

18 May 2023

Notice of Extraordinary General Meeting

An Extraordinary General Meeting (“**Meeting**”) of St Barbara Limited (ASX: SBM) (“**Company**” or “**St Barbara**”) will be held in person at The Melbourne Hotel, 33 Milligan Street, Perth, Western Australia at 11:00 am AWST on Tuesday 20 June 2023.

The Notice of Extraordinary General Meeting, Explanatory Booklet and sample Proxy Form are attached, and will be distributed to shareholders tomorrow.

Shareholders are strongly encouraged to vote online before the Meeting, and to submit questions before the Meeting.

Shareholders will be able to attend the Meeting, ask questions in relation to the business of the Meeting and to vote in real time at the Meeting or by appointing a proxy to attend and vote on their behalf. Instructions are set out in the Notice of Extraordinary General Meeting.

Shareholders are encouraged to check St Barbara’s website at www.stbarbara.com.au and the ASX for any future updates in relation to conduct of the Meeting.

Authorised by

Sarah Standish, *General Counsel and Company Secretary*

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Explanatory Booklet

The St Barbara Board unanimously recommends that St Barbara Shareholders vote in favour of the Resolutions to give effect to the Leonora Sale and the Genesis Share Distribution, in the absence of a Superior Proposal.

An Extraordinary General Meeting of St Barbara will be held in person at 11.00 am at the Melbourne Hotel, 33 Milligan Street, Perth, Western Australia on 20 June 2023. Refer to the Notice of Meeting in Annexure A for more information.

Financial adviser



Legal adviser

**KING & WOOD
MALLESONS**
金杜律师事务所

This is an important document and requires your immediate attention. You should read it carefully and in its entirety before deciding whether or not to vote in favour of the Resolutions to approve the Transaction. If you are in doubt as to what you should do, you should consult your legal, financial or other professional adviser.



General

This Explanatory Booklet is important. St Barbara Shareholders should carefully read this Explanatory Booklet in its entirety before making a decision as to how to vote on the Resolutions to be considered at the Extraordinary General Meeting.

Investment decisions and no financial product advice

This Explanatory Booklet does not constitute financial product, taxation or investment advice nor a recommendation in respect of Genesis Shares.

It has been prepared without taking into account the individual investment objectives, financial situation or needs of any particular St Barbara Shareholder or any other person. The information in this Explanatory Booklet should not be relied upon as the sole basis for any investment decision. Before deciding how to vote or act, St Barbara Shareholders should consider the appropriateness of the information, having regard to their own individual investment objectives, financial situation and needs and seek independent legal, financial, taxation and other professional advice before making any investment decision.

St Barbara is not licensed to provide financial product advice. No cooling-off regime applies in respect of the acquisition of Genesis Shares under the Genesis Share Distribution (whether the regime is provided for by law or otherwise).

Risk factors

There are risk factors associated with the Transaction, and with St Barbara Shares and Genesis Shares, which are discussed in this Explanatory Booklet and which St Barbara Shareholders should consider carefully.

Purpose of this Explanatory Booklet

This Explanatory Booklet sets out all information known to the St Barbara Directors which is material to the decision of St Barbara Shareholders in deciding how to vote on the Resolutions (including as required by section 256C(4) of the Corporations Act), other than information St Barbara has previously disclosed

to St Barbara Shareholders and, as such, it would be unreasonable for St Barbara to disclose.

Preparation and responsibility for this Explanatory Booklet

This Explanatory Booklet (other than the Genesis Information) has been prepared by St Barbara as at the date of this Explanatory Booklet and St Barbara is responsible for the content of this Explanatory Booklet (other than the Genesis Information).

The Genesis Information in this Explanatory Booklet has been prepared by Genesis and is the responsibility of Genesis. To the maximum extent permitted by law, none of St Barbara nor any member of the St Barbara Group, nor any of their respective directors, officers or advisers, is responsible for the accuracy or completeness of any Genesis Information contained in this Explanatory Booklet and disclaim any liability in this regard.

Deloitte has reviewed and agrees with Section 8 relating to the description given of the income tax and goods and services tax implications of the Genesis Share Distribution for St Barbara Shareholders who, amongst other things, are residents of Australia for Australian tax purposes.

Role of ASIC

A copy of this Explanatory Booklet has been lodged with ASIC. Neither ASIC nor any of its officers takes any responsibility for the contents of this Explanatory Booklet.

Notice of Extraordinary General Meeting

The Notice of Extraordinary General Meeting is set out in Annexure A.

Status of this Explanatory Booklet

This Explanatory Booklet is not a prospectus lodged under Chapter 6D of the Corporations Act.

Foreign jurisdictions and shareholders

St Barbara Shareholders who are Ineligible Foreign Shareholders will not receive Genesis Shares under the Genesis Share Distribution. Genesis Shares that would otherwise be transferred to these shareholders under the Genesis Share Distribution will be transferred to the Sale Agent

to be sold, with the proceeds of such sale to be paid to Ineligible Foreign Shareholders. Refer to Section 4.5 for further information.

St Barbara Shareholders resident outside Australia for tax purposes should seek specific tax advice in relation to the Australian and overseas tax implications of the Genesis Share Distribution.

This Explanatory Booklet does not in any way constitute an offer of securities in any place in which, or to any person to whom, it would be unlawful to make such an offer. No action has been taken to register or qualify the Genesis Shares or otherwise permit a public offer of Genesis Shares in any jurisdiction outside Australia.

Based on the information available to St Barbara, St Barbara Shareholders whose addresses are shown in the St Barbara Share Register on the Record Date as being in the following jurisdictions will be entitled to have Genesis Shares distributed to them (subject to any qualifications set out below or in Section 9.6 in respect of that jurisdiction):

- Australia, New Zealand (where the number of St Barbara Shareholders is less than 20), Singapore, the United Kingdom, the United States (where St Barbara Shareholders are "institutional accredited investors" within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (9) or (12) under the US Securities Act), Norway (where (i) St Barbara Shareholders are "professional clients" or (ii) the number of St Barbara Shareholders who are non-professional clients is less than 150), Germany and Switzerland; and
- any other person or jurisdiction in respect of which St Barbara reasonably believes that it is not prohibited and not unduly onerous or impractical to distribute Genesis Shares to a St Barbara Shareholder with a registered address in such jurisdiction.

Nominees, custodians and other St Barbara Shareholders who hold St Barbara Shares on behalf of a beneficial owner resident outside

Australia, Singapore, the United Kingdom, Germany and Switzerland may not forward this Explanatory Booklet (or any accompanying document) to anyone outside these countries.

Forward-looking statements

Forward-looking statements may generally be identified by the use of forward-looking words such as “believe”, “aim”, “expect”, “anticipate”, “intend”, “foresee”, “likely”, “should”, “planned”, “may”, “might”, “is confident”, “estimate”, “potential” or other similar words or phrases. These statements discuss future expectations concerning the results of operations or financial condition of the St Barbara Group or the Genesis Group or provide other forward-looking statements.

These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which may be beyond St Barbara’s or Genesis’ control, and which may cause the actual results, performance or achievements of St Barbara or Genesis to be materially different from future results, performance or achievements expressed or implied by such statements.

Other than as required by law, none of St Barbara, Genesis nor their respective officers or advisers, nor 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 Explanatory Booklet will actually occur.

Additionally, statements of the intentions of the St Barbara Board or the Genesis Board reflect the present intentions of the St Barbara Directors and the Genesis Directors respectively as at the date of this Explanatory Booklet and may be subject to change as circumstances require.

Except as required by law, St Barbara and Genesis disclaim any obligation or undertaking to update or revise any forward-looking statement in this Explanatory Booklet.

Ore Reserve and Mineral Resource estimates and production targets

The information in this Explanatory Booklet that relates to Mineral Resources and Ore Reserves referable to St Barbara is extracted from the Original Report, as set out in Section 9.5. St Barbara confirms that it is not aware of any new information or data that materially affects the information underpinning the information in the Original Report and that all material assumptions and technical parameters continue to apply and have not materially changed.

The information in this Explanatory Booklet that relates to Mineral Resources referable to Genesis is extracted from Genesis’ ASX announcement dated 29 March 2022 and entitled “*Leonora Resource increases by 400,000oz to 2Moz*” and for which the consent of the Competent Person, Mr Paul Payne, was obtained. Genesis confirms that it is not aware of any new information or data that materially affects the information included in the ASX announcement and Genesis confirms that all material assumptions and technical parameters underpinning the Mineral Resource estimates in the ASX announcement continue to apply and have not materially changed. Genesis confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified.

The information in this Explanatory Booklet that relates to Mineral Resources referable to Dacian is extracted from Dacian’s ASX announcement dated 30 March 2023 and entitled “*Updated Jupiter Mineral Resource Estimate*” and for which the consent of the Competent Person, Mr Alex Wishaw, was obtained. Genesis confirms that it is not aware of any new information or data that materially affects the information included in the ASX announcement and Genesis confirms that all material assumptions and technical parameters underpinning the Mineral Resource estimates in the ASX announcement continue to apply and have not materially changed. Genesis confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified.

The information in this Explanatory Booklet that relates to Ore Reserves referable to Dacian is extracted from Genesis’ ASX announcement dated 12 December 2022 and entitled “*Reporting on Dacian Projects*” and for which the consent of the Competent Person, Mr Atish Kumar, was obtained. Genesis confirms that it is not aware of any new information or data that materially affects the information included in the ASX announcement and Genesis confirms that all material assumptions and technical parameters underpinning the Ore Reserve estimates in the ASX announcement continue to apply and have not materially changed. Genesis confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified.

The information in this Explanatory Booklet Notice that relates to Ore Reserves and Mineral Resources referable to St Barbara (Leonora Operations) is extracted from Genesis’ ASX announcement dated 20 April 2023 and entitled “*Revised – Reporting on St Barbara’s Leonora projects*” and for which the consent of the Competent Persons Mr Brett Ascott (in respect of the Ore Reserves at Gwalia and Zoroastrian), Mr Andrew Francis (in respect of the Ore Reserves at Aphrodite), Mr Martin Liu and Mr Glen Williamson (in respect of the Ore Reserves at Tower Hill), Ms Jane Bateman (in respect of the Mineral Resources at Tower Hill and the Bardoc Deposits) and Mr David Reid (in respect of the Mineral Resources at Gwalia and Harbour Lights), were obtained. Genesis confirms that it is not aware of any new information or data that materially affects the information included in the ASX announcement and Genesis confirms that all material assumptions and technical parameters underpinning the Mineral Resource and Ore Reserve estimates in the ASX announcement continue to apply and have not materially changed. Genesis confirms that the form and context in which the Competent Persons’ findings are presented have not been materially modified.

The Genesis Production Target in Section 6.5 is extracted from Genesis' ASX announcement dated 17 April 2023 and entitled "Presentation – Acquisition of St Barbara's Leonora Assets". Genesis confirms that all material assumptions underpinning the Genesis Production Target in that ASX announcement continue to apply and have not materially changed.

Privacy and personal information

St Barbara, Genesis and their respective share registries, may collect personal information in the process of implementing the Transaction. The personal information may include the names, addresses, other contact details and details of the shareholdings of St Barbara Shareholders, and the names of individuals appointed by St Barbara Shareholders as proxies, corporate representatives or attorneys at the Extraordinary General Meeting.

St Barbara Shareholders who are individuals, and individuals appointed as proxies, corporate representatives or attorneys in respect of whom personal information is collected have certain rights to access their personal information. They should call the Shareholder Information Line on 1300 255 218 (within Australia) or +61 2 9066 4084 (outside Australia) Monday to Friday (except public holidays) between 8.30am and 6.00pm (AWST) if they wish to request access to the personal information held. St Barbara Shareholders who appoint an individual as their proxy, corporate representative or attorney to vote on the Resolutions should inform those individuals of the matters outlined herewith.

The personal information will be collected for the purpose of implementing and administering the shareholdings arising from the Genesis Share Distribution. To the extent permitted by law, personal information collected may be disclosed to other organisations, to securities brokers, to print and mail service providers and any other service providers and advisers in relation to the implementation and administration of the shareholdings arising from the Genesis Share Distribution. The personal information of Ineligible Foreign Shareholders may also be disclosed to the Sale Agent for the purposes of operating the Sale Facility.

The main consequence of not collecting the personal information outlined herewith would be that St Barbara may be hindered in, or prevented from, conducting the Extraordinary General Meeting and implementing the Transaction.

Interpretation

Capitalised terms and certain abbreviations used in this Explanatory Booklet are defined in the Glossary in Section 10.

Unless otherwise stated, all times and dates referred to in this Explanatory Booklet are times and dates in Australian Western Standard Time (AWST). All dates and times following the date of the Extraordinary General Meeting are indicative only and, among other things, are subject to all necessary approvals from regulatory authorities.

Any changes to the indicative Timetable will be announced through ASX and will be notified on St Barbara's website at www.stbarbara.com.

In this Explanatory Booklet, unless otherwise specified or the context otherwise requires, references to \$ or A\$ are to Australian dollars.

All references to years (including a reference to "FY") are references to St Barbara's financial years, ending 30 June, unless otherwise indicated.

Any discrepancies between totals in tables and sums of components contained in this Explanatory Booklet and between those figures and figures referred to in other parts of this Explanatory Booklet are due to rounding.

Date

This Explanatory Booklet is dated 18 May 2023.

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Dear St Barbara Shareholder,

On behalf of the St Barbara Board, I am pleased to present this Explanatory Booklet, which provides details of the Transaction, comprising the proposed sale of St Barbara's Leonora Assets to Genesis and the associated distribution of Genesis Shares to St Barbara Shareholders.

For the reasons set out in this Explanatory Booklet, the St Barbara Board unanimously recommends that you vote in favour of the Resolutions at the Extraordinary General Meeting to give effect to the Transaction, in the absence of a Superior Proposal. Further details on the Resolutions are set out in the Notice of Meeting.

Leonora Sale and Genesis Share Distribution

On 15 May 2023, St Barbara announced that it had entered into a revised agreement with Genesis pursuant to which St Barbara would sell, and Genesis would purchase, the Leonora Assets for consideration currently valued at \$623 million, comprising:

- cash of \$370 million; and
- 205,000,000 Genesis Shares valued at \$253 million.¹

The effect of the Transaction (i.e., the Leonora Sale and the Genesis Share Distribution) is to:

- allow St Barbara to extinguish all of its senior debt and financial lease liabilities, providing St Barbara with a strong pro-forma balance sheet with approximately \$195m in cash (pro forma position as at 31 December 2022) and no debt;
- logically consolidate St Barbara's Leonora Assets and Genesis' neighbouring assets (including the new Ulysses mine), which is expected to unlock synergies associated with the optimised pairing of deposits with regional processing infrastructure. The Transaction has been designed to provide St Barbara Shareholders with an opportunity to retain investment exposure to the Leonora Assets via their resulting shareholding in Genesis, with St Barbara Shareholders collectively holding up to ~19.9% of the Genesis Shares post-implementation of the Transaction;² and
- allow St Barbara to re-focus on delivering value from the Atlantic Operations, the Simberi Operations and the balance of its investment portfolio.

Background to the Transaction

On 12 December 2022, St Barbara and Genesis announced the execution of a scheme implementation deed for the Merger Proposal with Genesis whereby St Barbara would acquire all Genesis Shares via a scheme of arrangement (in exchange for the issue of St Barbara Shares) and undertake a demerger of St Barbara's non-Leonora Assets to St Barbara Shareholders.

In April 2023, the scheme implementation deed was terminated by the mutual agreement of St Barbara and Genesis, predominately due to a material increase in funding requirements for both St Barbara and the Atlantic Operations. The increase in funding requirements was in part driven by an underperformance of St Barbara's Gwalia operations, the potential for the quantum of the mandatory Environmental Performance Bonds (EPBs) for the Atlantic Operations to increase materially and the non-receipt of approval for in-pit tailings at the Touquoy mine at the Atlantic Operations.

Given the increase in funding requirements, and the anticipated consequential breach of St Barbara's banking covenants (interest cover ratio) when tested at 30 June 2023, it became likely that St Barbara would have been required to pay down a significant portion of its senior debt facilities (totalling approximately \$160 million, comprising A\$70 million and C\$80 million).

As a consequence, it was necessary for St Barbara and Genesis to pursue a revised transaction structure involving the sale of St Barbara's Leonora Assets, as set out in this Explanatory Booklet. The revised transaction structure provides a significantly higher level of cash and liquidity to St Barbara (as compared to the Merger Proposal), allowing St Barbara to navigate the material increase in funding requirements for its non-Leonora Assets.

¹ Based on the closing price of Genesis Shares on ASX on 17 May 2023 of \$1.235 per Genesis Share. If the Resolutions are not approved by 30 June 2023, refer to Section 2.6(a).

² Refer to Section 2.6(a) for information regarding the St Barbara Shareholders' collective exposure to the Genesis Shares and Leonora Assets in circumstances where the Resolutions are not approved by 30 June 2023 and St Barbara receives contingent consideration in the form of the Genesis Performance Rights instead. Refer to Section 4.5 for an explanation of how the St Barbara Board will determine the number of Genesis Shares to be distributed pursuant to the Genesis Share Distribution.



Transaction rationale and benefits

Upon completion of the Transaction, St Barbara's non-Leonora Assets will provide an opportunity for St Barbara Shareholders to realise the long-term value of the Atlantic Operations and the Simberi Operations in a dedicated vehicle with a refreshed strategic focus.

St Barbara's key strengths post implementation of the Transaction will include:

- being an independent, ASX-listed gold producer, head office based in Perth, Western Australia, with a focus on realising the long-term value from St Barbara's portfolio outside of the Leonora region;
- significant leverage to the gold price, with expected FY23 production of 110,000 to 130,000 ounces of gold at an all-in sustaining cost in the range of A\$2,200 to \$2,460 per ounce;³
- outstanding "option value" at both the Atlantic Operations and the Simberi Operations including:
 - **Atlantic Operations:** 1.9 million ounces of gold in Mineral Resources and 1.5 million ounces of gold in Ore Reserves, with gold production expected to continue at Touquoy until at least early FY24, after which St Barbara intends to target development of the Fifteen Mile Stream deposit in FY26 while advancing the Cochrane Hill and Beaver Dam projects; and
 - **Simberi Operations:** 4.0 million ounces of gold in Mineral Resources and 2.0 million ounces of gold in Ore Reserves. The outcomes of the Simberi Strategic Review improved the near-term outlook for the Simberi Operations, providing St Barbara with confidence that the oxide mine life can be extended through FY25 and potentially into FY26, and the potential for the Simberi Expansion Project to extend the mine life by at least another 10 years beyond this;
- an exciting exploration portfolio, including Mooseland, South-West and Goldboro East (in Nova Scotia), the broader Tabar Islands (in PNG), Back Creek in New South Wales and through the Pinjin exploration joint venture in Western Australia; and
- a strong balance sheet with approximately A\$195 million in cash (pro forma position as at 31 December 2022), approximately A\$21 million⁴ in ASX-listed equity investments and no debt.

In addition, through the Genesis Share Distribution, St Barbara Shareholders will retain investment exposure to the Leonora Assets via their new shareholding in Genesis, with St Barbara Shareholders collectively holding up to ~19.9% of the Genesis Shares post-implementation of the Transaction,⁵ which will include:

- 3.1Moz Ore Reserves and 15.1Moz Mineral Resources;⁶
- long-life 300kozpa base case plan;⁷ and
- a pro forma cash balance of approximately A\$175 million⁸ (as at 31 March 2023) and no debt.

St Barbara Shareholders should note that Genesis has indicated that it intends to conduct a strategic review of the Gwalia mine (which forms part of the Leonora Assets) in the first half of FY24.

Risks if the Transaction does not proceed

St Barbara will be exposed to a number of significant risks and consequences in the event that the Transaction does not proceed.

