforced by any Scheme Participant in accordance with its terms even though the Scheme Participants are not a party to it.

---

### 2 Condition precedent and termination

#### 2.1 Condition precedent

The obligations of St Barbara under clause 4 of this document are subject to the Scheme becoming Effective.

#### 2.2 Termination

The obligations of St Barbara under this document will automatically terminate and the terms of this document will be of no further force or effect if:

- (a) the Scheme has not become Effective on or before the End Date; or
- (b) the Scheme Implementation Deed is terminated in accordance with its terms.

### **2.3 Consequences of termination**

If this document is terminated under clause 2.2 of this document, then, in addition and without prejudice to any other rights, powers or remedies available to Scheme Participants:

- (a) St Barbara is released from their obligations to further perform this document except those obligations contained in clause 7 of this document; and
- (b) each Scheme Participant retains the rights, powers or remedies they have against St Barbara in respect of any breach of this document which occurs before it is terminated.

---

## **3 Performance of obligations generally**

St Barbara must comply with the obligations attributed to St Barbara under the Scheme Implementation Deed and do all acts necessary or desirable on its part to give full effect to the Scheme.

---

## **4 Scheme Consideration**

### **4.1 Scheme Consideration**

Subject to clause 2 of this document:

- (a) St Barbara undertakes in favour of each Scheme Participant to provide or procure as set forth in clause 4.1(b) of this document the provision of the Scheme Consideration to each Scheme Participant;
- (b) St Barbara undertakes in favour of each Scheme Participant to (in satisfaction of St Barbara's obligation to provide such Scheme Consideration to the Scheme Participants under clause 4.1(a) of this document, issue the Scheme Consideration to the Scheme Participants; and
- (c) St Barbara undertakes to perform all other actions attributed to it under the Scheme,

in accordance with the Scheme.

### **4.2 New St Barbara Shares to rank equally**

St Barbara undertakes in favour of each Scheme Participant that all New SBM Shares issued as Scheme Consideration to each Scheme Participant in accordance with the Scheme will, upon their issue:

- (a) rank equally in all respects with all other SBM Shares then on issue; and
- (b) be fully paid and free from any Encumbrance.

---

## **5 Representations and warranties**

St Barbara represents and warrants that:

- (a) **(status)** it has been incorporated or formed in accordance with the laws of its place of incorporation and remains in good standing thereunder;



- (b) **(power)** it has power to enter into this document, to comply with its obligations under it and exercise its rights under it;
- (c) **(no contravention)** the entry by it into, its compliance with its obligations and the exercise of its rights under, this document does not and will not breach:
  - (i) its constituent documents or cause a limitation on its powers or the powers of its directors to be exceeded;
  - (ii) any law binding or applicable to it or its assets, except where any conflict would not, individually or in the aggregate, reasonably be expected to have a St Barbara Material Adverse Effect (as defined in the Scheme Implementation Deed); or
  - (iii) any other document or agreement that is binding on any it, except where any conflict or breach would not, individually or in the aggregate, reasonably be expected to have a St Barbara Material Adverse Effect (as defined in the Scheme Implementation Deed);
- (d) **(authorisations)** other than the approvals contemplated by clause 3.1 of the Scheme Implementation Deed, it has in full force and effect each authorisation necessary for it to enter into this document, to comply with its obligations and exercise its rights under it, and to allow them to be enforced;
- (e) **(validity of obligations)** its obligations under this document are valid and binding and are enforceable against it in accordance with its terms; and
- (f) **(solvency)** it is not Insolvent (as defined in the Scheme Implementation Deed).

---

## 6 Continuing obligations

This document is irrevocable and, subject to clause 2 of this document, remains in full force and effect until:

- (a) St Barbara has fully performed their obligations under this document; or
- (b) the earlier termination of this document under clause 2.2 of this document.

---

## 7 Costs

### 7.1 Costs

St Barbara agrees to pay all costs in respect of the Scheme (including in connection with the transfer of Scheme Shares to St Barbara in accordance with the terms of the Scheme) except for amounts covered by clause 7.2.