If the Transaction does not proceed (including if St Barbara Shareholders vote against the Resolutions), St Barbara will need to urgently source a substantial amount of capital from other sources. St Barbara's recent material increase in its funding requirements and its anticipated breach of its banking covenants will require St Barbara to pay down a significant portion of its senior debt facilities (currently totalling ~\$160 million) compared with its cash balance of approximately \$60 million as at 31 March 2023.⁹

Any equity capital raising by St Barbara in these circumstances would be expected to be highly dilutive to existing St Barbara Shareholders, if it is possible to do so at all. Other sources of funding are expected to be difficult to obtain and would most likely have a higher borrowing cost and/or more onerous terms than the terms of St Barbara's current senior debt facilities. There is a risk of insolvency in the event that St Barbara is not able to raise the required funds.

Refer to Section 1.4 for further information regarding implications if the Transaction does not proceed.

³ Refer to St Barbara's ASX announcement dated 27 April 2023 and entitled "Quarterly Report Q3 FY23". Combined average AISC range comprises A\$2,300 – A\$2,450 (at US\$1,560 to US\$1,725 per ounce at AUD/USD of 0.68 for the Simberi Operations) and A\$2,075 – A\$2,315 (at C\$1,870 to C\$2,085 per ounce at AUD/CAD of 0.90 for the Atlantic Operations).

⁴ Based on the closing price of shares in Catalyst Metals Limited, Kin Mining NL and Peel Mining Limited on ASX on 17 May 2023.

⁵ Refer to Section 2.1 for more information.

⁶ Refer to Section 9.5(b) for further information.

⁷ Refer to Section 6.5 for further information. There is a low level of geological confidence associated with inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of indicated Mineral Resources or that the Genesis Production Target itself will be realised.

⁸ Excluding approximately A\$40m of transaction costs (including estimated stamp duty).

⁹ Refer to St Barbara's ASX announcement dated 27 April 2023 and entitled "Quarterly Report Q3 FY23".



Alternative transactions considered

St Barbara carefully considered, with its advisors, a number of alternative options prior to committing to the Merger Proposal, including maintaining the current St Barbara structure, a merger of St Barbara with another company, a joint venture arrangement with respect to the Leonora Assets, a trade sale of the non-Leonora assets, a merger of the non-Leonora assets with another company and various combinations of these transactions.

These alternatives were again considered by St Barbara prior to agreeing the sale of the Leonora Assets to Genesis under the Transaction. Given the material increase in funding requirements for St Barbara, and the potential for St Barbara to be required to pay down a significant portion of its senior debt facilities, the St Barbara Board concluded that the termination of the Merger Proposal and a change in the transaction structure was in the best interests of St Barbara.

On 4 May 2023, St Barbara received an unsolicited, non-binding, indicative and conditional proposal from Silver Lake Resources Limited (**Silver Lake**) for the acquisition of the Leonora Assets (**Silver Lake Proposal**). On 11 May 2023, Silver Lake reiterated the Silver Lake Proposal with some minor amendments to the conditions.

Based on the information contained in the Silver Lake Proposal and the revised Silver Lake Proposal, the St Barbara Board formed the view that the terms did not constitute a Superior Proposal and would not reasonably be expected to become a Superior Proposal. As a result, St Barbara did not engage with Silver Lake in respect of the Silver Lake Proposal. Refer to St Barbara's exclusivity obligations in Section 3.3(e) for more information.

The St Barbara Board has not received or become aware of the prospect of any proposal (other than the Silver Lake Proposal) that may become a Superior Proposal since the announcement of the Leonora Sale.

St Barbara Board recommendation

The St Barbara Board considers that the Transaction, including the Leonora Sale with Genesis and the associated Genesis Share Distribution is in the best interests of St Barbara and St Barbara Shareholders. Each St Barbara Director intends to vote any St Barbara Shares he or she holds or controls in favour of the Resolutions to give effect to the Transaction, in the absence of a Superior Proposal.

The Resolutions to approve the Transaction and other matters will be put to St Barbara Shareholders at an Extraordinary General Meeting to be held on Tuesday, 20 June 2023.

The St Barbara Board unanimously recommends that you vote in favour of the Resolutions, in the absence of a Superior Proposal.

What you will receive pursuant to the Transaction

If the Resolutions are approved and the Transaction proceeds, Eligible Shareholders will receive Genesis Shares as part of the Genesis Share Distribution. How many Genesis Shares each Eligible Shareholder is entitled to will be determined by the St Barbara Board following Completion, as described in Section 4.5(b).

St Barbara Shareholders will also retain their shareholding in St Barbara, which will represent an interest in the non-Leonora Assets retained by St Barbara (including the Atlantic Operations and the Simberi Operations). Post implementation of the Transaction, Eligible Shareholders will have the choice to retain their St Barbara Shares and/or Genesis Shares, or buy and/or sell either or both of their shareholdings.

Your vote is important

I encourage you to read this Explanatory Booklet thoroughly as it contains important information that will assist you to make an informed decision, including the advantages, disadvantages and risks of the Transaction (see Sections 2 and 7), information relating to the Leonora Sale and the Genesis Share Distribution (Sections 3 and 4, respectively), an overview of St Barbara (Section 5), an overview of Genesis (Section 6) and the taxation implications of the Genesis Share Distribution (Section 8).

If you have any questions about this Explanatory Booklet or the Transaction or any of the component transactions, please consult your financial, legal, taxation or other relevant professional adviser. You are also welcome to call the Shareholder Information Line on 1300 255 218 (within Australia) or +61 2 9066 4084 (outside Australia) Monday to Friday (except public holidays) between 8.30am and 6.00pm (AWST) or visit the company's website, www.stbarbara.com.au.

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In order for the Transaction to proceed, the Resolutions must be approved by St Barbara Shareholders. I urge you to vote on the Resolutions by attending the Extraordinary General Meeting to be held at 11.00 am on 20 June 2023 at The Melbourne Hotel in Perth or by completing the Proxy Form accompanying this Explanatory Booklet. For your Proxy Form to be effective, it must be received by 11.00am (AWST) on Sunday, 18 June 2023.

I look forward to discussing this important matter with you further during the Extraordinary General Meeting on Tuesday, 20 June 2023.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kerry Gleeson'.

Kerry Gleeson
Independent Non-Executive Chair
St Barbara Limited

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Important dates



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18 May 2023	Date of this Explanatory Booklet
11.00am (AWST) on 18 June 2023	Last time and date by which proxy forms for the Extraordinary General Meeting must be received by the St Barbara Share Registry
5.00pm (AWST) on 18 June 2023	Last time and date for determining eligibility to vote at the Extraordinary General Meeting
11.00am (AWST) on 20 June 2023	St Barbara Extraordinary General Meeting
2.00pm (AWST) on 20 June 2023	Genesis Extraordinary General Meeting
30 June 2023	Expected date for Completion of the Leonora Sale *
3 July 2023	Expected date for declaration of the Genesis Share Distribution
4 July 2023	Effective Date of the Genesis Share Distribution
5 July 2023	Last date St Barbara Shares trade on ASX cum-Genesis Share Distribution basis
6 July 2023	St Barbara Shares trade on ASX on an ex-Genesis Share Distribution basis
5.00pm (AWST) on 7 July 2023	Record Date – time and date for determining entitlements to Genesis Shares under the Genesis Share Distribution
11 July 2023	Distribution of Genesis Shares to Eligible Shareholders and to the Sale Agent (for Ineligible Foreign Shareholders) **
12 July 2023	Trading in Genesis Shares distributed to Eligible Shareholders expected to commence

* Completion of the Leonora Sale is subject to the satisfaction (or waiver, where applicable) of the Conditions Precedent.

** Following the distribution of Genesis Shares to Eligible Shareholders, Genesis will procure the despatch of holding statements to Eligible Shareholders in relation to their shareholding in Genesis.

All dates and times following the date of the Extraordinary General Meeting are indicative only and, among other things, are subject to the satisfaction (or waiver, where applicable) of the Conditions Precedent. If the Conditions Precedent are not satisfied (or waived, where applicable) so that Completion of the Leonora Sale can occur on 30 June 2023, then there will be a delay to the date of Completion of the Leonora Sale and a corresponding delay to subsequent dates relating to the Genesis Share Distribution. Any changes to the timetable will be announced through ASX and will be notified on St Barbara's website at www.stbarbara.com.au.



1. Transaction overview

1.1 What is the Transaction?

The Transaction refers to:

- the sale to Genesis of the Leonora Assets under the terms of the Sale Agreement (**Leonora Sale**); and
- the distribution of Genesis Shares received by St Barbara as part consideration for the Leonora Sale, including the Capital Reduction (**Genesis Share Distribution**).

The Leonora Sale and Genesis Share Distribution are discussed below.

1.2 What is the Leonora Sale?

On 15 May 2023, St Barbara announced that it had reached a further agreement with Genesis to revise the terms of the Leonora Sale to increase the headline consideration payable by Genesis to St Barbara.

Under the terms of the Sale Agreement, and subject to the satisfaction (or waiver, where applicable) of the Conditions Precedent, St Barbara has agreed to sell, and Genesis has agreed to purchase, all of St Barbara's right, title and interest in the Leonora Assets in exchange for:

- \$370 million in cash (subject to working capital adjustments which may marginally increase or decrease this amount); and
- 205,000,000 Genesis Shares (assuming St Barbara Shareholders approve the Resolutions prior to 30 June 2023) (**Consideration Shares**).¹⁰

As at the last closing price of Genesis Shares on 17 May 2023, the total consideration for the Leonora Sale had an implied value of \$623 million.¹¹

Genesis will pay a cash deposit of \$25 million which is non-refundable in certain circumstances (including where Genesis Shareholders vote against the Genesis Resolutions or if St Barbara validly terminates the Sale Agreement (other than where the termination relates to a Superior Proposal)).

Resolution 1 seeks St Barbara Shareholder approval for the Leonora Sale. Refer to Sections 3.2 and 3.3 for more information on the Leonora Sale (including a summary of the terms of the Sale Agreement).

1.3 What is the Genesis Share Distribution?

Under the terms of the Sale Agreement, and subject to the satisfaction (or waiver, where applicable) of the Conditions Precedent, St Barbara has agreed to effect an in specie distribution of up to 205,000,000 Genesis Shares (comprising up to 100% of the Consideration Shares) (**Distribution Shares**) that will be received as consideration for the Leonora Sale. It is anticipated that St Barbara will distribute all, or substantially all, of the Consideration Shares received pursuant to the Genesis Share Distribution, so it is expected that St Barbara's residual shareholding in Genesis (post-Genesis Share Distribution) will account for less than 5% of the issued share capital of Genesis. Refer to Section 4.5(b) for more information.

The Genesis Share Distribution will be conducted by way of an equal capital reduction pursuant to Chapter 2J.1 of the Corporations Act (**Capital Reduction**).

Resolution 2 seeks St Barbara Shareholder approval for the Capital Reduction. Refer to Section 4 for more information on the Genesis Share Distribution, including the determination of how many Genesis Shares will be distributed to St Barbara Shareholders pursuant to the Genesis Share Distribution.

1.4 What are the implications if the Transaction does not proceed?

If either of the Resolutions are not approved by St Barbara Shareholders, or if any other Condition Precedent is not satisfied (or waived, where applicable), then the Transaction will not proceed.

If the Transaction does not proceed, then:

- St Barbara will retain the Leonora Assets and will not receive the consideration from Genesis comprising \$370 million in cash consideration and the Consideration Shares; and
- St Barbara Shareholders will retain their current interests in St Barbara, no synergistic benefits from a combination of the St Barbara and Genesis Leonora projects will be realised and St Barbara Shareholders will not receive any Genesis Shares pursuant to the Genesis Share Distribution.

¹⁰ If the Resolutions are not approved by 30 June 2023, refer to Section 2.6(a).

¹¹ Based on the closing price of Genesis Shares on ASX on 17 May 2023 of \$1,235 per Genesis Share.



In this situation, St Barbara will need to urgently source a substantial amount of capital from other sources as the St Barbara Group is facing a material increase in its funding requirements and an anticipated breach of its banking covenants (interest cover ratio) when tested at 30 June 2023, which is likely to lead to a requirement to pay down a significant portion of its senior debt facilities (currently totalling approximately \$160 million, comprising A\$70 million and C\$80 million).

There is no guarantee that St Barbara would be able to raise the required funds from other sources. Any equity capital raising by St Barbara in these circumstances would have to be done at a significant discount to the current share price and would be expected to be highly dilutive to existing St Barbara Shareholders, if it is possible to do so at all. Other sources of funding are also expected to be difficult to obtain and would most likely have a higher borrowing cost and/or more onerous terms than the terms of St Barbara's current senior debt facilities. There is a risk of insolvency in the event that St Barbara is not able to raise the required funds.

As such, it is the St Barbara Board's view that the Transaction is the best option available to secure St Barbara's future and deliver value and certainty for St Barbara Shareholders.

Refer to Section 2 generally (and Section 2.7 in particular) for more information.

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2. Advantages, disadvantages and other considerations



2.1 Background to the Transaction

In December 2022, St Barbara and Genesis announced the execution of a scheme implementation deed whereby St Barbara would acquire all Genesis Shares via a scheme of arrangement (in exchange for the issue of St Barbara Shares) and undertake a demerger and ASX-listing of the holding company of its non-Leonora Assets.

In April 2023, the scheme implementation deed was terminated by the mutual agreement of St Barbara and Genesis and it was announced that St Barbara and Genesis had entered into a new agreement for the proposed sale of the Leonora Assets to Genesis.

On 15 May 2023, St Barbara announced that it had reached an agreement with Genesis to revise the terms of the Leonora Sale to the effect that Genesis would:

- issue an additional 5,000,000 Genesis Shares to St Barbara up-front, such that St Barbara would receive a total of 152,826,087 Genesis Shares;
- accelerate the 52,173,913 Genesis Performance Rights such that St Barbara receives an additional 52,173,913 Genesis Shares up-front, subject to St Barbara Shareholders approving the Resolutions prior to 30 June 2023;¹² and
- pay St Barbara a cash deposit of \$25 million into an escrow account.

Under the revised terms of the Leonora Sale, the headline consideration payable by Genesis to St Barbara amounts to \$623 million, comprising cash of \$370 million (subject to working capital adjustments which may marginally increase or decrease this amount) and 205,000,000 Genesis Shares valued at \$253 million¹³ (assuming the St Barbara Shareholders approve the Resolutions prior to 30 June 2023).¹⁴

If completed, the Transaction will result in St Barbara Shareholders retaining an investment exposure to the Leonora Assets via their new shareholding in Genesis, with St Barbara Shareholders collectively holding up to ~19.9% of the Genesis Shares post-implementation of the Transaction.¹⁵ It is anticipated that St Barbara will distribute all, or substantially all, of the Consideration Shares received pursuant to the Genesis Share Distribution,¹⁶ so it is expected that St Barbara's residual shareholding in Genesis (post-Genesis Share Distribution) will account for less than 5% of the issued share capital of Genesis.

The Transaction will allow St Barbara to extinguish all of its existing senior debt and financial lease liabilities, providing St Barbara with a strong balance sheet with approximately \$195 million in cash (pro forma position as at 31 December 2022) and no debt.

Genesis will fund the cash component of the consideration payable to St Barbara through the Genesis Capital Raising, pursuant to which Genesis has received binding commitments to raise \$470 million in new equity at an issue price of \$1.15 per Genesis Share, via a \$70 million first tranche and a \$400 million second tranche. The first tranche has been completed and the second tranche will complete following approval of the Resolutions and the Genesis Resolutions.

St Barbara Shareholders should carefully consider the following advantages, disadvantages and risks of the Transaction and other relevant considerations, as well as other information contained in this Explanatory Booklet, in deciding whether or not to vote in favour of the Resolutions required to implement the Transaction.

2.2 Why has the Transaction been proposed by the St Barbara Board

St Barbara and Genesis terminated the Merger Proposal in April 2023, predominately due to the material increase in funding requirements for St Barbara, in part driven by:

- the underperformance of St Barbara's Gwalia operations which resulted in a significantly lower cash position (as against forecast);

¹² If the Resolutions are not approved by 30 June 2023, refer to Section 2.6(a).

¹³ Based on the closing price of Genesis Shares on ASX on 17 May 2023 of \$1.235 per Genesis Share.

¹⁴ Refer to Section 2.6(a).

¹⁵ Refer to Section 2.6(a) for information regarding the St Barbara Shareholders' collective exposure to the Genesis Shares and Leonora Assets in circumstances where the Resolutions are not approved by 30 June 2023 and St Barbara receives contingent consideration in the form of the Genesis Performance Rights instead. Refer to Section 4.5 for an explanation of how the St Barbara Board will determine the number of Genesis Shares to be distributed pursuant to the Genesis Share Distribution.

¹⁶ Subject to the Completion Share Price being \$1.15 or less. Refer to Section 4.5(b) for more information.



- St Barbara currently has C\$41 million of EPBs in respect of the Atlantic Operations, which are supported by the Letters of Credit. There was potential for the quantum of the mandatory EPBs to increase materially to approximately C\$70 million (with the face value of the EPBs likely needing to be cash backed), which would require a material increase to the funding the subject of the Letters of Credit; and
- the non-receipt of approval for in-pit tailings disposal at the Touquoy mine at the Atlantic Operations, which resulted in a materially lower cash flow from the Atlantic Operations in the near-term.

Given the increase in funding requirements and the anticipated consequential breach of St Barbara's banking covenants (interest cover ratio) when tested at 30 June 2023, it became likely that St Barbara would have been required to pay down a significant portion of its senior debt facilities (totalling approximately \$160 million, comprising A\$70 million and C\$80 million).

Key benefits to St Barbara Shareholders in respect of the Transaction relative to the Merger Proposal include:

- an additional ~\$110 million in cash compared to the Merger Proposal, whilst also facilitating the extinguishment of St Barbara's senior debt and financial lease liabilities;
- increased transaction certainty, given that the Transaction (unlike the Merger Proposal) is not subject to a maximum net debt condition, as well as a reduced anticipated timeframe for completion of the Transaction; and
- an increased direct exposure to non-Leonora Assets (including the Atlantic Operations and the Simberi Operations) from 80% (as was contemplated under the Merger Proposal) to 100%.

As at the last closing price of Genesis Shares on 17 May 2023, the total consideration for the Leonora Sale had an implied value of \$623 million.¹⁷

St Barbara Shareholders are also anticipated to benefit from:

- an improved St Barbara capital structure and a dedicated and refreshed St Barbara Board and management team, focused on realising the long-term value potential of the Atlantic Operations and the Simberi Operations; and
- the optimisations and synergies anticipated to arise as a result of Genesis' focus on the Leonora region, resulting in a "capital-light" and more streamlined business model, through their direct shareholding in Genesis arising as a result of the Genesis Share Distribution.

2.3 Alternatives considered

(a) Merger Proposal and other alternatives

Prior to entering into the scheme implementation deed with Genesis in respect of the Merger Proposal, St Barbara carefully considered, with its advisors, a number of alternative options to the Merger Proposal, including maintaining the current St Barbara structure, a merger of St Barbara with another company, a joint venture arrangement with respect to the Leonora Assets, a trade sale of the non-Leonora Assets, a merger of the non-Leonora Assets with another company and various combinations of these transactions.

These alternatives were again considered by St Barbara prior to entering into the Sale Agreement with Genesis in respect of the Leonora Assets. Given the material increase in funding requirements for St Barbara (including in respect of the Atlantic Operations), and the potential for St Barbara to be required to pay down a significant portion of its senior debt facilities, the St Barbara Board concluded that the termination of the Merger Proposal and a change in the transaction structure was in the best interests of St Barbara.

The St Barbara Board considers that the Transaction, including the Leonora Sale with Genesis and the associated Genesis Share Distribution, is in the best interests of St Barbara and St Barbara Shareholders.

(b) Silver Lake Proposal

The St Barbara Board maintains this view following the receipt of the unsolicited, non-binding, indicative and conditional proposal from Silver Lake to acquire the Leonora

¹⁷ Based on the closing price of Genesis Shares on ASX on 17 May 2023 of \$1.235 per Genesis Share.



Assets as announced on 4 May 2023 (**Silver Lake Proposal**)¹⁸ including as revised by Silver Lake with minor modifications on 11 May 2023.¹⁹

As part of its assessment of the Silver Lake Proposal, the St Barbara Board requested additional information from Silver Lake in respect of the assumptions, terms, conditions and basis of the Silver Lake Proposal (**St Barbara Information Request**).

Based on the information contained in the Silver Lake Proposal, and the responses received in response to the St Barbara Information Request, the St Barbara Board determined that the terms of the Silver Lake Proposal (both as originally formulated and as subsequently modified) did not constitute a Superior Proposal, and it was not reasonably expected to become a Superior Proposal. As a result, the “fiduciary out” exceptions to the “no talk” and “no due diligence” obligations under the Transaction Agreement were not satisfied (refer to Section 3.3(e)).

The St Barbara Board formed this view for a variety of reasons, including that:

- on a post-tax basis, and factoring in the payment of the break fee of \$5.4 million to Genesis under the Transaction Agreement, the Silver Lake Proposal represented only a modest premium to the Transaction;²⁰
- in the view of the St Barbara Board, Silver Lake had not provided any reasonable or quantitative assumptions to support its proposed consideration which could otherwise be confirmed via due diligence;
- the Silver Lake Proposal was subject to significant uncertainty given it was conditional on detailed due diligence, finance had not been secured and does not provide any up-front financial commitment by Silver Lake that it will be able to complete the transaction;
- the Silver Lake Proposal did not deliver sufficient cash up-front to St Barbara to fund St Barbara’s ongoing obligations and capital requirements, likely creating a market expectation of a pending block sale of a substantial portion of the 7.5% of Silver Lake shares proposed by Silver Lake to be retained by St Barbara (thus creating a potential overhang on the Silver Lake share price and exposing St Barbara to a high level of market risk);
- the Silver Lake Proposal was subject to significant timetable risk given the requirement to complete mutual due diligence in a two week timeframe. The St Barbara Board considered that timeframe unrealistic in light of the due diligence requests made by Silver Lake and what will be required for St Barbara to gain confidence in the outlook for the Silver Lake portfolio (including a newly acquired asset in North America); and
- the transaction rationale and level of synergies which could be achieved by Silver Lake for the benefit of St Barbara Shareholders (as incoming shareholders of Silver Lake) was significantly weaker when compared to the synergies which St Barbara Shareholders are expected to benefit from (as the holder of Genesis Shares post-Genesis Share Distribution) under the Transaction, including Leonora-specific exposure.

Accordingly, the St Barbara Board declined to engage with Silver Lake in respect of the Silver Lake Proposal, including because it was not permitted to do so without breaching the terms of the Transaction Agreement.

2.4 Advantages of the Transaction

The sale of the Leonora Assets will provide an opportunity for St Barbara Shareholders to realise the long-term value potential of the Atlantic Operations and the Simberi Operations in a dedicated and refreshed vehicle.

The following benefits are anticipated for St Barbara upon implementation of the Transaction:

- St Barbara will have approximately \$195 million in cash (pro forma position as at 31 December 2022) and approximately \$21 million²¹ in ASX-listed equity investments, with all senior debt and financial lease liabilities extinguished;
- St Barbara will be sufficiently capitalised to execute its strategy and deliver value from its Atlantic Operations and Simberi Operations; and

¹⁸ Refer to St Barbara’s ASX announcement dated 4 May 2023 and entitled “SLR non binding indicative conditional proposal for Leonora” for further information.

¹⁹ Refer to St Barbara’s ASX announcement dated 15 May 2023 and entitled “Improved Terms for Leonora from Genesis Minerals” for further information.

²⁰ Refer to St Barbara’s ASX announcements dated 4 May 2023 and entitled “SLR non binding indicative conditional proposal for Leonora” and dated 15 May 2023 and entitled “Improved Terms for Leonora from Genesis Minerals” for further information.

²¹ Based on the closing price of shares in Catalist Metals Limited, Kin Mining NL and Peel Mining Limited on ASX on 17 May 2023.



- St Barbara Shareholders will retain a direct 100% shareholding in the residual St Barbara business.

The Transaction also facilitates the logical consolidation of St Barbara's Leonora Assets and Genesis' neighbouring assets, combining the Gwalia, Ulysses, Admiral, Mt Morgans and Tower Hill assets, generating near-term synergies which will be shared by St Barbara Shareholders through the receipt of Genesis Shares pursuant to the Genesis Share Distribution.

The following benefits are anticipated from the consolidation of St Barbara and Genesis' assets in the Leonora region:

- logical consolidation of the world-class Leonora district;
- significant and unique synergies, delivering a "capital light" business model targeting a long life 300kozpa²² base case plan including:
 - pairing of Genesis' new Ulysses and Admiral mine to fill the undervalued Gwalia mill;
 - pairing of the Mt Morgans mill²³ and Genesis Mining Services (Genesis' in-house open pit mining contractor) with the Tower Hill project; and
 - deferral or elimination of A\$400 million of capital expenditure;²⁴
- Genesis Capital Raising will enhance the financial strength of Genesis and is expected to facilitate the execution of organic growth opportunities within the Leonora region; and
- Genesis is expected to have increased scale, market relevance, investor attention and liquidity, which may support a re-rating in the value of Genesis Shares.

Further advantages of the Transaction are as follows:

(a) Pathway to realise the long term value of the Atlantic Operations and the Simberi Operations

The sale of the Leonora Assets reduces the complexity of St Barbara's current portfolio and positions St Barbara as a dedicated and refreshed vehicle to unlock the full long-term value potential of the Atlantic Operations and the Simberi Operations for existing St Barbara Shareholders.

The portfolio will consist of two producing gold assets with a host of organic expansion opportunities in proven mining jurisdictions – the Simberi Operations (Papua New Guinea) and the Atlantic Operations (Nova Scotia, Canada). St Barbara will benefit from significant expansion and growth option value through its regional exploration upside, in addition to its portfolio of mining royalties. St Barbara's residual assets have a Mineral Resource of 5.9 Moz Au and Ore Reserves of 3.5 Moz Au and continuing meaningful production scale, with estimated production of 110–130koz Au in FY23.²⁵

St Barbara will continue to be led by the experienced St Barbara Board and a management team with a diverse range of backgrounds, expertise and geographical experience (including in Canada, PNG and Australia), subject to the renewal process mentioned in Section 4.6.

(b) St Barbara post-Transaction will have significant mineral inventory at advanced projects and an attractive exploration portfolio

Atlantic Operations: 1.9 million ounces of gold in Mineral Resources and 1.5 million ounces of gold in Ore Reserves with gold production expected to continue at Touquoy until at least early FY24. St Barbara intends to target development of the Fifteen Mile Stream deposit in FY26 while advancing the Cochrane Hill and Beaver Dam projects.

²² Refer to Section 6.5 for further information. There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the Genesis Production Target itself will be realised.

²³ The Mt Morgans mill is owned by Dacian. Genesis owns approximately 80% of the shares in Dacian and accordingly controls Dacian.

²⁴ Refer to Genesis' and St Barbara's ASX announcements dated 12 December 2022 and entitled "Creating a leading Australian Gold House" for further information.

²⁵ Refer to St Barbara's ASX announcement dated 27 April 2023 and entitled "Quarterly Report Q3 FY23". Combined average AISC range comprises A\$2,300 – A\$2,450 (at US\$1,560 to US\$1,725 per ounce at AUD/USD of 0.68 for the Simberi Operations) and A\$2,075 – A\$2,315 (at C\$1,870 to C\$2,085 per ounce at AUD/CAD of 0.90 for the Atlantic Operations).



Simberi Operations: 4.0 million ounces of gold in Mineral Resources and 2.0 million ounces of gold in Ore Reserves. The outcomes of the Simberi Strategic Review improved the near-term outlook for the Simberi Operations, providing St Barbara with confidence that the oxide mine life can be extended through FY25 and potentially into FY26, and the potential for the Simberi Expansion Project to extend the mine life by at least another 10 years beyond this.

St Barbara will have an exciting exploration portfolio, including Mooseland, South-West and Goldboro East (in Nova Scotia), the broader Tabar Islands (in PNG), Back Creek in New South Wales and through the Pinjin exploration joint venture in Western Australia.

Upon implementation of the Transaction, the Atlantic Operations and the Simberi Operations will no longer be competing for growth capital with the Leonora Assets and St Barbara will have the funding and flexibility to explore opportunities which may not otherwise have been pursued.

(c) Gold market relevance and positioning

St Barbara will retain a production profile of relevance to ASX investors and significant leverage to the gold price, with FY23 production guidance of 110,000 to 130,000 ounces of gold at an all-in sustaining cost of A\$2,200 – A\$2,460 per ounce of gold.²⁶

(d) Strong and unlevered balance sheet

St Barbara will have a strong balance sheet with approximately \$195 million (pro forma position as at 31 December 2022) and approximately \$21 million²⁷ in ASX-listed equity investments, with all senior debt and financial lease liabilities extinguished.

St Barbara will be sufficiently capitalised to execute its strategy and deliver value from the Atlantic Operations and the Simberi Operations.

(e) Simplified business model with the St Barbara Board and management team focused on strategies to maximise the value of the non-Leonora Asset portfolio

Upon implementation of the Transaction, St Barbara will be able to focus on the strategies and operational initiatives to drive the long-term value that may not otherwise have been realised if the Leonora Assets remained within St Barbara.

The Transaction will create a simplified, stand-alone business model for St Barbara, with a board and management team focused on implementing strategies to maximise value from the assets retained by St Barbara (including the Atlantic Operations and the Simberi Operations). St Barbara will be dedicated to extracting value from these under-appreciated assets, with St Barbara Shareholders retaining investment exposure to the Leonora Assets, and the synergies expected to accrue to the Leonora Assets via their combination with Genesis' neighbouring assets, through the receipt of Genesis Shares under the Genesis Share Distribution.

At present, strategic decisions in respect of, and the allocation of capital to, St Barbara's non-Leonora assets are considered against (and compete with) the needs and strategic direction of the Leonora Assets. If the Transaction is implemented, the non-Leonora assets will no longer compete for growth capital with the Leonora Assets. As a result, St Barbara will have greater flexibility to pursue growth opportunities and operational efficiencies in respect of the non-Leonora assets that may not have otherwise been pursued by St Barbara if it had retained the Leonora Assets.

Refer to Section 5.3 for additional information on St Barbara's business strategy after the implementation of the Transaction, including an overview of the growth opportunities within the retained asset base.

²⁶ Refer to St Barbara's ASX announcement dated 27 April 2023 and entitled "Quarterly Report Q3 FY23". Combined average AISC range comprises A\$2,300 – A\$2,450 (at US\$1,560 to US\$1,725 per ounce at AUD/USD of 0.68 for the Simberi Operations) and A\$2,075 – A\$2,315 (at C\$1,870 to C\$2,085 per ounce at AUD/CAD of 0.90 for the Atlantic Operations).

²⁷ Based on the closing price of shares in Catalist Metals Limited, Kin Mining NL and Peel Mining Limited on ASX on 17 May 2023.



(f) St Barbara Shareholders will have economic exposure to both St Barbara and Genesis and flexibility to choose their level of investment in each

The characteristics and risk profiles of St Barbara and Genesis differ and may appeal to different types of investors. The Transaction will provide St Barbara Shareholders (other than Ineligible Foreign Shareholders) with separate investments in two distinct companies through the distribution of the Genesis Shares pursuant to the Genesis Share Distribution.

Following the Transaction, St Barbara Shareholders will have the flexibility to maintain their exposure to both the St Barbara business and the Genesis business, or the opportunity to manage (e.g., increase or reduce) their exposure to the different investment characteristics of St Barbara and Genesis respectively, according to their individual investment objectives, preferences for differing geographic exposures and desired risk-return profiles.

Upon implementation of the Transaction:

- St Barbara will be focused on maximising value from its Atlantic Operations and Simberi Operations in an effort to deliver the St Barbara Shareholders the full value potential of these under-appreciated assets; and
- Genesis will become a leading mid-tier Australian gold company, focused exclusively on the prolific Leonora District of Western Australia.

2.5 Disadvantages of the Transaction

(a) Dilution of exposure to the Leonora Assets

The Transaction primarily involves St Barbara selling the Leonora Assets, which may not be consistent with the investment objectives of all St Barbara Shareholders. If the Transaction is implemented, St Barbara Shareholders will have a diluted exposure to the Leonora Assets through the holding of Genesis Shares, with St Barbara Shareholders collectively holding up to ~19.9% of the Genesis Shares post-implementation of the Transaction.²⁸

The investment exposure of St Barbara Shareholders of up to ~19.9% of the Genesis Shares post-implementation of the Transaction will allow the St Barbara Shareholders to benefit (both directly and indirectly) from the combination of St Barbara's Leonora Assets and Genesis' neighbouring assets in the Leonora region, and the expected synergies associated with the combination of these assets.

(b) Reduction in geographic diversification for St Barbara

The sale of Leonora Assets will change the geographic risk profile and diversification of St Barbara.

Following the Transaction, St Barbara will be a smaller business with two operating assets, exploration upside, various investments in ASX-listed entities and a portfolio of royalty interests. St Barbara will have no exposure to the Leonora Operations,²⁹ which may result in St Barbara incurring additional costs (such as incremental financing and insurance costs and less beneficial supply terms) and facing additional risks compared to its existing size and scale.

In particular, the Simberi Operations are located in Papua New Guinea and are subject to various political, economic, social and other risks and uncertainties associated with operating in that jurisdiction. Any event or circumstance which negatively affects Papua New Guinea could affect the financial performance of St Barbara more significantly than if it had a geographically diversified asset base.

In addition, St Barbara will be exposed to gold production risk and fluctuations in gold prices. These factors, which determine the cash flow from St Barbara's asset base, can be volatile. While the outlook for the gold market is positive, lower economic growth or a deterioration in global economic conditions may impact gold markets and affect the revenue and cash flow generation that St Barbara derives from the Atlantic Operations and the Simberi Operations.

For further information regarding the risk factors affecting St Barbara (post-Transaction), refer to Section 7.3.

²⁸ Refer to Section 2.6(a) for information regarding the St Barbara Shareholders' collective exposure to the Genesis Shares and Leonora Assets in circumstances where the Resolutions are not approved by 30 June 2023 and St Barbara receives contingent consideration in the form of the Genesis Performance Rights instead. Refer to Section 4.5 for an explanation of how the St Barbara Board will determine the number of Genesis Shares to be distributed pursuant to the Genesis Share Distribution.

²⁹ Refer to Section 2.6(a) for information regarding the circumstances where the Resolutions are not approved by 30 June 2023 and St Barbara receives contingent consideration in the form of the Genesis Performance Rights.



(c) Transaction implementation costs

Total one-off transaction and separation costs in relation to the Transaction are estimated to be approximately A\$15 million (on a pre-tax basis). These costs include advisory fees, legal fees and other transaction related expenses.

Approximately A\$5 million of these costs will have already been incurred prior to the Extraordinary General Meeting. The remaining costs are expected to be incurred following the Extraordinary General Meeting.

(d) Some St Barbara Shareholders will not be eligible to receive, or may be unable to retain, Genesis Shares

St Barbara Shareholders who are Ineligible Foreign Shareholders will not receive Genesis Shares under the Genesis Share Distribution. Genesis Shares that would otherwise be transferred to Ineligible Foreign Shareholders under the Genesis Share Distribution will be transferred to the Sales Agent to be sold, with the proceeds of such sale to be paid to Ineligible Foreign Shareholders. Based on the St Barbara Shareholders as at the date of this Explanatory Booklet, Ineligible Foreign Shareholders are not expected to represent a significant proportion of the St Barbara Share Register.

In addition, some St Barbara Shareholders may not be permitted to retain their St Barbara Shares, or the Genesis Shares received pursuant to the Genesis Share Distribution, under the terms of their investment mandates. This may result in downward pressure on the price for St Barbara Shares and/or Genesis Shares in the initial period following implementation of the Transaction. Based on the St Barbara Shareholders as at the date of this Explanatory Booklet, such shareholders could represent a significant proportion of the St Barbara Share Register.

(e) Genesis Shares

Eligible Shareholders will become holders of Genesis Shares and will be exposed to risks in holding Genesis Shares (see Section 6.14 for more information). In addition:

- the objectives and interests of Genesis may not align with St Barbara Shareholders;
- Genesis Shares may fall (or rise) in value;
- St Barbara Shareholders may incur additional transaction costs if they wish to dispose of (or add to) their new investment in Genesis (for example brokerage costs); and
- there may be taxation consequences in respect of the distribution of the Genesis Shares to Eligible Shareholders. Refer to Section 8 for the taxation implications of the Genesis Share Distribution.

St Barbara cannot, and does not, make any representation or prediction as to what the value or price of the Genesis Shares will be at the time of the Genesis Share Distribution, nor subsequently.

2.6 Other considerations in respect of the Transaction

(a) Circumstances where the Resolutions are approved after 30 June 2023

If St Barbara Shareholders approve the Resolutions but such approval occurs after 30 June 2023, and the Conditions Precedent are satisfied (or waived, where applicable) then, unless Genesis agrees otherwise, 52,173,913 out of the 205,000,000 Consideration Shares will not be issued on Completion. Instead, 52,173,913 Genesis Performance Rights will be issued to St Barbara, having the rights and conditions set out in Section 6.13, and the matters set out in Section 3.3(d) will apply.

In these circumstances, St Barbara Shareholders will collectively hold up to ~15.6% of the Genesis Shares post-implementation of the Transaction (excluding the Genesis Performance Rights and the Genesis Shares to be issued to, and retained by, St Barbara upon the vesting of the Genesis Performance Rights).

(b) Taxation

St Barbara is in the process of applying to the Commissioner for a class ruling confirming certain income tax implications in respect of the Genesis Share Distribution for St Barbara Shareholders.



A class ruling will likely only be received from the Commissioner after the implementation of the Genesis Share Distribution. Until such time as this class ruling is issued, the final nature of the Genesis Share Distribution will not be known for tax purposes with certainty. Accordingly, the tax outcomes for St Barbara Shareholders may not be known until after the Genesis Share Distribution occurs.

Regardless of the outcome of the class ruling, there is the potential for St Barbara Shareholders to crystallise a tax liability as a result of the Genesis Share Distribution. Given the nature of the Genesis Share Distribution, any tax liability of a St Barbara Shareholder may need to be funded by the sale of Genesis Shares (or St Barbara Shares), which would have the effect of diluting the advantages of the Transaction, as outlined in Section 2.4.

Refer to Section 8 for more information regarding the taxation implications of the Capital Reduction, including the risk of the Commissioner making a section 45B determination (see Section 8.5).

2.7 Implications if the Transaction does not proceed

If either of the Resolutions are not approved by St Barbara Shareholders, or if any other Condition Precedent is not satisfied (or waived, where applicable), then:

- the Transaction (including the Leonora Sale and the Genesis Share Distribution) will not proceed;
- St Barbara is expected to breach its banking covenants (interest cover ratio) when tested at 30 June 2023;
- St Barbara will need to urgently source a substantial amount of capital from other sources to meet a material increase in funding requirements and the anticipated requirement to pay down a significant portion of its senior debt facilities (current total of approximately \$160 million, comprising A\$70 million and C\$80 million). Refer to Section 1.4 for further information. There is no guarantee that St Barbara will be able to raise the required funds from other sources, and failure to raise the required funds may lead to insolvency;
- the advantages of the Transaction, as described in Section 2.4, will not be realised;
- the disadvantages and risks of the Transaction, as described in Section 2.5 will not arise;
- St Barbara Shareholders will retain their current interests in St Barbara and will not receive any Genesis Shares (or in the case of Ineligible Foreign Shareholders, they will not receive the proceeds from the sale of Genesis Shares);
- St Barbara will continue its current business activities and will continue to hold the Leonora Assets (along with the Atlantic Operations, Simberi Operations and other non-Leonora assets referred to in Section 5); and
- St Barbara will incur transaction costs (in respect of the Transaction, including the now abandoned Merger Proposal) of approximately A\$5 million.