### 7.2 Stamp duty and registration fees

St Barbara:

- (a) agrees to pay or reimburse all stamp duty, registration fees and similar taxes payable or assessed as being payable in connection with this

document or any other transaction contemplated by this document (including any fees, fines, penalties and interest in connection with any of these amounts); and

- (b) indemnifies each Scheme Participant against, and agrees to reimburse and compensate it for, any liability in respect of stamp duty under clause 7.2(a) of this document.

---

## **8 Notices**

Notices and other communications in connection with this document must be in writing. They must be sent to the address or email address referred to in the Details and (except in the case of email) marked for the attention of the person referred to in the Details. If the intended recipient has notified of changed contact details, then communications must be sent to the changed contact details.

---

## **9 General**

### **9.1 Variation**

A provision of this document or any right created under it may not be varied, altered or otherwise amended unless:

- (a) the variation is agreed to by Bardoc and St Barbara in writing; and
- (b) the Court indicates that the variation, alteration or amendment would not itself preclude approval of the Scheme,

in which event St Barbara must enter into a further deed poll in favour of the Scheme Participants giving effect to the variation, alteration or amendment.

### **9.2 Partial exercising of rights**

Unless this document expressly states otherwise, if St Barbara does not exercise a right, power or remedy in connection with this document fully or at a given time, they may still exercise it later.

### **9.3 Remedies cumulative**

The rights, powers and remedies in connection with this document are in addition to other rights, powers and remedies given by law independently of this document.

### **9.4 Assignment or other dealings**

St Barbara and each Scheme Participant may not assign or otherwise deal with its rights under this document or allow any interest in them to arise or be varied without the consent of St Barbara and Bardoc.

### **9.5 Further steps**

St Barbara agrees to do anything including executing all documents and do all things (on its own behalf or on behalf of each Scheme Participant) necessary to give full effect to this document and the transactions contemplated by it.

---

## **10 Governing law and jurisdiction**

### **10.1 Governing law and jurisdiction**

The law in force in the place specified in the Details governs this document. St Barbara submits to the non-exclusive jurisdiction of the courts of that place.

### **10.2 Serving documents**

Without preventing any other method of service, any document in an action in connection with this document may be served on St Barbara by being delivered or left at the corresponding address set out in the Details.

**EXECUTED** as a deed poll

Deed Poll

Signing page

DATED: 21 February 2022

EXECUTED by ST BARBARA )  
LIMITED in accordance with section )  
127(1) of the Corporations Act 2001 )  
(Cth) by authority of its directors: )  
Signature Redacted )  
Signature of director )  
TIMOTHY CARL NETSLITER )  
Name of director (block letters) )

Signature Redacted )  
Signature of ~~director~~/company )  
secretary\* )  
\*delete whichever is not applicable )  
SARAH STANDISH )  
Name of ~~director~~/company secretary\* )  
(block letters) )  
\*delete whichever is not applicable )

Deed Poll

Annexure A – Scheme

## **Annexure D – Notice of Scheme Meeting**

### **Notice of Scheme Meeting of Bardoc Scheme Shareholders**

Notice is hereby given that, by order of the Supreme Court of Western Australia (**Court**) made on 22 February 2022 pursuant to section 411(1) of the Corporations Act, a meeting of Bardoc Scheme Shareholders will be held virtually, on 30 March 2022 commencing at 1:00pm (Perth time).

As a result of the potential health risks associated with large gatherings and the COVID-19 pandemic, the Scheme Meeting will be held virtually. You (or your proxy, corporate representative or attorney) may attend the virtual Scheme Meeting through an online platform. To attend the Scheme Meeting online:

- (a) go to <https://meetnow.global/MXQJWVY>; and
- (b) login with your username and password or click “register” if you haven’t already created an account. Shareholders are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting.

The Court has also directed that Derek La Ferla act as chairman of the Scheme Meeting, or failing him, Matthew Ireland, and has directed the chairman to report the result of the Scheme Meeting to the Court.

### **Purpose of the Scheme Meeting**

The purpose of the Scheme Meeting is to consider and, if thought fit, to agree (with or without modification) to a scheme of arrangement proposed to be made between Bardoc and the Bardoc Scheme Shareholders.

A copy of the Scheme and the explanatory statement required by section 412 of the Corporations Act in relation to the Scheme are contained in the Scheme Booklet of which this notice forms part. Terms and abbreviations used in this notice and in the Scheme Booklet are defined in the Scheme Booklet.