3. Summary of the Leonora Sale



3.1 St Barbara Shareholder approval for the Leonora Sale

Pursuant to Resolution 1, St Barbara is seeking St Barbara Shareholder approval for the Leonora Sale, being the sale of the Leonora Assets to Genesis.

Resolution 1 is an ordinary resolution and must be approved by a simple majority of votes cast by St Barbara Shareholders.

3.2 Summary of the Leonora Sale

As described in Section 1.2, St Barbara has agreed to sell, and Genesis has agreed to purchase, all of St Barbara's right, title and interest in the Leonora Assets under the terms of the Sale Agreement (and subject to the satisfaction (or waiver, where applicable) of the Conditions Precedent).

For the purposes of the Sale Agreement, the "Leonora Assets" comprise the Leonora Operations and all of the assets associated with the Leonora Operations (including the tenements, real property, contracts, plant and equipment, inventory and other assets, subject to certain excluded assets detailed in the Sale Agreement) together with all of St Barbara's associated Western Australian assets (including its shares in Bardoc Gold Pty Limited) (**Leonora Assets**).

In exchange for the Leonora Assets, St Barbara will receive:

- \$370 million in cash (subject to working capital adjustments which may marginally increase or decrease this amount); and
- the Consideration Shares (comprising 205,000,000 Genesis Shares valued at \$253 million³⁰;³¹)

Refer to Sections 2.4 and 2.5 for the advantages and disadvantages of the Transaction (which includes advantages and disadvantages of the Leonora Sale).

Genesis is funding the cash consideration payable to St Barbara under the Sale Agreement by the issue Genesis Shares pursuant to the Genesis Capital Raising. The Genesis Capital Raising is subject to Genesis Shareholder approval.

3.3 Summary of the Sale Agreement

A summary of the key terms and conditions of the Sale Agreement are set out below.

(a) Sale and purchase

Subject to the satisfaction (or waiver, where applicable) of the Conditions Precedent, St Barbara agrees to sell, and Genesis agrees to purchase, all of the St Barbara Group's right, title and interest in the Leonora Assets on an 'as is, where is' basis and subject to all permitted encumbrances.

In exchange for the Leonora Assets St Barbara will receive the consideration described in Section 3.2, comprising a combination of cash and Consideration Shares (or potentially Genesis Performance Rights – refer to Section 2.6).

Genesis will pay a cash deposit of \$25 million which is non-refundable in certain circumstances (including where Genesis Shareholders vote against the Genesis Resolutions or if St Barbara validly terminates the Sale Agreement (other than where the termination relates to a Superior Proposal)).

The cash consideration that St Barbara will receive is subject to a customary working capital adjustment based on certain agreed working capital elements referable to a target and a working capital position for the Leonora Assets. The total cash consideration that St Barbara will ultimately receive may marginally increase or decrease depending on the parties' determination of the working capital position at the Completion Date.

(b) Conditions Precedent

The Sale Agreement is conditional upon the satisfaction (or waiver, where applicable) of the following conditions precedent:

- Genesis Shareholders approving the Genesis Resolutions;
- St Barbara Shareholders approving the Resolutions in respect of the Leonora Sale and the Genesis Share Distribution;

³⁰ Based on the closing price of Genesis Shares on ASX on 17 May 2023 of \$1.235 per Genesis Share.

³¹ If the Resolutions are not approved by 30 June 2023, refer to Section 2.6(a).



- the receipt by the parties of all necessary consents required under the Mining Act to transfer the tenements and certain contracts to Genesis at Completion;
 - all necessary consents, approvals and/or amendments under the Facility Agreement in connection with the Transaction being obtained;
 - the representations and warranties given by each of St Barbara and Genesis in the Sale Agreement being true and correct;
 - no material adverse change having occurred in respect of St Barbara or Genesis; and
 - no prescribed event having occurred in respect of St Barbara or Genesis,
- (together, the **Conditions Precedent**). The Conditions Precedent must be satisfied (or waived, where applicable) on or before the End Date.

(c) Pre-Completion and post Completion conduct

St Barbara has agreed to customary pre-Completion restrictions which are intended to maintain the Leonora Assets.

Within 1 Business Day of Completion, St Barbara is required to declare the Capital Reduction and procure the Genesis Share Distribution. If the closing price of a Genesis Share on ASX on the Completion Date (**Completion Share Price**) is \$1.15 or less, then St Barbara is required to distribute all of the Consideration Shares to St Barbara Shareholders. Alternatively, if the Completion Share Price is greater than \$1.15, then St Barbara is required to distribute at least that number of Consideration Shares with an equivalent value of \$230 million (based on the Completion Share Price) to St Barbara Shareholders. Refer to Section 4.5(b) for more information.

St Barbara and Genesis have agreed to use their best endeavours to agree the terms of a transitional services agreement (on terms customary for an agreement of that nature) (**Transitional Services Agreement**) to ensure a smooth transition of the Leonora Assets to Genesis' ownership. Any services provided under the Transitional Services Agreement will be provided on a reasonable cost basis with no margin. The Transitional Services Agreement is expected to be finalised prior to the Extraordinary General Meeting.

(d) Genesis Performance Rights

If the Transaction proceeds to Completion but the St Barbara Shareholders do not approve the Resolutions prior to 30 June 2023, then, St Barbara will receive 52,173,913 Genesis Performance Rights instead of the 52,173,913 Genesis Shares.

The Genesis Performance Rights are unquoted rights which confer on St Barbara an entitlement to be issued one fully paid Genesis Share (per right) at no cost upon the first extraction, recovery or production of any mineral from Tower Hill (including where such extraction, recovery or production does not constitute the commencement of continuous or commercial extraction, recovery or production of such mineral) or the occurrence of a change of control event for Genesis (each a **Contingent Consideration Milestone**).

Refer to Section 6.13 for a summary of the terms of the Genesis Performance Rights.

Due to restrictions on the expiry duration of performance rights under the ASX Listing Rules, the Genesis Performance Rights will expire 5 years after their date of issue. In circumstances where a Contingent Consideration Milestone is satisfied after the expiry of the Genesis Performance Rights, Genesis is required to seek Genesis Shareholder approval for the issue to St Barbara of 52,173,913 Genesis Shares (**Contingent Consideration Shares**).

If Genesis Shareholder approval is not obtained for the issue of the Contingent Consideration Shares within 45 Business Days of the relevant Contingent Consideration Milestone being satisfied or a Control Event occurring, Genesis is required to pay St Barbara a cash amount equal to the value of the Contingent Consideration Shares multiplied by the market value of Genesis Shares.



(e) **Exclusivity arrangements**

The Sale Agreement imposes reciprocal and customary exclusivity arrangements (including “no existing discussions”, “no shop”, “no talk”, and “no due diligence” restrictions) in addition to notification and matching rights for the duration of the Exclusivity Period (**Exclusivity Arrangements**).

The “no-talk” and “no due diligence” restrictions do not apply to the extent that they restrict St Barbara (or the St Barbara Board) from taking or refusing to take any action with respect to a genuine competing transaction that did not result (directly or indirectly) from a material breach of the Exclusivity Arrangements, provided that the St Barbara Board has determined, in good faith after receiving advice from its financial and external legal advisers:

- that the competing transaction is, or would reasonably be expected to become, a Superior Proposal; and
- that failing to respond to the competing transaction would be reasonably likely to constitute a breach of the St Barbara Board’s fiduciary or statutory obligations.

A “Superior Proposal” for the purposes of the Sale Agreement means a genuine competing transaction which the St Barbara Board, acting in good faith, and after taking advice from its outside legal adviser and financial adviser, determines is:

- reasonably likely to be completed on a reasonable timeline; and
- more favourable to St Barbara Shareholders than the Leonora Sale,

in each case, taking into account all aspects of the genuine competing transaction, including the consideration, conditionality, funding, certainty and timing of the competing transaction (**Superior Proposal**).

Genesis also has the benefit of a reciprocal “fiduciary out” exception to its “no talk” and “no due diligence” restrictions.

(f) **Representations and warranties**

The Sale Agreement contains representations and warranties given by St Barbara in favour of Genesis and by Genesis in favour of St Barbara which are customary for an agreement of this nature.

(g) **Termination of the Sale Agreement**

The Sale Agreement may be terminated in the following circumstances:

- if a Condition Precedent is not satisfied (or waived, where applicable) on or before the End Date;
- where the Genesis Board changes its recommendation to Genesis Shareholders to vote in favour of the Genesis Resolutions or the St Barbara Board changes its recommendation to St Barbara Shareholders to vote in favour of the Resolutions, or either board otherwise makes a public statement to that effect;
- if either party has materially breached a material term of the Sale Agreement;
- Genesis or St Barbara pursue a competing transaction that the relevant board has determined to be a Superior Proposal (subject to compliance with the Exclusivity Arrangements);
- if St Barbara or Genesis (or any of their material subsidiaries) becomes insolvent; or
- as otherwise agreed by St Barbara and Genesis.

(h) **Break fees**

St Barbara and Genesis have each agreed to pay a break fee of \$5.4 million to the other party in circumstances where:

- prior to Completion, a competing transaction is publicly announced or made and within 12 months of such announcement, the competing transaction is completed;
- the Genesis Board changes its recommendation to Genesis Shareholders to vote in favour of the Genesis Resolutions or the St Barbara Board changes its recommendation to St Barbara Shareholders to vote in favour of the Resolutions (except where such change results from a material breach of the Sale Agreement);
- St Barbara or Genesis validly terminates the Sale Agreement in circumstances where a party pursues a competing transaction that the relevant board has determined to be a Superior Proposal;



- St Barbara or Genesis validly terminates the Sale Agreement in circumstances where:
 - there has been a material breach of the Sale Agreement by St Barbara or Genesis (as applicable); or
 - a Condition Precedent is not satisfied (or waived, where applicable) on or before the End Date (if the failure to satisfy the Condition Precedent is due to a failure of St Barbara or Genesis (as applicable) to perform or observe its obligations under the Sale Agreement).

Genesis is not required to pay the break fee to St Barbara if the \$25 million deposit is retained by St Barbara.

(i) Other terms

The Sale Agreement contains other terms and conditions typical for an agreement of this nature.

3.4 Summary of the Voting and Escrow Deed

St Barbara and Genesis have agreed that, in circumstances where St Barbara's Voting Power in Genesis upon the issue of the Consideration Shares to St Barbara (and after accounting for the distribution of the Distribution Shares), exceeds 5% of the issued share capital of Genesis, St Barbara and Genesis will enter into the Voting and Escrow Deed at Completion.

As mentioned in Section 1.3, it is anticipated that St Barbara will distribute all, or substantially all, of the Consideration Shares to St Barbara Shareholders pursuant to the Genesis Share Distribution,³² so it is expected that St Barbara's residual shareholding in Genesis (post-Genesis Share Distribution) will account for less than 5% of the issued share capital of Genesis.

The material terms of the Voting and Escrow Deed are as follows:

- it does not apply to the Distribution Shares the subject of the Genesis Share Distribution;
- the Genesis Shares retained by St Barbara (**Restricted Shares**) will be subject to a voluntary escrow period of 3 years from their date of issue, subject to release upon a takeover or scheme of arrangement for Genesis;
- St Barbara will cause the Restricted Shares to be voted in accordance with the majority recommendation of the Genesis Board (or will otherwise appoint the chairperson of Genesis as its proxy) on any resolution considered at a Genesis Shareholder meeting and will accept the Restricted Shares into any takeover recommended by the Genesis Board (except in certain circumstances);³³
- during the escrow period, St Barbara is permitted to sell the Restricted Shares for the purposes of satisfying tax liability arising in connection with the Sale Agreement (or the Genesis Share Distribution), subject to an orderly sell-down regime in which Genesis may find a buyer for the relevant Restricted Shares;
- post-expiry of the escrow period, St Barbara will provide Genesis with reasonable prior notice of any proposed sale of the Restricted Shares and will act reasonably in respect of the sale of those Restricted Shares; and
- the Voting and Escrow Deed will terminate with immediate effect upon St Barbara ceasing to hold 5% or more of all Genesis Shares on issue.

The restrictions in the Voting and Escrow Deed will also attach to any Genesis Shares issued to St Barbara upon the vesting of the Genesis Performance Rights (refer to Section 6.13) or the issue of the Contingent Consideration Shares, provided that the Voting and Escrow Deed remains on foot and has not been terminated at the time of issue of such Genesis Shares.

3.5 Tax implications of the Leonora Sale for St Barbara

At Completion, St Barbara will dispose of the Leonora Assets to Genesis. The Leonora Assets, as outlined in Section 3.2, include both underlying assets associated with the Leonora Operations as well as shares in Bardoc Gold Pty Limited.

The expected tax outcomes arising from the Leonora Sale are outlined below:

- the sale of the underlying Leonora Operations assets (excluding the Bardoc Gold Pty Limited shares) will be a taxable event for St Barbara. It is expected that the Leonora Sale will result in a tax

³² Subject to the Completion Share Price being \$1.15 or less. Refer to Section 4.5(b) for more information.

³³ St Barbara may vote the Restricted Shares as it considers appropriate on any resolution put to Genesis Shareholders at a general meeting which relates to an approval under ASX Listing Rules 7.1, 7.1A, 7.2 exception 13, 7.4, 10.1, 10.11, 10.14 or 10.17.



liability of \$23 million (based on the Genesis Capital Raising price of \$1.15 per Genesis Share). The actual tax payable will depend on the final value of the Consideration Shares and the allocation of proceeds across the various assets; and

- whilst the sale of the shares in Bardoc Gold Pty Limited to Genesis will also be a taxable event, it is expected that St Barbara will have sufficient capital losses available to offset any gains arising from this element of the Leonora Sale. Accordingly, it is not expected that a tax liability will be incurred by St Barbara on the sale of the shares of Bardoc Gold Pty Limited.

The final tax implications for St Barbara will be calculated following the completion of the Transaction. The above tax outcomes for St Barbara should not impact the tax considerations in Section 8.

For completeness, the Genesis Share Distribution, which would be an effective disposal of Genesis Shares by St Barbara, should not have any material tax implications for St Barbara. In the event that there is a taxable gain arising from the Genesis Share Distribution for St Barbara, it is expected that St Barbara would have sufficient capital losses available to offset any such gains.

3.6 St Barbara after the Transaction

If Resolution 1 and Resolution 2 are each approved, and the Conditions Precedent are satisfied (or waived, where applicable), on completion of the Transaction:

- St Barbara will dispose of the Leonora Assets to Genesis;
- St Barbara will receive the cash consideration and pay down its senior debt facilities under the Facility Agreement in full; and
- Eligible Shareholders will receive Genesis Shares pursuant to the Genesis Share Distribution.

St Barbara will be principally focussed on the Atlantic Operations and the Simberi Operations and will be well positioned to optimise these operations.

Refer to Section 5 for more information on St Barbara post-Transaction.

3.7 Implications for St Barbara if the Transaction does not proceed

Refer to Sections 1.4 and 2.7.

3.8 Other information

(a) Chairperson's voting intentions

The Chairperson intends to exercise all available proxies in favour of Resolution 1 unless the St Barbara Shareholder has expressly indicated a different voting intention.

(b) Recommendation of St Barbara Directors

Having regard to the advantages and disadvantages of the Leonora Sale (and the broader Transaction) as detailed in Section 2.4, each of the St Barbara Directors who holds St Barbara Shares intends to vote all of their St Barbara Shares in favour of Resolution 1 in the absence of a Superior Proposal.

Based on the information available, each St Barbara Director considers that the Leonora Sale (and the broader Transaction) is in the best interests of St Barbara and St Barbara Shareholders, in the absence of a Superior Proposal. Therefore, the St Barbara Board unanimously recommends that St Barbara Shareholders vote in favour of Resolution 1, in the absence of a Superior Proposal.

4. Summary of the Genesis Share Distribution



4.1 St Barbara Shareholder approval for the Genesis Share Distribution

Pursuant to Resolution 2, St Barbara is seeking St Barbara Shareholder approval for an equal capital reduction to be satisfied by way of a pro rata in specie distribution of Genesis Shares to St Barbara Shareholders pursuant to the Genesis Share Distribution.

Resolution 2 is an ordinary resolution and must be approved by a simple majority of votes cast by St Barbara Shareholders.

4.2 Background to the Genesis Share Distribution

As set out in Section 1.2, St Barbara has entered into the Sale Agreement pursuant to which St Barbara has agreed to sell and Genesis has agreed to purchase the Leonora Assets.

Under the terms of the Sale Agreement, Genesis will issue the Consideration Shares to St Barbara. Subject to Completion occurring, St Barbara is required to distribute up to 100% of the Consideration Shares to St Barbara Shareholders (refer to Section 4.5(b) for more information). It is anticipated that St Barbara will distribute all, or substantially all, of the Consideration Shares received pursuant to the Genesis Share Distribution.

As noted in Section 3.3(b), Completion is subject to the satisfaction (or waiver, where applicable) of the Conditions Precedent, including St Barbara Shareholder approval of Resolution 2.

Refer to Sections 2.4 and 2.5 for the advantages and disadvantages of the Transaction (which includes advantages and disadvantages of the Genesis Share Distribution).

4.3 Corporations Act requirements

St Barbara intends to effect the Genesis Share Distribution by way of an equal reduction of capital under Chapter 2J.1 of the Corporations Act, which must be approved by an ordinary resolution of St Barbara Shareholders at a general meeting in accordance with the requirements of section 256C of the Corporations Act.

Section 256B of the Corporations Act provides that St Barbara may only reduce its share capital if the reduction:

- is fair and reasonable to St Barbara Shareholders as a whole;
- does not materially prejudice St Barbara's ability to pay its creditors; and
- is approved by St Barbara Shareholders under section 256C of the Corporations Act.

(a) Fair and reasonable to St Barbara Shareholders as a whole

Under the proposed capital reduction, each St Barbara Shareholder is treated equally and in the same manner since the terms of the Capital Reduction are the same for each St Barbara Shareholder (subject to the treatment of Ineligible Foreign Shareholders, as detailed in Section 4.5(i)). The Genesis Share Distribution will occur on a pro rata basis and the proportionate ownership interest in St Barbara of each St Barbara Shareholder will remain the same before and after the Capital Reduction.

Additionally, the Genesis Share Distribution will result in the St Barbara Shareholders moving from having an indirect ownership in Genesis (through their ownership of the St Barbara Shares, albeit only for a short period of time) to direct ownership. The St Barbara Board considers this to be reasonable.

Accordingly, the St Barbara Board believes that the Capital Reduction and the Genesis Share Distribution are fair and reasonable to the St Barbara Shareholders as a whole.

(b) No material prejudice to St Barbara's ability to pay its creditors

The St Barbara Board has reviewed the assets and liabilities of St Barbara (including its contingent liabilities) and considers that the Capital Reduction will not result in St Barbara being insolvent at the time of, or as a result of, the Genesis Share Distribution (including because St Barbara will receive cash consideration of approximately \$370 million pursuant to the Leonora Sale).

Upon implementation of the Transaction, St Barbara expects to have net positive assets and a cash balance of approximately \$195 million (pro forma position as at 31 December 2022) and no debt.



Accordingly, the St Barbara Board is of the view that the Capital Reduction will not materially prejudice St Barbara's ability to pay its creditors.

(c) Approval by St Barbara Shareholders

St Barbara is seeking approval from St Barbara Shareholders pursuant to Resolution 2, as required by section 256C of the Corporations Act.

This Explanatory Booklet, and previous ASX announcements of St Barbara, set out all information known to St Barbara and the St Barbara Board that is material to the decision on how to vote on Resolution 2.

4.4 Effect of the Capital Reduction

(a) Effect of the Capital Reduction on St Barbara

A pro forma balance sheet of St Barbara as at 31 December 2022 is contained in Section 5.4 which shows the financial impact of the Capital Reduction (and the Transaction generally) on St Barbara.

(b) Effect of the Capital Reduction on the St Barbara Performance Rights

St Barbara currently has on issue St Barbara Performance Rights under the terms of the St Barbara Rights Plan and the St Barbara NED Equity Plan. Holders of the St Barbara Performance Rights will not be eligible to participate in the Genesis Share Distribution in respect of those securities.

In order to receive Genesis Shares pursuant to the Genesis Share Distribution, holders of St Barbara Performance Rights must exercise their St Barbara Performance Rights (provided they have vested) and be registered on the St Barbara Share Register on the Record Date.

In respect of the St Barbara Rights, section 21 of the St Barbara Rights Plan provides that, in the event of a reorganisation of the issued share capital of St Barbara (including a reduction of such issued capital), the St Barbara Board may make such adjustments to the rights of a St Barbara Right holder as it considers appropriate with a view to ensuring that holders of the St Barbara Rights are neither advantaged nor disadvantaged by the reorganisation of capital.

As a consequence of the Capital Reduction and Genesis Share Distribution, and in accordance with Listing Rule 7.21 and section 21 of the St Barbara Rights Plan, the number of St Barbara Rights on issue following the Capital Reduction and Genesis Share Distribution (i.e. if they have not been exercised) will be adjusted so that the holders of such St Barbara Rights will not receive an advantage or disadvantage as a result of the Capital Reduction and Genesis Share Distribution.

In respect of the St Barbara NED Rights, section 20.1 of the St Barbara NED Equity Plan provides that there will be no adjustments to the St Barbara NED Rights irrespective of any form of capital reorganisation or reconstruction implemented by St Barbara in respect of St Barbara Shares.

Accordingly, the number of St Barbara NED Rights on issue will not be adjusted as a consequence of the Capital Reduction and Genesis Share Distribution.

4.5 Details of the Genesis Share Distribution

(a) What is the Genesis Share Distribution?

As described in Section 1.3, St Barbara has agreed to effect an in specie distribution up to 205,000,000 Genesis Shares (comprising up to 100% of the Consideration Shares)³⁴ to St Barbara Shareholders, which will be conducted by way of an equal capital reduction pursuant to Chapter 2J.1 of the Corporations Act.

(b) How many of the Consideration Shares will St Barbara distribute?

Subject to St Barbara Shareholders approving the Resolutions and Completion occurring under the Sale Agreement, St Barbara intends to distribute up to 100% of the Consideration Shares to St Barbara Shareholders on a pro-rata basis, with fractional entitlements to be rounded down to the nearest whole Genesis Share.

Under the terms of the Sale Agreement, if the Completion Share Price is \$1.15 or less, then St Barbara is required to distribute all of the Consideration Shares to St Barbara Shareholders.

³⁴ Refer to Section 4.5 for an explanation of how the St Barbara Board will determine the number of Genesis Shares to be distributed pursuant to the Genesis Share Distribution.



Alternatively, if the Completion Share Price is greater than \$1.15, then St Barbara is required to distribute at least that number of Consideration Shares with an equivalent value of \$230 million (based on the Completion Share Price) (or \$170 million if the Resolutions are not approved by St Barbara Shareholders prior to 30 June 2023) to St Barbara Shareholders.

If the Completion Share Price is greater than \$1.15, St Barbara may not distribute all of the Consideration Shares. Instead, a number of the Consideration Shares may be retained by St Barbara and then sold at some point in the future in order to partially fund any tax liability incurred by St Barbara in connection with the Sale Agreement (or the Genesis Share Distribution) as a result of the price of Genesis Shares being greater than the Completion Share Price. St Barbara intends to distribute as many of the Consideration Shares as it can in these circumstances.

The St Barbara Board will determine the precise number of Distribution Shares (i.e., the number of Consideration Shares the subject of the Genesis Share Distribution) following Completion.

(c) Who is eligible to receive Genesis Shares under the Genesis Share Distribution?

No action has been taken to register or qualify Genesis Shares or otherwise permit a public offer of such securities in any jurisdiction outside Australia.

Based on the information available to St Barbara, St Barbara Shareholders whose addresses are shown in the St Barbara Share Register on the Record Date as being in the following jurisdictions will be Eligible Shareholders and will receive Genesis Shares:

- Australia, New Zealand (where the number of St Barbara Shareholders is less than 20), Singapore, the United Kingdom, the United States (where St Barbara Shareholders are “institutional accredited investors” within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (9) or (12) under the US Securities Act), Norway (where (i) St Barbara Shareholders are “professional clients” or (ii) the number of St Barbara Shareholders who are non-professional clients is less than 150), Germany and Switzerland; and
- any other person or jurisdiction in respect of which St Barbara reasonably believes that it is not prohibited and not unduly onerous or impractical to distribute Genesis Shares to a St Barbara Shareholder with a registered address in such jurisdiction.

Nominees, custodians and other St Barbara Shareholders who hold St Barbara Shares on behalf of a beneficial owner resident outside Australia, Singapore, the United Kingdom, Germany and Switzerland, may not forward this Explanatory Booklet (or any accompanying document) to anyone outside these countries.

Refer to Section 9.6 for more information.

(d) How many Genesis Shares will each Eligible Shareholder receive?

As at the date of this Explanatory Booklet, there are 816,541,645 St Barbara Shares on issue. It is not expected that any additional St Barbara Shares will be issued prior to the Record Date on account of the exercise of St Barbara Performance Rights or otherwise.

As discussed in Section 4.5(b), the total number of Genesis Shares to be distributed to St Barbara Shareholders collectively (and therefore the number Genesis Shares that each St Barbara Shareholder will receive on a per St Barbara Share basis) will depend on the trading price of Genesis Shares as at the Completion Date (as this impacts the capital gains tax liability which St Barbara will incur in respect of the Transaction).



The below table provides an indication of the expected Genesis Share Distribution ratio in certain circumstances (for illustrative purposes only):

Genesis Share price as at the Completion Date	Indicative total number of Distribution Shares	Indicative Genesis Share Distribution ratio
\$1.15 or less	205,000,000	0.2511 Genesis Shares for each St Barbara Share
\$1.30	197,903,846	0.2424 Genesis Shares for each St Barbara Share
\$1.45	192,275,862	0.2355 Genesis Shares for each St Barbara Share
\$1.60	187,703,125	0.2299 Genesis Shares for each St Barbara Share
\$1.75	183,914,286	0.2252 Genesis Shares for each St Barbara Share

Note: assumes 205,000,000 Consideration Shares and that no new St Barbara Shares are issued prior to the Completion Date. The St Barbara Board will determine the number of Distribution Shares and announce the ratio shortly after Completion.

(e) What is the impact on your shareholding in St Barbara?

If the Genesis Share Distribution (including the Capital Reduction) is approved and is implemented, the value of a St Barbara Share before the Capital Reduction will be split and effectively allocated between a St Barbara Share and the fraction of a Genesis Share received through the Genesis Share Distribution. This may result in a fall in price of a St Barbara Share following the implementation of the Genesis Share Distribution, including as a result of the removal of the Leonora Assets from St Barbara's asset portfolio. The size of any possible decrease in the St Barbara Share price cannot be predicted and will be dependent on the number of Consideration Shares that are distributed and the value of Genesis Shares.

The number of St Barbara Shares held by St Barbara Shareholders will not change and St Barbara Shareholders will retain their current percentage shareholding interest in St Barbara after the Genesis Share Distribution. The rights attaching to St Barbara Shares will not be altered by the Genesis Share Distribution either.

Genesis Shares are held subject to the Genesis constitution, a copy of which can be provided to St Barbara Shareholders upon written request of Genesis and will be sent to that St Barbara Shareholder's registered address as recorded in the St Barbara Share Register, at no cost to that St Barbara Shareholder.

Trading in the Genesis Shares distributed to Eligible Shareholders is expected to commence on 12 July 2023. Refer to the Timetable for more information.

(f) Do Eligible Shareholders have to do anything to receive their Genesis Shares?

If the Resolutions are approved by St Barbara Shareholders and the Genesis Share Distribution proceeds, you will automatically receive the Genesis Shares you are entitled to receive (in accordance with the Timetable), even if you vote against the Resolutions or do not vote at all.

St Barbara Shareholders are not required to contribute any payment for the Genesis Shares which they are entitled to receive pursuant to the Genesis Share Distribution.

(g) Will Eligible Shareholders be able to trade their Genesis Shares?

Genesis is listed on the ASX. If the Genesis Share Distribution is implemented, Eligible Shareholders will be able to trade their Genesis Shares in the future without restriction.

(h) What are the taxation implications of the Capital Reduction for St Barbara Shareholders?

Refer to Section 8 for the taxation implications of the Capital Reduction for St Barbara Shareholders.



(i) Ineligible Foreign Shareholders

The transfer of Genesis Shares under the Genesis Share Distribution to St Barbara Shareholders with registered addresses outside of Australia will be subject to legal and regulatory requirements in those relevant overseas jurisdictions.

Ineligible Foreign Shareholders are St Barbara Shareholders whose addresses are shown in the St Barbara Share Register on the Record Date as being in a jurisdiction outside the jurisdictions referred to in Section 4.5(c).

Genesis Shares will not be transferred or distributed to Ineligible Foreign Shareholders. Instead, Genesis Shares which the Ineligible Foreign Shareholders would otherwise have received will be transferred to the Sale Agent to be sold under the Sale Facility with the net proceeds remitted to the Ineligible Foreign Shareholders as soon as practicable following the sale of those shares (which is expected to occur on or before 30 August 2023), free of any brokerage costs or stamp duty.

As the return of capital is being effected by the Genesis Share Distribution and security prices may vary from time to time (assuming a liquid market for Genesis Shares is available), the net proceeds of sale payable to such Ineligible Foreign Shareholders may be more or less than the notional dollar value of the reduction of capital. It is the responsibility of each Ineligible Foreign Shareholder to comply with the laws to which they are subject in the jurisdictions in which they are resident.

The payment of the proceeds from the sale of Genesis Shares will be in full satisfaction of the rights of Ineligible Foreign Shareholders under the Genesis Share Distribution.

(j) Operation of the Sale Facility

Under the Sale Facility, the Sale Agent will sell Genesis Shares during the sale period (which is expected to be from the day after the implementation of the Capital Reduction and 23 August 2023) at the price the Sale Agent determines.

As the market price of Genesis Shares will be subject to change from time to time, the sale price of those Genesis Shares and the proceeds of that sale cannot be guaranteed. Ineligible Foreign Shareholders will be able to obtain information on the market price of Genesis Shares on the ASX's website at www.asx.com.au.

The proceeds received by the Sale Agent will then, as soon as practicable, be distributed to Ineligible Foreign Shareholders by making a deposit into an account with an Australian bank nominated by the Ineligible Foreign Shareholder with the St Barbara Share Registry as at the Record Date. If the Ineligible Foreign Shareholder does not have a nominated Australian bank account with the St Barbara Share Registry as at the Record Date, the Ineligible Foreign Shareholder will be sent a cheque drawn on an Australian bank in Australian currency for the proceeds of sale. If the relevant Ineligible Foreign Shareholder's whereabouts are unknown as at the Record Date, the proceeds will be paid into a separate bank account and held until claimed or applied under laws dealing with unclaimed money.

The amount of money received by each Ineligible Foreign Shareholder will be calculated on an averaged basis so that all Ineligible Foreign Shareholders will receive the same price in Australian dollars per Genesis Share, subject to rounding to the nearest whole cent. Consequently, the amount received by Ineligible Foreign Shareholders for each Genesis Share may be more or less than the actual price that is received by the Sale Agent for that particular Genesis Share.

(k) Fractional entitlements and rounding

Fractional entitlements to Distribution Shares will be rounded down to the nearest whole number.

Subject to the rounding down of fractional interests (in the manner set out above) and to the treatment of the entitlement of Ineligible Foreign Shareholders (set out in Section 4.5(i) above), St Barbara Shareholders on the Record Date will have the same proportionate interest in the Distribution Shares as they have in St Barbara Shares at the Record Date.



The St Barbara Board considers that the proposed Capital Reduction and Genesis Share Distribution will have no material effect on the interests of St Barbara Shareholders, except as disclosed in the discussion on advantages and disadvantages of the Transaction set out in Sections 2.4 and 2.5 and the possible adverse effects to the St Barbara Share price described in Section 4.5(e).

The Genesis Share Distribution may result in some Eligible Shareholders holding less than a marketable parcel of Genesis Shares (being a shareholding value at less than \$500).

4.6 St Barbara Board and senior management changes

The St Barbara Board currently comprises Kerry Gleeson, David Moroney, Stefanie Loader and Dan Lougher. Refer to Section 5.7(a) for more information.

The composition of the St Barbara Board is not required to change as a result of the Transaction. However, it is intended that the Chair of the St Barbara Board will oversee a renewal of the St Barbara Board as St Barbara embarks on a new trajectory focussed on the Atlantic Operations and the Simberi Operations.

In addition, St Barbara's renewed focus on the Atlantic Operations and the Simberi Operations, together with a renewed St Barbara Board composition, may result in changes in the senior management ranks (see Section 5.7(b)) following completion of the Transaction.

4.7 Information about St Barbara Shares

For St Barbara Shareholders' information, the highest and lowest recorded sale prices of St Barbara Shares traded on ASX during the 12 months immediately preceding the date of this Explanatory Booklet, and the respective dates of those sales were:

Event	Amount
Lowest price	\$0.45 per St Barbara Share
Highest price	\$1.29 per St Barbara Share
Closing price on 17 May 2023, the date before the date of this Explanatory Booklet	\$0.595 per St Barbara Share

4.8 Information about Genesis and Genesis Shares

Refer to Section 6 generally for information about Genesis (and Section 6.8 in particular) for information about Genesis Shares. Information about the risks associated with an investment in Genesis Shares is set out in Section 6.14.

4.9 Key dates in respect of the Capital Reduction and Genesis Share Distribution

The Corporations Act and the ASX Listing Rules set out the procedure and timing in respect of a capital reduction.

The St Barbara Directors will set the Record Date after the Meeting by announcing it to the ASX. The Record Date will be not less than five Business Days after the date on which Resolution 2 is approved.

Refer to the Timetable in the Key Dates section of this Explanatory Booklet for the indicative timing of the Capital Reduction and Genesis Share Distribution.

4.10 Requirements under the ASX Listing Rules

Listing Rule 7.17 provides that a listed entity, in offering shareholders an entitlement to securities in another entity:

- must offer those securities pro rata or in such other way as, in the ASX's opinion, is fair in all the circumstances; and
- there must be no restriction on the number of securities which a shareholder must hold before this entitlement accrues.

The Genesis Share Distribution satisfies the requirements of ASX Listing Rule 7.17 as the issue of the Genesis Shares is being made to St Barbara Shareholders on a pro rata basis (except in the case of Ineligible Foreign Shareholders) and there is no restriction on the number of St Barbara Shares that a St Barbara Shareholder must hold before the entitlement to the Genesis Shares accrues.

Refer to Section 9.3(b) for more information.



4.11 Lodgement with ASIC

The Company has lodged with the ASIC a copy of this Explanatory Booklet (including the Notice of Meeting) in accordance with section 256C(5) of the Corporations Act.

ASIC and its officers take no responsibility for the contents of this Explanatory Booklet (including the Notice of Meeting) or the merits of the transaction to which this Explanatory Booklet relates.

4.12 Financial benefit to related party

Each of the St Barbara Directors will participate in the Genesis Share Distribution in their capacity as St Barbara Shareholders.

Chapter 2E of the Corporations Act requires shareholder approval to be obtained for a public company to give a financial benefit to a related party of that company (which includes a director of the company). Shareholder approval is not required if the giving of the financial benefit falls within an exception as set out in Chapter 2E.

The St Barbara Board has determined that the “arm’s length” exception in section 215 of the Corporations Act applies to the St Barbara Directors and their participation in the Genesis Share Distribution on the basis that the benefit is to be given to the St Barbara Directors in their capacity as St Barbara Shareholders and on the same terms as all other St Barbara Shareholders. As a result, it has been determined that St Barbara Shareholder approval of this financial benefit is not required for the purposes of Chapter 2E of the Corporations Act.

4.13 Other information

(a) Chair’s voting intentions

The Chair intends to exercise all available proxies in favour of Resolution 2 unless the St Barbara Shareholder has expressly indicated a different voting intention.

(b) Recommendation of St Barbara Directors

Having regard to the advantages and disadvantages of the Genesis Share Distribution (and the broader Transaction) as detailed in Section 2, each of the St Barbara Directors who holds St Barbara Shares intends to vote all of their St Barbara Shares in favour of Resolution 2, in the absence of a Superior Proposal.

Each St Barbara Director considers that the Genesis Share Distribution (and the broader Transaction):

- is in the best interests of St Barbara and St Barbara Shareholders, in the absence of a Superior Proposal;
- is fair and reasonable to St Barbara Shareholders (as a whole); and
- will not materially prejudice St Barbara’s ability to pay its creditors.

The St Barbara Board unanimously recommends that St Barbara Shareholders vote in favour of Resolution 2, in the absence of a Superior Proposal.

5. Overview of St Barbara after the Transaction



5.1 Overview of St Barbara's current operations

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

As at 31 December 2022, St Barbara had reported 16.4Moz of gold in Mineral Resources, including Ore Reserves of 6.5Moz of gold.³⁵ 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.

St Barbara currently has three operating centres being Leonora in Australia, Simberi in Papua New Guinea and Atlantic in Canada. From these operations, St Barbara delivered total gold production of 281 koz in FY22, with 240 – 265 koz total gold production expected for FY23 (including the Leonora Operations).³⁶

(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 FY22, the Leonora Operations produced 191 koz of gold at an AISC of \$1,717/oz.³⁷

Over the past two years, St Barbara has focused on growing its Mineral Resources and Ore Reserves organically and through acquisitions in the Leonora Province. The Mineral Resource and Ore Reserve estimates in respect of the Tower Hill project has been expanded, with updated Mineral Resources for the Harbour Lights project and the Gwalia Open Pit. In April 2022, St Barbara finalised the acquisition of Bardoc Gold Limited which added 3Moz of Mineral Resources and 0.4Moz of Ore Reserves to support St Barbara's plan to "fill the mill". The Zoroastrian underground mine (obtained through the acquisition of Bardoc Gold Limited) commenced development in the December FY23 quarter, but was suspended on the expectation that it would be replaced by ore from the Ulysses mine (owned by Genesis) in connection with the transaction the subject of the Merger Proposal.

For further information on St Barbara's Leonora Operations, refer to St Barbara's previous ASX announcement available from St Barbara's ASX announcements platform and its website (stbarbara.com.au).

The Leonora Operations are the subject of the Leonora Sale – refer to Section 3.

(b) Atlantic Operations and Simberi Operations

Refer to Section 5.2 for a detailed discussion of the Atlantic Operations and the Simberi Operations.

5.2 Overview of St Barbara after the Transaction

Upon implementation of the Transaction, St Barbara will be an independent, ASX-listed gold producer, based in Perth, Western Australia, with a focus on realising the long-term value from St Barbara's portfolio outside of the Leonora region.