### **Resolution – Approval of Scheme**

To consider, and if thought fit, to pass the following resolution:

*“That pursuant to and in accordance with section 411 of the Corporations Act, the scheme of arrangement proposed between Bardoc and Bardoc Scheme Shareholders, as contained in and more particularly described in the document of which the notice convening this meeting forms part, is approved (with or without modification as approved by the Supreme Court of Western Australia).”*

### **Majority Required**

To pass the resolution approving the Scheme, votes in favour of the Scheme must be cast by:

- more than 50% in number of Bardoc Scheme Shareholders present and voting (whether in person, by proxy, by attorney or, in the case of a corporation, by corporate representative); and
- at least 75% of the total number of votes cast on the resolution by Bardoc Scheme Shareholders.

Voting at the Scheme Meeting will be by poll.

St Barbara is excluded from voting on the Scheme by reason of the fact that it is the proponent of the Scheme. As at the date of the Scheme Booklet, neither St Barbara nor any of its Associates hold any Bardoc Shares.

## How to Vote

Bardoc Scheme Shareholders can vote in either of two ways:

- logging online at <https://meetnow.global/MXQJWVY>;
- appointing an attorney to attend the meeting and vote on their behalf, or, in the case of corporate shareholders, a corporate representative to attend the meeting and vote on its behalf; or
- appointing a proxy to attend and vote on their behalf in their place, using the proxy form enclosed with the Scheme Booklet.

## Voting Online

Bardoc Scheme Shareholders and their proxies, attorneys or corporate representatives will be able to participate in the Scheme Meeting through an online platform at <https://meetnow.global/MXQJWVY>. This online platform will allow Bardoc Scheme Shareholders to attend the Scheme Meeting in real time and allow them to vote and ask questions in relation to the Resolution.

Bardoc Scheme Shareholders should try to log on to the online platform at least 15 minutes prior to the scheduled start time for the Scheme Meeting.

For instructions on how to participate online please view the online meeting user guide at <http://www.computershare.com.au/virtualmeetingguide>.

Online voting will be open between the commencement of the Scheme Meeting at 1:00pm (Perth time) on 30 March 2022 and the time at which the chairman announces that voting has closed.

## Voting by Attorney or Corporate Representative

If a Bardoc Scheme Shareholder wishes to appoint an attorney, that Bardoc Scheme Shareholder will need to provide Bardoc with an original or certified copy of the power of attorney under which they authorise the attorney to attend and vote at the Scheme Meeting at least 48 hours prior to the commencement of the Scheme Meeting.

In order to vote in person at the virtual meeting, a Bardoc Scheme Shareholder which is a corporation may appoint an individual to act as its representative. The appointment must comply with the requirements of section 250D of the Corporations Act. A corporate Bardoc Scheme Shareholder should obtain an "Appointment of Corporate Representative" form from Computershare and complete that form in accordance with its instructions.

Any certified copies of a power of attorney, or "Appointment of Corporate Representative" forms should be provided to Computershare (Bardoc's share registry) by no later than **1:00pm (Perth Time) on 28 March 2022**. These respective forms must be delivered by posting it in the reply paid envelope provided (for use in Australia) or by faxing it to the address or fax number provided on page 11.

## Jointly Held Bardoc Shares

If the Bardoc Shares are jointly held, only one of the joint shareholders is entitled to vote. If more than one shareholder votes in respect of jointly held Bardoc Shares, only the vote of the shareholder whose name appears first on the Bardoc Share Register will be counted.