³⁵ Refer to St Barbara's ASX announcement dated 22 February 2023 and entitled "31 Dec 2022 Ore Reserves and Mineral Resources Statements".

³⁶ Refer to St Barbara's ASX announcement dated 27 April 2023 and entitled "Quarterly Report Q3 FY23".

³⁷ Refer to St Barbara's ASX announcement dated 31 August 2022 and entitled "FY22 Financial Report and Appendix 4E".



St Barbara will be principally focussed on its two remaining operating centres, including:

- the Atlantic Operations, comprising 1.9Moz of Mineral Resources and 1.5Moz of Ore Reserves; and
- the Simberi Operations, comprising 4.0Moz of Mineral Resources and 2.0Moz of Ore Reserves.

St Barbara will retain its exciting exploration portfolio (including Mooseland, South-West and Goldboro East (in Nova Scotia), the broader Tabar Islands (in PNG), Back Creek in New South Wales and the Pinjin exploration joint venture in Western Australia) and a number of royalty interests over mining and exploration assets.

St Barbara will also have a strong balance sheet with approximately A\$195 million in cash (pro forma position as at 31 December 2022), approximately A\$21 million³⁸ in ASX-listed investments and no debt.

(a) Atlantic Operations

Key information	
Location	60 km east north-east of provincial capital of Halifax, Nova Scotia, Canada
Employees	182
Deposits	Touquoy (currently processing stockpiles, anticipated to go into care and maintenance in early FY24) Fifteen Mile Stream, Beaver Dam and Cochrane Hill to be developed
Mining method	Conventional open pit operation
Processing	Conventional flow sheet 2.8 Mtpa processing plant (CIL) at Touquoy
Ore Reserves	46Mt @ 1.0g/t Au for 1.5Moz
Mineral Resources	57Mt @ 1.1g/t Au for 1.9Moz
Current mine life	Processing stockpiles – anticipated to go into care and maintenance in early FY24
FY22 Gold Production	61,151oz
FY22 AISC	\$1,720/oz
FY22 gold recovery	92%
FY23 production guidance	40koz – 50koz ³⁹
FY23 AISC guidance	A\$2,075/oz – A\$2,315/oz ⁴⁰
Long term stockpiles	5.42Mt, containing 80koz of gold ⁴¹

The Atlantic Operations are located approximately 60 kilometres east north-east of Halifax in Nova Scotia, Canada. The Atlantic Operations consist of the open pit Touquoy mine, along with three nearby development projects at Fifteen Mile Stream, Beaver Dam and Cochrane Hill.

St Barbara acquired the Atlantic Operations in 2019. In FY21, St Barbara consolidated 100% ownership of the Atlantic Operations, following the acquisition of Moose River Resources Incorporated.

Open cut mining at the Touquoy mine commenced in 2017, with commercial production achieved in March 2018. Mining ceased in early February 2023. The processing plant at Touquoy is a conventional carbon-in-leach circuit with a nominal capacity of 2 Mtpa.

³⁸ Based on the closing price of shares in Catalyst Metals Limited, Kin Mining NL and Peel Mining Limited on ASX on 17 May 2023.

³⁹ Refer to St Barbara's ASX announcement dated 27 April 2023 and entitled "Quarterly Report Q3 FY23".

⁴⁰ Refer to St Barbara's ASX announcement dated 27 April 2023 and entitled "Quarterly Report Q3 FY23". FY23 AISC guidance is based on C\$1,870 to C\$2,085 per ounce at AUD/CAD of 0.90.

⁴¹ Refer to St Barbara's ASX announcement dated 22 February 2023 and entitled "31 Dec 2022 Ore Reserves and Mineral Resources Statements".



However, mill throughput has exceeded design capacity in FY20 (2.6 Mtpa), FY21 (2.9 Mtpa) and FY22 (2.8 Mtpa).

With the completion of the current Touquoy open pit, there are planned developments for three additional projects nearby at Fifteen Mile Stream, Beaver Dam and Cochrane Hill, with other strong regional exploration potential.

St Barbara has recently elected to pause the permitting process for Beaver Dam to provide additional time for further consultations with First Nation groups, the Canadian Department of Fisheries and Ocean and other relevant community groups. This pause means that first ore from Beaver Dam will not be possible before Touquoy is anticipated to have entered into care and maintenance.

Business continuity for milling operations at Touquoy had been a priority to St Barbara and hence the emphasis on permitting Beaver Dam to provide ore supply to the Touquoy mill. The opportunity is now being taken to refocus on the permitting of Fifteen Mile Stream and reviewing the opportunity to repurpose the Touquoy mill for Fifteen Mile Stream after stockpile processing concludes. St Barbara is now targeting the development of Fifteen Mile Stream in FY26. In addition to developing the current project pipeline, St Barbara will continue to explore in the Moose River Corridor and elsewhere in Nova Scotia.

The pause of Beaver Dam permitting and the consequent break in business continuity contributed to a \$420 million pre-tax⁴² non-cash impairment in the carrying value of the Atlantic assets in the December 2022 half-year results.

(b) Simberi Operations

Key information	
Location	Northern-most island of the Tabar Island group in the New Ireland province of Papua New Guinea, approximately 900 kilometres northeast from Port Moresby.
Employees	733
Deposits	Sorowar, Pigiput, Pigibo, Botlu, Pigicow, Samat and Bekou
Mining method	Conventional open pit operation
Processing	Conventional flow sheet 3.5 Mtpa process plant (CIL)
Ore Reserves	34.8Mt @ 1.8g/t Au for 2.0Moz
Mineral Resources	83.1Mt @ 1.5g/t Au for 4.0Moz
Current mine life	Oxide life through to FY25 and potentially into FY26. Implementation of the Simberi Expansion Project would extend mine life by at least 10 years.
FY22 Gold Production	28,136 oz
FY22 AISC	\$3,017/oz
FY22 Gold recovery	70%
FY23 production guidance	70koz – 80koz ⁴³
FY23 AISC guidance	A\$2,300/oz – A\$2,540/oz ⁴⁴

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, approximately 900 kilometres northeast from Port Moresby.

⁴² Refer to St Barbara's ASX announcement dated 22 February 2023 and entitled "Half Year Results Report FY23".

⁴³ Refer to St Barbara's ASX announcement dated 27 April 2023 and entitled "Quarterly Report Q3 FY23".

⁴⁴ Refer to the St Barbara announcement dated 27 April 2023 and entitled "Quarterly Report Q3 FY23". FY23 AISC guidance is based on US\$1,560 to US\$1,725 per ounce at AUD/USD of 0.68.



Operations commenced at the Simberi mine in 2008, with St Barbara acquiring Simberi in 2012 through the takeover of Allied Gold Pty Limited. The current mining occurs on the eastern half of the island, covered by a 2,560 hectare mining lease (ML136). A planned expansion project (**Simberi Expansion Project**) has the potential to extend the life of mine at the Simberi mine by at least 10 years.

Ore at the Simberi mine is sourced from a number of open pits. Ore from the pits is delivered to the process plant via an innovative and energy-efficient 2.7 kilometre aerial rope conveyor and a mix of owner and 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. Business activities provide sustainable economic opportunities for local families, businesses and suppliers. St Barbara is driven by a desire to work in partnership with the island community.

In June 2022, St Barbara commenced a strategic review of the Simberi Operations (**Simberi Strategic Review**), and deferred the Final Investment Decision on the Simberi Expansion Project given volatile capital pricing and uncertain construction contractor availability. The Simberi Strategic Review successfully improved the near-term outlook for Simberi, with significant oxide life extension identified. This has provided St Barbara with confidence that the oxide mine life can be extended through FY25 and potentially into FY26. There is potential for the Simberi Expansion Project to extend the life of mine at the Simberi mine by at least 10 years beyond oxide operations.

St Barbara intends on conducting additional Ore Reserve and Mineral Resource extension drilling over FY24 in parallel with targeted studies including a revisit of mine fleet selection assumed in previous studies. St Barbara then intends on revisiting the development plan for the Simberi Expansion Project ahead of the renewal of the Simberi Mining License in advance of the renewal date in FY28.

5.3 St Barbara's business strategy after the Transaction

The Transaction will provide St Barbara Shareholders with exposure to a company dedicated to realising the long-term value from St Barbara's portfolio of non-Leonora assets. Led by the St Barbara Board and management team, and with a well-capitalised balance sheet, St Barbara will be positioned to pursue the following strategic objectives:

(a) Exploration and corporate

- establish a refreshed corporate culture and identity focused on value;
- actively manage the portfolio of listed investment and mining royalties; and
- exploration of the Pinjin joint venture in Western Australia and Back Creek in New South Wales.

(b) Atlantic Operations

- prioritise development of Fifteen Mile Stream, with development targeted for FY26;
- investigate the repurposing of the Touquoy processing plant for use at Fifteen Mile Stream;
- complete processing of ore stockpiles at Touquoy by the end of FY24;
- pause the permitting process for Beaver Dam;
- advance exploration and studies at Cochrane Hill, providing potential to create an eastern production hub; and
- complete exploration at Mooseland, South-West and Goldboro East.

(c) Simberi Operations

- extend the mine life from oxide production through FY25 and FY26;
- conduct an extensional drilling program in FY24, with the aim of expanding the sulphide Mineral Resources and Ore Reserves for the Simberi Expansion Project;
- revisit the development plan for the Simberi Expansion Project; and
- prepare for an investment decision in respect of the Simberi Expansion Project, ahead of the scheduled renewal date of the Simberi Mining License in FY28.

The St Barbara Board will continually review and reassess the company's portfolio and broader strategy to ensure delivery of sustainable value for St Barbara Shareholders.



5.4 Pro forma financial position of St Barbara upon completion of the Transaction

(a) Historical consolidated statement of financial position

The St Barbara historical consolidated statement of financial position (**St Barbara Historical Statement of Financial Position**) has been derived from St Barbara's Interim Financial Report for the six months ended 31 December 2022 (**2022 Interim Report**), which was reviewed by PricewaterhouseCoopers (**PwC**). PwC issued an unmodified review opinion on the 2022 Interim Report.

The St Barbara Historical Statement of Financial Position was prepared in accordance with the recognition and measurement principles contained in the AAS.

A copy of the 2022 Interim Report and the St Barbara Annual Report for the period ended 30 June 2022 can be found on St Barbara's website (<https://stbarbara.com.au/>) or the ASX website (<https://www.asx.com.au/>).

(b) Pro forma historical consolidated statement of financial position

To illustrate the indicative impact of the Transaction (and the effect of the payment of the outstanding amounts on the Facility Agreement and St Barbara's finance lease liabilities and the cash backing of the Letters of Credit issued in respect of the EPBs (**Financing Payments**)) on the financial position of St Barbara, a pro forma historical consolidated statement of financial position as at 31 December 2022 has been provided below.

The pro forma historical consolidated statement of financial position has been derived from the St Barbara Historical Statement of Financial Position and adjusted for the effects of the Transaction (and the Financing Payments, as shown in the notes to the pro forma historical consolidated statement of financial position) as if completion of the Transaction (and the Financing Payments) had occurred by 31 December 2022 (**Pro Forma Adjustments**).

Due to its nature, the pro forma historical consolidated statement of financial position does not represent St Barbara's actual or prospective financial position.

The pro forma historical consolidated statement of financial position:

- has been prepared in accordance with the recognition and measurement principles contained in the AAS;
- is presented in an abbreviated form and does not contain all of the presentation, comparative information and disclosures that are usually provided in a financial report prepared in accordance with the Corporations Act;
- should be read in conjunction with the accounting policies detailed in St Barbara's Annual Report for the period ended 30 June 2022; and
- should be read in conjunction with the risk factors set out in Section 7 and other information contained in this Explanatory Booklet.



AS'000	31 Dec 2022 (Reviewed)	Leonora Sale (Note A)	Financing Payments (Note B)	Genesis Share Distribution (Note C)	Pro forma 31 Dec 2022 (Unaudited)
<i>Current assets</i>					
Cash and cash equivalents	37,514	355,000	(197,745)	-	194,769
Trade and other receivables	29,964	(5,039)	44,623	-	69,548
Inventories	126,554	(23,692)	-	-	102,862
Deferred mining costs	2,878	(2,878)	-	-	-
Total current assets	196,910	323,391	(153,122)	-	367,179
<i>Non-current assets</i>					
Inventories	18,746	-	-	-	18,746
Property, plant and equipment	258,908	(151,030)	-	-	107,878
Financial assets	33,317	235,750	-	(235,750)	33,317
Deferred mining costs	659	(659)	-	-	-
Mine properties	205,171	(205,171)	-	-	-
Exploration and evaluation	107,998	(38,466)	-	-	69,532
Mineral rights	224,785	(147,336)	-	-	77,449
Deferred tax assets	22,067	(22,067)	-	-	-
Total non-current assets	871,651	(328,979)	-	(235,750)	306,922
Total assets	1,068,561	(5,588)	(153,122)	(235,750)	674,101
<i>Current liabilities</i>					
Trade and other payables	75,133	(35,955)	-	-	39,178
Interest bearing liabilities	149,377	(1,606)	(144,993)	-	2,778
Rehabilitation provision	172	-	-	-	172
Other provisions	14,875	(1,198)	-	-	13,677
Derivative financial liabilities	2,246	-	-	-	2,246
Current tax liability	2,027	22,970	(222)	-	24,775
Total current liabilities	243,830	(15,789)	(145,215)	-	82,826
<i>Non-current liabilities</i>					
Interest bearing liabilities	12,403	(1,931)	(7,391)	-	3,081
Rehabilitation provision	106,190	(21,663)	-	-	84,527
Deferred tax liabilities	16,019	680	-	-	16,699
Other provisions	2,272	-	-	-	2,272
Total non-current liabilities	136,884	(22,914)	(7,391)	-	106,579
Total liabilities	380,714	(38,703)	(152,606)	-	189,405
Net assets	687,847	33,115	(516)	(235,750)	484,696
<i>Equity</i>					
Contributed equity	1,593,161	-	-	(235,750)	1,357,411
Reserves	(53,930)	-	-	-	(53,930)
Accumulated losses	(851,384)	33,115	(516)	-	(818,785)
Total equity	687,847	33,115	(516)	(235,750)	484,696

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(c) Notes to Pro Forma Adjustments

Note A – Leonora Sale

This adjustment reflects the sale of the Leonora Assets by St Barbara to Genesis in accordance with the terms and conditions of the Sale Agreement (as summarised in Section 3.3). The adjustment reflects the consideration received, the derecognition of assets and liabilities related to the Leonora Assets, the profit on the Leonora Sale and the tax payable. For the purposes of the pro forma historical consolidated statement of financial position, the Leonora Sale has been measured with reference to the estimated fair value of the consideration to be received, which has been calculated as follows:

	A\$'000
Cash	370,000
Consideration Shares ⁽¹⁾	175,750
Additional Consideration Shares ⁽²⁾⁽³⁾	60,000
Total consideration⁽⁴⁾	605,750

Notes:

1. The value of the Consideration Shares has been calculated based on the Genesis Capital Raising price of \$1.15 per Genesis Share. The actual value of the Consideration Shares received by St Barbara will be determined by reference to the Genesis Share price on the Completion Date.
2. For the purposes of the pro forma historical consolidated statement of financial position, it has been assumed that the St Barbara Shareholders will approve the Resolutions prior to 30 June 2023 and that St Barbara will receive an additional 52,173,913 Genesis Shares (in lieu of the Genesis Performance Rights). The value of the additional Consideration Shares has been calculated based on the Genesis Capital Raising price of \$1.15 per Genesis Share. The actual value of the Consideration Shares received by St Barbara will be determined by the actual Genesis Share price on the Completion Date.
3. In circumstances where St Barbara Shareholders do not approve the Resolutions prior to 30 June 2023 then, subject to the satisfaction (or waiver, where applicable) of the Conditions Precedent, St Barbara will receive contingent consideration in the form of the Genesis Performance Rights. If this occurs, the estimated market value of the Genesis Performance Rights will be included in the total consideration received for accounting and tax purposes, and will be recorded in St Barbara's balance sheet as a non-current receivable (the value of which will take into account the likelihood and timing of the consideration being paid (amongst other things)). However, the actual value of the Genesis Shares obtained by St Barbara upon the conversion of the Genesis Performance Rights will be determined by the Genesis Share price on the date of conversion (assuming the satisfaction of the Contingent Consideration Milestone).
4. The Sale Agreement includes standard clauses for movements in working capital which may have an impact on the total cash consideration received by St Barbara at Completion. The pro forma historical consolidated statement of financial position does not include an estimate for working capital adjustments as any adjustments will be determined based on the actual working capital at Completion compared with the target specified in the Sale Agreement.

Commentary on selected line items

The majority of the Pro Forma Adjustments presented in the Leonora Sale column represent the derecognition of assets and liabilities associated with the Leonora Assets which are to be transferred to Genesis under the Sale Agreement.

Aside from those items, commentary is provided on the following line items:

- *Cash and cash equivalents*: The amount of \$355.0 million is based on the cash consideration of \$370.0 million, less estimated transaction costs of \$15.0 million;
- *Financial assets*: Represents the value of the Consideration Shares received at Completion (as calculated above);
- *Deferred tax assets*: per the AAS, deferred tax assets should only be recognised to the extent that it is probable future taxable profits will be generated to utilise those assets. Following the Leonora Sale, there will be no current or foreseeable Australian income generated to utilise the deferred tax assets recognised at 31 December 2022, therefore the amount is likely to be reversed to the income statement upon Completion of the Leonora Sale;
- *Current tax liability*: represents the estimated tax payable on the Leonora Sale by St Barbara; and



- *Accumulated losses*: represents the accounting post tax profit, calculated as follows:

	A\$'000
Total consideration received	605,750
Net value of assets and liabilities sold to Genesis	(511,918)
Estimated transaction costs ⁽¹⁾	(15,000)
Pre-tax profit	78,832
Prima facie tax at 30%	(23,650)
Deferred tax assets de-recognised	(22,067)
Post-tax profit on sale	33,115

Notes:

1. Transaction costs incurred include advisory fees, legal fees and other transaction related expenses.

Sensitivity of the value of consideration to be received by St Barbara to the Genesis Share price

As noted above, for the purposes of the pro forma historical consolidated statement of financial position, the value of the Genesis Shares issued as the Consideration Shares has been calculated based on the Genesis Capital Raising price of \$1.15 per Genesis Share. The actual value of the Genesis Shares received by St Barbara, and therefore the total consideration paid by Genesis, will be determined by reference to the actual price of Genesis Shares at Completion.

The table below provides a sensitivity of consideration, estimated tax payable and estimated post tax accounting profit:

Genesis Share price		\$1.15	\$1.25	\$1.35
	No. of shares (M)	\$M	\$M	\$M
Cash consideration	-	370.0	370.0	370.0
Consideration Shares	152.8	175.8	191.0	206.3
Additional Consideration Shares ⁽¹⁾⁽²⁾	52.2	60.0	65.2	70.4
Total consideration		605.8	626.2	646.7
Estimated post tax accounting profit		33.1	47.5	61.8
Estimated tax payable		23.0	29.1	35.2

Notes:

1. This analysis assumes that St Barbara Shareholders approve the Resolutions prior to 30 June 2023 and that St Barbara will receive an additional 52,173,913 Genesis Shares (in lieu of the Genesis Performance Rights) and that the price of Genesis Shares on the Completion Date equals the full value of shares transferred.
2. In circumstances where St Barbara Shareholders do not approve the Resolutions prior to 30 June 2023 then, subject to the satisfaction (or waiver, where applicable) of the Conditions Precedent, St Barbara will receive contingent consideration in the form of the Genesis Performance Rights, the value of which will be based on the market value of the Genesis Performance Rights taking into account the likelihood and timing of the consideration being paid (amongst other things). This value will be included in the total consideration received to calculate accounting and tax profit at Completion. However, the actual value of the Genesis Shares obtained by St Barbara upon the exercise of the Genesis Performance Rights will be determined by the Genesis Share price on the date of exercise (assuming the satisfaction of the Contingent Consideration Milestone).

Note B – Financing Payments

This adjustment reflects the use of the cash consideration received to pay outstanding amounts on the Facility Agreement and the finance leases and the cash backing of the Letters of Credit issued in respect of the EPBs.



Cash and cash equivalents

The table below reconciles the amount disclosed in the pro forma historical consolidated statement of financial position in relation to the Financing Payments, based on balances at 31 December 2022 (unless otherwise adjusted as noted below):

	A\$'000
Syndicate debt: Australian tranche ⁽¹⁾	(70,000)
Syndicate debt: Canadian tranche ⁽²⁾	(86,645)
Finance leases	(16,477)
Environmental bonds ⁽³⁾	(44,623)
Total repaid	(217,745)
Debt drawdown ⁽⁴⁾	20,000
Net movement	(197,745)

Notes:

1. Based on A\$50.0 million outstanding as at 31 December 2022, plus A\$20.0 million drawn down in January 2023.
2. Based on C\$80.0 million outstanding as at 31 December 2022 translated at the AUD:CAD exchange rate of 0.9233 at 31 December 2022.
3. This amount represents the amount of EPBs issued as at 31 December 2022 (which has not changed as at the date of this Explanatory Booklet). For the purposes of the pro forma historical consolidated statement of financial position, no adjustment has been made for any potential increase in environmental bonds required to be lodged in Nova Scotia. Under AAS, the cash held to secure the environmental bonds will be deemed to be "restricted cash", as such are categorised as "Other Receivables".
4. Increase to cash balance from the drawdown of \$20.0 million in January 2023 (per Note (1) above).

Interest bearing liabilities

The table below reconciles the Pro Forma Adjustments to interest bearing liabilities:

	A\$'000
Current	144,993
Non-current	7,391
Total	152,384
Syndicate debt repaid	156,645
Debt drawdown in January 2023 ⁽¹⁾	(20,000)
Finance leases repaid	16,477
Capitalised borrowing costs ⁽²⁾	(738)
Net movement	152,384

Notes:

1. Adjustment to reflect the \$20.0 million drawn down in January 2023 which is not included in the 31 December 2022 balance.
2. Capitalised borrowing costs relating to the syndicated debt facility which will be written off when the facility is repaid. The prima facie tax impact of \$222,000 is disclosed as a reduction in the current tax liability; the post tax impact on the income statement of \$516,000 is disclosed in accumulated losses.

The remaining pro forma interest bearing liabilities relate to "right of use asset" lease liabilities which have been recognised in accordance with AASB 16 Leases, and relate to items such as office leases.



Note C – Genesis Share Distribution

This adjustment reflects the effects of the Genesis Share Distribution.

For the purposes of the pro forma historical consolidated statement of financial position, the Genesis Share Distribution has been calculated as the full amount of the Genesis Shares received by St Barbara on the Completion Date based on the Genesis Capital Raising Price of \$1.15 per Genesis Share (including the additional 52,173,913 Consideration Shares to be issued to St Barbara (in lieu of the Genesis Performance Rights) in circumstances where St Barbara Shareholders approve the Resolutions prior to 30 June 2023).

The actual amount of Genesis Shares to be distributed to Eligible Shareholders will be determined based on several factors, including, but not limited to, the price of Genesis Shares at the time of the Genesis Share Distribution and the tax liability to be paid by St Barbara based on the final consideration transferred (noting the impact of the Genesis Share price on value as discussed in Note A above).

If St Barbara Shareholders do not approve the Resolutions by 30 June 2023, then, subject to the satisfaction (or waiver, where applicable) of the Conditions Precedent, St Barbara will receive contingent consideration in the form of the Genesis Performance Rights. Assuming that the Contingent Consideration Milestone is satisfied, it is not expected that St Barbara will distribute the Genesis Shares issued to St Barbara upon the vesting and conversion of the Genesis Performance Rights to St Barbara Shareholders.

(d) Transactions not included in the Pro Forma Adjustments

The pro forma historical consolidated statement of financial position has not been adjusted to reflect the trading of St Barbara since 31 December 2022 (apart from the Pro Forma Adjustments listed above).

Several matters have occurred, and will continue to occur, since the date of the Pro Forma Historical Financial Information that would otherwise impact the Pro Forma Historical Financial Information. These matters include but are not limited to the financial impact of: St Barbara's ordinary course operations including the Leonora Operations, Simberi Operations and Atlantic Operations; potential impact on the carrying value of Atlantic arising from the deferral of approval of in-pit tailings and the potential for the Atlantic Operations to enter into care and maintenance.

Information relating to St Barbara's activities since 31 December 2022 has been disclosed in quarterly reports lodged with the ASX.



5.5 Ore Reserves and Mineral Resources

Set out below is a summary of the St Barbara Group's Ore Reserve and Mineral Resource estimates as at 31 December 2022, on a post-Transaction basis, in each case extracted from the report titled 'Ore Reserves and Mineral Resources Statements as at 31 December 2022' released by St Barbara Limited to the ASX on 22 February 2023.

St Barbara Group Ore Reserves									
Deposit	Proved			Probable			Total		
	Tonnes (000s)	Grade (g/t Au)	Ounces (000s)	Tonnes (000s)	Grade (g/t Au)	Ounces (000s)	Tonnes (000s)	Grade (g/t Au)	Ounces (000s)
Touquoy	250	0.7	6	320	0.6	7	570	0.7	13
Beaver Dam	4,340	1.4	195	3,490	1.3	150	7,840	1.4	345
Fifteen Mile Stream	5,580	1.1	196	11,180	1.1	381	16,760	1.1	577
Cochrane Hill	10,250	1.1	356	5,130	1.0	158	15,380	1.0	514
Atlantic Operations Stockpile	5,420	0.5	80	-	-	-	5,420	0.5	80
Total Atlantic Operations	25,840	1.0	833	20,120	1.1	696	45,970	1.0	1,529
Simberi Oxide	2,091	1.3	86	5,488	1.1	194	7,579	1.2	280
Simberi Sulphide	2,161	1.8	122	24,396	2.0	1,558	26,557	2.0	1,680
Simberi Stockpile	-	-	-	710	1.3	31	710	1.3	31
Total Simberi Operations	4,252	1.5	208	30,594	1.8	1,783	34,846	1.8	1,991
Total	30,092	1.1	1,041	50,714	1.5	2,479	80,816	1.4	3,520

St Barbara Group Mineral Resources												
Deposit	Measured			Indicated			Inferred			Total		
	Tonnes (000s)	Grade (g/t Au)	Ounces (000s)	Tonnes (000s)	Grade (g/t Au)	Ounces (000s)	Tonnes (000s)	Grade (g/t Au)	Ounces (000s)	Tonnes (000s)	Grade (g/t Au)	Ounces (000s)
Touquoy	-	-	-	1,249	0.6	23	100	0.5	1	1,349	0.6	24
Beaver Dam	5,126	1.3	210	4,757	1.2	185	1,177	1.4	52	11,060	1.3	447
Fifteen Mile Stream	6,305	1.1	215	14,755	1.0	477	2,594	1.1	89	23,654	1.0	781
Cochrane Hill	10,704	1.1	375	7,700	1.0	236	2,557	1.0	79	20,961	1.0	690
Total Atlantic Operations	22,135	1.1	800	28,461	1.0	922	6,428	1.1	221	57,024	1.1	1,942
Simberi Oxide	2,501	1.3	106	8,207	1.0	275	4,866	1.0	160	15,575	1.1	541
Simberi Sulphide	2,704	1.5	133	46,116	1.6	2,417	18,705	1.5	884	67,524	1.6	3,434
Total Simberi Operations	5,205	1.4	239	54,323	1.5	2,692	23,571	1.4	1,044	83,099	1.5	3,975
Total	27,340	1.2	1,039	82,784	1.4	3,614	29,999	1.3	1,265	140,123	1.3	5,917

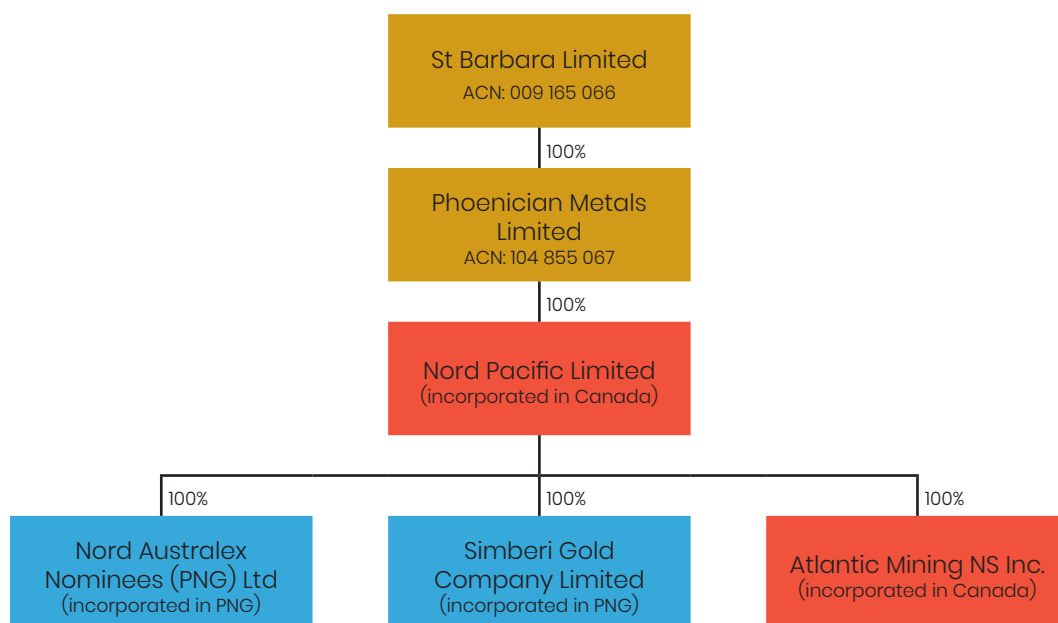
Notes:

1. Presented inclusive of Ore Reserves.

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5.6 Corporate structure of St Barbara after the Transaction



Notes:

1. St Barbara is in the process of converting Phoenician Metals Limited to a proprietary limited company.
2. St Barbara is intending to undertake an internal corporate restructure pursuant to which Nord Pacific Limited will be dissolved and Phoenician Metals Limited will become the direct holder of the shares in the three subsidiaries.

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5.7 St Barbara Board and senior management after the Transaction

(a) St Barbara Board

Director	Biography
<p>Kerry Gleeson</p> <p><i>Independent Non-Executive Chair</i></p>	<p>Ms Gleeson is an experienced Chair and Non-Executive Director in the mining industry following a 25-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.</p> <p>Ms Gleeson was appointed as the Independent Non-Executive Chair of St Barbara on 28 April 2023. Ms Gleeson originally joined the St Barbara Board as a Non-Executive Director in 2015. Ms Gleeson also holds Non-Executive Director roles with Chrysos Corporation Limited and Australian Strategic Materials Limited.</p> <p>In her executive career, 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.</p> <p>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.</p> <p>Ms Gleeson is a fellow of the Australian Institute of Company Directors and holds a Bachelor of Laws (Honours).</p>
<p>Daniel Lougher</p> <p><i>Managing Director and Chief Executive Officer</i></p>	<p>Mr Lougher is a highly experienced career mining executive who was most recently with successful Australian nickel miner Western Areas, joining the company in 2006 as General Manager Operations and Projects, before moving to the roles of Executive Director – Operations and then Managing Director and Chief Executive Officer.</p> <p>Mr Lougher was appointed as the Managing Director and CEO of St Barbara on 28 November 2022. Mr Lougher also holds Non-Executive Director roles with Perseus Mining Limited, Blackstone Minerals Limited and American West Minerals Limited.</p> <p>Mr Lougher has established industry leading credentials for the development and operation of large-scale mining assets in the base and precious metals sector in both Africa and Australia.</p> <p>Mr Lougher is a Fellow of the Australasian Institute of Mining and Metallurgy and holds a Bachelor of Science (Honours) Mining Geology, a Graduate Diploma in Engineering (Mining) and a Master of Science in Engineering.</p>

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Director	Biography
<p>David Moroney</p> <p><i>Independent Non-Executive Director</i></p>	<p>Mr Moroney is an experienced finance executive with more than 30 years of experience in senior corporate finance roles, including 15 years' experience in the mining industry, and extensive international work experience with strong skills in finance, strategic planning, governance, risk management and leadership.</p> <p>Mr Moroney was appointed as an Independent Non-Executive Director of St Barbara on 16 March 2015. Mr Moroney also holds a Non-Executive Chair role with Juno Minerals Limited.</p> <p>Mr Moroney's past executive positions included Chief Financial Officer for Co-Operative Bulk Handling, First Quantum Minerals, Aurora Gold and Wesfarmers CSBP; General Manager of Group Business Services and a member of the senior executive leadership team at Wesfarmers; Deputy CFO and Executive General Manager of Accounting at Normandy Mining. His experience covers a wide range of resources including diamonds, copper, cobalt, nickel, silver and gold in Africa, Asia, Scandinavia and Australia.</p>
<p>Stefanie Loader</p> <p><i>Independent Non-Executive Director</i></p>	<p>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.</p> <p>Ms Loader was appointed as an Independent Non-Executive Director of St Barbara on 1 November 2018. Ms Loader is also a Non-Executive Director of Sunrise Energy Metals Ltd and Chair of Port Waratah Coal Ltd and the Forestry Corporation of NSW. Ms Loader has previously held the role of Non-Executive Director with Clean TeQ Water Ltd.</p> <p>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 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.</p> <p>Ms Loader was recognised as one of the Australian Financial Review 100 Women of Influence in 2013.</p>

(b) **St Barbara senior management**

Management	Biography
<p>Daniel Lougher</p> <p><i>Managing Director and Chief Executive Officer</i></p>	<p>Refer to Section 5.7(a).</p>



Management	Biography
Andrew Strelein <i>Chief Development Officer</i>	<p>Mr Strelein is a highly experienced mining executive with global experience across a number of mining jurisdictions, including Western Australia, Indonesia and West Africa. Mr Strelein has been the Chief Development Officer of St Barbara Limited since July 2021.</p> <p>Prior to joining St Barbara, Mr Strelein was based in West Africa for five years leading the Nimba Iron Ore Project. He worked at Newmont as Group Executive Corporate Development and in a Group Executive role for the Asia Pacific region. Earlier in his career, he was based in Perth and accountable for joint venture investments in Boddington, KCGM, Goldfields Power and Kaltails. With a Bachelor of Commerce, he has completed the AICD course and ASCPA.</p>
Lucas Welsh <i>Chief Financial Officer</i>	<p>Mr Welsh joined St Barbara in 2007 and was appointed Chief Financial Officer in 2021.</p> <p>In 2020, Mr Welsh joined St Barbara's Building Brilliance team as General Manager Transformation (Commercial) before leading the team in 2021 as Chief Transformation Officer. Prior to this, in his role as General Manager Finance and Procurement, Mr Welsh built the finance function and developed the financial systems and processes across all areas of his responsibility, with a focus on control and process improvement.</p> <p>A Chartered Accountant with more than 20 years experience, Mr Welsh previously worked at PwC in their Transaction Services department, before developing a Sarbanes-Oxley risk management compliance framework and toolset at WMC Resources. Mr Welsh'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.</p>
Sarah Standish <i>General Counsel and Company Secretary</i>	<p>Ms Standish has over 17 years' experience in Australia and internationally in both private practice and in-house roles spanning legal, governance, risk and compliance.</p> <p>Ms Standish's most recent experience, prior to joining St Barbara, includes leading the legal, risk and compliance functions at an ASX listed mining technology company. Ms Standish's experience and key areas of expertise include corporate and commercial transactions, regulatory compliance, corporate governance, corporate and commercial law, anti-bribery and anti-corruption compliance, risk management, corporate restructuring, strategy development and execution, project management and delivery and intellectual property and technology.</p>



5.8 Dividend policy

The St Barbara Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of St Barbara on a post-Transaction basis.

5.9 Risk factors associated with an investment in St Barbara Shares post-Transaction

There are a number of risks associated with an investment in St Barbara Shares post-Transaction.

Refer to Section 7.3 for more information.

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6. Overview of Genesis after the Transaction



6.1 Genesis Information

The Genesis Information in this Explanatory Booklet has been prepared by Genesis and is the responsibility of Genesis. To the maximum extent permitted by law, none of St Barbara nor any member of the St Barbara Group, nor any of their respective directors, officers or advisers, is responsible for the accuracy or completeness of any Genesis Information contained in the Explanatory Booklet and disclaim any liability in this regard.

St Barbara Shareholders should refer to the ASX website at www.asx.com.au to access Genesis' periodic and continuous disclosure for further information.

6.2 Overview of Genesis

Genesis is an ASX gold developer and explorer, initially focused purely on the Leonora region. Following significant exploration, Genesis' Mineral Resources have grown to:

- 2.0Moz⁴⁵ at Genesis' Leonora Gold Project; and
- 2.7Moz⁴⁶ at Dacian's Mt Morgans Gold Project (Genesis has a relevant interest in Dacian of 80.1% - refer to Section 6.3(b) for further information).

The Mineral Resources include one of the highest-grade undeveloped ore sources in the Leonora region at Ulysses of 7.7Mt @ 3.4g/t for 838koz Au.

Genesis is targeting to release its maiden Ore Reserve estimate in the June quarter of FY23.

The Genesis management team includes a number of key executives that were part of the Saracen Minerals Limited management team that merged with Northern Star Resources Limited in early 2021 including Raleigh Finlayson, Morgan Ball, Troy Irvin and Lee Stephens.

6.3 Overview of Genesis' current projects

(a) Leonora Gold Project

The Leonora Gold Project, consisting of the Ulysses, Admiral, Orient Well and Puzzle deposits, is located ~30km south of Leonora and 200km north of Kalgoorlie, in the mineral-rich and highly prospective Eastern Goldfields of WA.

As illustrated below, the Leonora Gold Project lies 30km south of St Barbara's Gwalia mine.



Genesis acquired the Ulysses deposit in 2015 and, following initial exploration success, completed two open pit mining campaigns at the Ulysses West Pit in 2016 and 2017. Ore from Ulysses West was processed under a toll-treatment arrangement at the Paddington Mill (owned and operated by Norton Gold Fields Pty Ltd), located 160km south of Ulysses along the Goldfields Highway.

⁴⁵ Refer to Genesis' ASX announcement dated 29 March 2022 and entitled "Leonora Resources increase by 400,000oz to 2Moz".

⁴⁶ Refer to Dacian's ASX announcement dated 30 March 2023 and entitled "Updated Jupiter Mineral Resource Estimate".



Genesis acquired the Admiral, Orient Well and Puzzle deposits in 2020 via the strategic A\$13.5M acquisition of the adjoining Kookynie tenements, with the tenement package covering a 40km strike length of the Ulysses-Puzzle trend.

The current Mineral Resource of the Leonora Gold Project stands at 39.3Mt at 1.6g/t Au for 2Moz. A maiden Ore Reserve for the Leonora Gold Project is expected in the June quarter 2023. This provides a strong foundation for Genesis' development as a future mid-tier Australian gold company.

Development is underway at Ulysses, including the cutback of the Ulysses West pit to establish portal and vent rise locations in preparation for underground mining from the September quarter 2023.

Mining is also planned to commence at the Admiral open pit from the September quarter 2023 using Genesis Mining Services (Genesis' in-house open pit mining contractor).

With control of more than 40km of strike of highly prospective ground immediately south of Leonora, Genesis has a full pipeline of near-mine and regional exploration targets.