## Proxy Instructions

- A Bardoc Scheme Shareholder entitled to attend and vote at the Scheme Meeting is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Scheme Meeting.
- The appointment of a proxy may specify the proportion or the number of votes that the proxy may exercise. Where two proxies are appointed, unless the appointment specifies the proportion or number of the Bardoc Scheme Shareholder's votes, each proxy may exercise half of the votes. Fractions of votes will be disregarded.
- A proxy may, but need not be, a Bardoc Scheme Shareholder.
- If a proxy is instructed to abstain from voting on any item of business, that person is directed not to vote on the Bardoc Scheme Shareholder's behalf on a poll and the Bardoc Shares the subject of the proxy appointment will not be counted in computing the required majority.
- If a proxy is not directed how to vote on an item of business, the proxy may vote or abstain from voting, as that person thinks fit.
- Bardoc Scheme Shareholders who return their proxy forms with a direction on how to vote but without nominating the identity of their proxy will be taken to have appointed the chairman of the Scheme Meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the Scheme Meeting, the chairman of the Scheme Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the chairman of the Scheme Meeting, the secretary or any director which do not contain a direction will, in the absence of a change in circumstances, be used to vote in favour of the Scheme.
- A vote given in accordance with the terms of a proxy is valid despite the revocation of the proxy, unless notice in writing of the revocation has been received by Bardoc or Computershare before commencement of the Scheme Meeting.
- Appointing a proxy will not preclude you from attending the virtual Scheme Meeting in person and voting at the virtual Scheme Meeting instead of your proxy.
- Completed proxy forms may be lodged by:
  - using the reply paid envelope enclosed with the Scheme Booklet;
  - online: [www.investorvote.com.au](http://www.investorvote.com.au); or
  - by posting, delivery or facsimile to the Bardoc share registry as follows:
 

<b>By Mail:</b>	Computershare Investor Services Pty Limited GPO Box 1282 Melbourne Victoria 3001 AUSTRALIA.
<b>Fax:</b>	1800 783 447 (within Australia) +61 (03) 9473 2555 (outside Australia).
- To be valid for the Scheme Meeting, completed proxy forms (and any power of attorney under which they are signed) must be received by no later than **1:00pm (Perth Time) on 28 March 2022**.
- The proxy form must be signed by the Bardoc Scheme Shareholder or the Bardoc Scheme Shareholder's attorney. Proxies given by corporations must be executed in accordance with



the Corporations Act. Where the appointment of a proxy is signed by the appointor's attorney, a certified copy of the power of attorney, or the power itself, must be received by Computershare at the above addresses or by facsimile transmission by **1:00pm (Perth Time) on 28 March 2022**. If facsimile transmission is used, the power of attorney must be certified.

### **Bardoc Scheme Shareholders who are Entitled to Vote**

Pursuant to section 411 of the Corporations Act and all other enabling powers, the Court has determined that the time for determining a person's entitlement to vote at the Scheme Meeting is **5:00pm (Perth Time) on 28 March 2022**. Only those Bardoc Scheme Shareholders entered on the Bardoc Share Register as at that time will be entitled to attend and vote at the Scheme Meeting. Registrable transfers or transmission applications received after this time will be disregarded in determining entitlements to vote at the Scheme Meeting.

### **Court Approval**

In accordance with section 411(4)(b) of the Corporations Act, the Scheme (with or without modification) will not be implemented unless it is approved by an order of the Court. If the resolution put to the Scheme Meeting is passed by the majority required, Bardoc intends to apply to the Court for the necessary orders to give effect to the Scheme.

## Corporate Directory

### Bardoc Gold Limited

#### Directors

Neil Biddle  
Tony Leibowitz  
John Young  
Rowan Johnston  
Peter Buttigieg

#### Company Secretary

Russell Hardwick

#### Registered & Principal Office

130 Stirling Highway  
NORTH FREMANTLE WA 6159

#### Solicitors

Steinepreis Paganin  
Level 4  
16 Milligan Street  
PERTH WA 6000

#### Auditor

Hall Chadwick  
283 Rokeby Rd  
SUBIACO WA 6008

#### Share Registry

Computershare Investor Services Pty Limited  
Level 11, 172 St Georges Terrace  
PERTH WA 6000

### St Barbara Limited

#### Directors

Tim Netscher  
Craig Jetson  
Steven Dean  
Kerry Gleeson  
Stef Loader  
David Moroney

#### Company Secretary

Sarah Standish

#### Registered & Principal Office

Level 10  
432 St Kilda Road  
MELBOURNE VIC 3004

#### Solicitors

King & Wood Mallesons  
Level 30, QV1 Building  
250 St Georges Terrace  
PERTH WA 6000

#### Auditor

Pricewaterhouse Coopers  
2 Riverside Quay  
SOUTHBANK VIC 3006

#### Share Registry

Computershare Investor Services Pty Limited  
GPO Box 2975  
MELBOURNE VIC 3001