Full details of the Leonora Gold Project Mineral Resource estimate are provided in Genesis' ASX announcement dated 29 March 2022 available at www.genesisminerals.com.au/announcements.

(b) **Mt Morgans**

On 5 July 2022, Genesis announced an off-market takeover for Dacian (**Dacian Takeover**). The Dacian Takeover closed on 20 February 2023 and resulted in Genesis acquiring an 80.08% shareholding in Dacian.

Dacian is an ASX listed Australian gold producer. Dacian's primary asset is the 100% owned Mt Morgans Gold Operation near Laverton and the Redcliffe Gold Project near Leonora, both in Western Australia.

The Mt Morgans Gold Operation is located 20km west of Laverton, being approximately 750km north-east of Perth in Western Australia and comprises a portfolio of open pit and underground Mineral Resources and a 2.9Mtpa conventional carbon-in-leach processing plant.

The mine area is an approximately 600 km² contiguous tenement package comprising predominantly granted mining leases. The tenement package is situated in the Laverton gold district.

The Mt Morgans processing plant is a strategic asset, given its status as the only large, low-cost operating mill in the Laverton District not owned by a major gold producer. Since delivering first gold in March 2018, the processing plant has consistently achieved nameplate throughput and high gold recoveries. On 3 April 2023, Dacian announced that the Mt Morgans processing plant and surrounding infrastructure was being placed on care and maintenance.

(c) **Barimaia JV Gold Project**

The Barimaia JV Gold Project is located in the Murchison District of Western Australia, 10km south-east of the Mt Magnet Gold Mine, operated by Ramelius Resources Limited (ASX: RMS).

Genesis has earned an initial 65% interest in the project and has elected to form a joint venture for the continued development of the project.

(d) **Exploration Initiatives**

There is significant potential for further upside to be unlocked via exploration in the coming years. All existing deposits remain open along strike and at depth. The average depth of drilling at the Leonora Gold Project of ~180m below surface is less than one quarter of the average of peers in the Leonora district. There is significant opportunity for new discoveries, evidenced by the April 2021 discovery of Puzzle North.

(e) **Genesis Mining Services**

Genesis has recently established a wholly owned subsidiary, Genesis Mining Services (**GMS**), which will be the vehicle to execute the Genesis "owner/operator" model for its mine development projects as appropriate.



GMS has placed initial orders for the delivery of a new open pit fleet to commence the development of the Genesis open pit opportunities within its Leonora Gold Project. Key management positions have been recruited.

GMS is also in preliminary discussions with Dacian in relation to the potential future re-start of Dacian's Jupiter open pit alongside the Mt Morgans mill and other open pit opportunities in the Dacian portfolio.

6.4 Genesis Directors and senior management

(a) Directors of Genesis

The Genesis Board comprises the following members:

Director	Biography
<p>Anthony Kiernan (AM)</p> <p><i>Non-Executive Chairman</i></p>	<p>Mr Kiernan is a former solicitor with extensive experience gained over 35 years in the management and operation of listed public companies. As both a lawyer and general consultant, he has practiced and advised extensively in the fields of resources and business generally. He is a Member of the Order of Australia.</p> <p>He is Non-Executive Chair of ASX50 lithium company Pilbara Minerals Limited (ASX: PLS), Non-Executive Chair of NT Minerals Limited (ASX: NTM), Non-Executive Director of Dacian Gold Limited (ASX: DCN), and Chair of the Fiona Wood Foundation which focuses on research into burns injuries and a member of the Order of Australia.</p> <p>He was formerly Non-Executive Chair of Saracen Minerals (ASX:SAR) (2018 to February 2021) and a Non-Executive Director of Northern Star Resources (ASX:NST) (February 2021 to November 2021).</p>
<p>Raleigh Finlayson</p> <p><i>Managing Director and CEO</i></p>	<p>Mr Finlayson is a Mining Engineer with over 20 years of technical and operational experience in multiple disciplines including both underground and open pit operations. He was previously the Managing Director of Saracen Mineral Holdings (ASX:SAR) and Northern Star Resources (ASX: NST). During his 14-year tenure at Saracen, Mr Finlayson was initially the Chief Operating Officer responsible for the feasibility study and development of Saracen's first operating gold mine, the Carosue Dam Operations. He was promoted to the role of Managing Director in 2013 and responsible for the acquisition and subsequent feasibility study and development of Saracen's second operating gold mine, Thunderbox, and subsequently the purchase of 50% of the KCGM Superpit from Barrick Gold. Saracen grew from a market cap of A\$53m in 2008 to A\$6.0bn in 2021 before merging with Northern Star.</p>
<p>Gerry Kaczmarek</p> <p><i>Non-Executive Director</i></p>	<p>Mr Kaczmarek has almost 40 years' experience working predominantly in the resource sector and specialising in accounting and finance and company management with several emerging and leading mid-tier Australian gold companies.</p> <p>He was Chief Financial Officer and Company Secretary for Saracen Mineral Holdings (ASX:SAR) from 2012 to 2016. He served as Chief Financial Officer and Company Secretary at Troy Resources (ASX: TRY) from 1998 to 2008 and from 2017 to 2019. Earlier in his career, he held a range of positions with the CRA/Rio Tinto group and was Chief Financial Officer and Company Secretary for a number of other Mid-Tier and Junior Mining Companies.</p>



Director	Biography
<p>Michael Bowen <i>Non-Executive Director</i></p>	<p>Mr Bowen has been practicing corporate law for 35 years and has deep knowledge of the Australian resources sector and the regulatory regimes around mine development and operation.</p> <p>Mr Bowen is highly regarded for his advisory expertise on a broad range of domestic and cross-border transactions including mergers and acquisitions, capital raisings, re-constructions, risk management, due diligence and general commercial and corporate law. He is Non-Executive Chairman of Lotus Resources Limited (ASX: LOT) and Non-Executive Director of Emerald Resources NL (ASX: EMR).</p>
<p>Mick Wilkes <i>Non-Executive Director</i></p>	<p>Mr Wilkes is a mining professional with 35 years' experience, mainly in gold and base metals specialising in project development, construction, and operations. In the past 20 years he has been responsible for the successful greenfield development of four major gold and copper mines, each creating substantial value for shareholders, local communities and Governments with aggregate annual production of over 600koz of gold and 200kt of copper.</p> <p>He is currently Non-Executive Chair of Kingston Resources Limited (ASX: KSN) and Andromeda Metals Limited (ASX: ADN).</p> <p>Most recently he was Non-Executive Chair of Dacian Gold Limited (ASX: DCN) and President and CEO of Canadian and Australian listed OceanaGold Corporation (ASX: OGC). He was recently a member of the Board Administration Committee for the World Gold Council and is currently a member of the Advisory Board for the Sustainable Minerals Institute at the University of Queensland.</p> <p>He holds a bachelor's degree in mining engineering from the University of Queensland and an MBA from Deakin University.</p>

Genesis is proposing to appoint Ms Jacqueline Murray, Partner at Resource Capital Fund VII LP., to the Genesis Board following completion of the Transaction.

(b) Genesis senior management

The senior management personnel of Genesis are:

Senior management personnel	
Morgan Ball	Chief Financial Officer
Troy Irvin	Corporate Development Officer
Lee Stephens	General Manager Operations and Projects (Open Pit)
Andrew Francis	General Manager Operations and Projects (Underground)
Geoff James	Company Secretary

6.5 Overview of Genesis after the Transaction, including Genesis Board strategy and intentions

The remainder of this Section 6 contains information relating to Genesis on a post-Transaction basis (including following completion of the Genesis Capital Raising).

Upon implementation of the Transaction, Genesis will become one of Australia's leading gold companies, initially focused purely on the Leonora District, with a long-life, high quality asset base and substantial potential for organic growth.



An overview of the profile for Genesis (post-Transaction) is detailed below.

Key mines / projects (1)	Gwalia Ulysses Admiral / Orient Well / Puzzle Tower Hill Jupiter / Redcliffe Aphrodite and Harbour Lights – refractory deposits Zoroastrian
Mining method	Underground and open pit
Processing	Conventional CIL
Milling capacity	Leonora – 1.4Mtpa Mt Morgans (2) – 2.9Mtpa
Ore Reserves	28.3Mt @ 3.4g/t for 3.1Moz Au (3)
Mineral Resources	217Mt @ 2.2g/t for 15.1Moz Au (3)

Notes:

- Genesis key mines / projects on a post-Transaction basis are detailed in the map in Section 6.3.
- Mt Morgans is owned by Dacian. Genesis owns 80.1% of Dacian.
- Refer to Genesis's ASX announcement dated 17 April 2023 and entitled "*Presentation – Acquisition of St Barbara's Leonora Assets*" for the original source of this Genesis Information.

The Transaction positions Genesis to accelerate its April 2022 five-year vision of building a premium Australian gold business.⁴⁷

Genesis intends to conduct a Gwalia strategic review in the first half of FY24, with a focus on:

(a) investment to ensure a new lease of life for Gwalia in the long-term:

- re-build Mineral Resource, Ore Reserve and life of mine plan;
- re-set (slow/"right size") production from Gwalia;
- add Ulysses / Admiral as ore feed sources for the Gwalia processing plant to maximise operational efficiencies;
- accelerate development and drilling;
- reduce geotechnical risk; and
- reduce costs.

(b) defensive characteristics:

- increase resilience to short term risk (while locked into existing mining sequence); and
- restore trust in Gwalia over time.

The strategic review outcomes will culminate in the development of a new combined strategic plan to be released in the March quarter of 2024, with a focus on:

- providing a detailed five-year outlook including production and costs (capital and operating);
- people and culture initiatives;
- sustainability initiatives; and
- exploration opportunities.

Specific key elements of Genesis' strategic plan will include:

- transition Gwalia to high grade, selective mining – add new Ulysses (and / or other Genesis controlled deposits) to "fill the mill"; targeting 180-200kozpa (Gwalia plus Ulysses, subject to optimisation); and
- advance new Tower Hill high grade pit – significant value to be unlocked via large Mt Morgans processing plant and GMS open pit mining; targeting growth to +300kozpa,

(together, the **Genesis Production Target**).

⁴⁷ Refer to Genesis' ASX announcement dated 4 April 2022 and entitled "*Open for Business – Corporate Presentation*".



Refer to Genesis' ASX announcement dated 17 April 2023 and entitled "*Presentation – Acquisition of St Barbara's Leonora Assets*" for further information in respect of the Genesis Production Target (including the material assumptions underpinning the Genesis Production Target). There is a low level of geological confidence associated with inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of indicated Mineral Resources or that the Genesis Production Target itself will be realised.

6.6 Pro forma financial position of Genesis upon completion of the Transaction

To illustrate the indicative impact of the Transaction and the Genesis Capital Raising on the financial position of Genesis, a pro forma statement of financial position has been provided below.

Genesis' reviewed statement of financial position as at 31 December 2022 has been used for the purposes of preparing the pro forma statement of financial position and adjusted to reflect pro forma assets and liabilities of Genesis as if completion of the Transaction and the Genesis Capital Raising had occurred by 31 December 2022. The pro forma statement of financial position is presented in an abbreviated form. It does not include all of the disclosures required by the AAS applicable to financial statements.

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	31 Dec 2022 (Reviewed) (\$ million)	Transaction and Genesis Capital Raising (\$ million)	PRO FORMA 31 Dec 2022 (Unaudited) (\$ million)
CURRENT ASSETS			
Cash and cash equivalents	121.2	100.0	221.2
Receivables	3.5	-	3.5
Inventories	11.8	-	11.8
TOTAL CURRENT ASSETS	136.5	100.0	236.5
NON-CURRENT ASSETS			
Property, plant and equipment	77.3	150.0	227.3
Right-of-use-assets	8.7	-	8.7
Exploration and evaluation assets and mine properties	61.8	455.8	517.6
TOTAL NON-CURRENT ASSETS	147.8	605.8	753.6
TOTAL ASSETS	284.3	705.8	990.1
CURRENT LIABILITIES			
Trade and other payables	23.0	40.0	63.0
Provisions	1.5	-	1.5
Borrowings	2.9	-	2.9
TOTAL CURRENT LIABILITIES	27.4	40.0	67.4
NON-CURRENT LIABILITIES			
Provisions	46.9	-	46.9
Borrowings	6.2	-	6.2
Deferred Tax Liability	9.1	-	9.1
TOTAL CURRENT LIABILITIES	62.2	-	62.2
TOTAL LIABILITIES	89.6	40.0	129.6
NET ASSETS	194.7	665.8	860.5
EQUITY			
Issued capital	277.2	705.8	983.0
Reserves	34.2	-	34.2
Accumulates losses	(137.5)	(40.0)	(177.5)
Equity attributable to equity holders of the parent	173.9	665.8	839.7
Non-controlling interests	20.8	-	20.8
TOTAL EQUITY	194.7	665.8	860.5

Notes and assumptions:

The key assumptions on which the pro forma statement of financial position above is based are as follows:

- Genesis obtains shareholder approval of the Genesis Resolutions;
- completion of the Transaction and the Genesis Capital Raising occurs;
- 205,000,000 Genesis Shares are issued to St Barbara under the Sale Agreement (and no Genesis Performance Rights are issued to St Barbara);
- the fair value of the net assets acquired by Genesis has been assumed to be equal to the implied purchase price based on the price of Genesis Shares under the Genesis Capital Raising at A\$1.15 per Genesis Share. This is an illustrative assumption only. Following completion of the Genesis Capital Raising and Transaction, a detailed valuation and purchase price allocation of the assets will be undertaken; and
- includes all Genesis costs under the Transaction and Genesis Capital Raising as payables.



6.7 Effect of the Transaction on the Genesis capital structure

The effect of the Transaction and the Genesis Capital Raising on the Genesis capital structure (assuming that the Genesis Resolutions and the Resolutions are all approved and completion under both the Sale Agreement and the Genesis Capital Raising occurs) is as follows:

Class	Genesis Shares	Genesis options	Genesis performance rights ⁽²⁾
Securities on issue prior to the Transaction (1)	475,613,701	42,073,202	7,158,335
Securities issued under tranche two of the Genesis Capital Raising	348,195,654	-	-
Maximum number of securities to be issued under the Sale Agreement if St Barbara Shareholders approve the Resolutions before 30 June 2023	205,000,000	-	-
TOTAL	1,028,809,355	42,073,202	7,158,335
Maximum number of securities to be issued under the Sale Agreement if St Barbara Shareholders approve the Resolutions after 30 June 2023	152,826,087	-	52,173,913
TOTAL	976,635,442	42,073,202	59,332,248

Notes:

- Includes 60,500,000 Genesis Shares issued under tranche one of the Genesis Capital Raising on 24 April 2023.
- The terms of the Genesis performance rights on issue prior to the Transaction differ to the terms of the Genesis Performance Rights to be issued to St Barbara under the Sale Agreement (as summarised in Section 6.13).

6.8 Information about Genesis Shares

(a) Summary of terms of Genesis Shares

A summary of the rights attaching to Genesis Shares is detailed below.

This summary is qualified by the full terms of the Genesis constitution (a full copy of which is available from Genesis on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Genesis Shareholders.

These rights and liabilities can involve complex questions of law arising from an interaction of the Genesis constitution with statutory and common law requirements. For a Genesis Shareholder to obtain a definitive assessment of the rights and liabilities that attach to Genesis Shares in any specific circumstances, the Genesis Shareholder should seek legal advice.

i. General meetings

Genesis Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of Genesis.

Genesis Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Genesis constitution.

ii. Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Genesis Shareholders or classes of Genesis Shareholders:

- each Genesis Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- on a show of hands, every person present who is a Genesis Shareholder or a proxy, attorney or representative of a Genesis Shareholder has one vote; and
- on a poll, every person present who is a Shareholder or a proxy, attorney or



representative of a Genesis Shareholder shall, in respect of each fully paid Genesis Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Genesis Share, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Genesis Shares registered in the Genesis Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

iii. Dividend Rights

The Genesis Directors may from time to time declare and pay or credit a dividend in accordance with the Corporations Act. Subject to any special right as to dividends attaching to a Genesis Share, the Genesis Directors may from time to time decide to pay a dividend to the Genesis Shareholder entitled to the dividend which shall be payable on all the Genesis Shares according to the proportion that the amount paid (excluding amounts credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Genesis Shares.

No dividends shall be payable except out of profits. No interest is payable in respect of dividends.

iv. Winding-up

If Genesis is wound up, the liquidator may, with the authority of a special resolution of Genesis, divide among the Genesis Shareholders in kind the whole or any part of the property of Genesis, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Genesis Shareholders or different classes of Genesis Shareholders.

v. Transfer of Genesis Shares

Generally, Genesis Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.



vi. Variation of rights

Pursuant to section 246B of the Corporations Act, Genesis may, with the sanction of a special resolution passed at a meeting of Genesis Shareholders vary or abrogate the rights attaching to Genesis Shares.

If at any time the share capital is divided into different classes of Genesis Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not Genesis is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued Genesis Shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of Genesis Shares of that class.

vii. Alteration of Genesis constitution

The Genesis constitution can only be amended by a special resolution passed by at least three quarters of Genesis Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

(b) Trading of Genesis Shares

For St Barbara Shareholder’s information, the highest and lowest recorded sale prices of Genesis Shares traded on ASX during the 12 months immediately preceding the date of this Explanatory Booklet, and the respective dates of those sales were:

Event	Amount
Lowest price	\$0.85 per Genesis Share
Highest price	\$1.585 per Genesis Share
Price on the date before the date of this Explanatory Booklet	\$1.235 per Genesis Share

6.9 Dividend policy

The Genesis directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of Genesis.

6.10 Genesis directors’ interests

The Genesis directors’ relevant interests in securities at the date of this Booklet are detailed below:

Genesis director	No. of Genesis Shares	No. of Genesis Options	No. of Genesis performance rights
Mr Raleigh Finlayson	13,885,432	30,527,779	2,000,000
Mr Gerry Kaczmarek	430,468	122,943	Nil
Mr Michael Bowen	944,099	1,930,556	Nil
Mr Anthony Kiernan	192,987	Nil	Nil
Mr Mick Wilkes	Nil	Nil	Nil



6.11 Remuneration of Genesis directors

The remuneration of executive Genesis directors is determined by the Genesis Board, subject to the provisions of any contract between each of them and Genesis.

The Genesis constitution provides that the Genesis directors may be paid for their services as directors a sum not exceeding such fixed sum per annum as may be determined by the Genesis Shareholders in general meetings, to be divided among the Genesis directors as the Genesis directors shall determine, and in default of agreement then in equal shares.

A Genesis director may also be paid fees or other amounts as the Genesis directors determine where a Genesis director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Genesis director. A Genesis director may also be reimbursed for out-of-pocket expenses incurred as a result of their directorship or any special duties.

The Genesis directors' remuneration for the past two financial years is detailed in the below table:

Genesis director		Short term benefits (\$)	Superannuation (\$)	Share based payments (\$)	Total (\$)
Mr Raleigh Finlayson ⁽¹⁾	2022	126,217	12,613	23,963,140	24,101,880
	2021	-	-	-	-
Mr Gerry Kaczmarek ⁽²⁾	2022	32,877	3,288	15,368	51,533
	2021	32,591	3,096	31,151	66,838
Mr Michael Bowen ⁽³⁾	2022	20,175	2,017	915,522	937,714
	2021	-	-	-	-
Mr Anthony Kiernan ⁽⁴⁾	2022	-	-	-	-
	2021	-	-	-	-
Mr Mick Wilkes ⁽⁵⁾	2022	-	-	-	-
	2021	-	-	-	-

Notes:

1. Mr Raleigh Finlayson was appointed as a part-time consultant on 21 September 2021 and appointed as Managing Director of Genesis on 21 February 2022. Refer to the Genesis Annual Report as lodged with ASX on 20 September 2022 for full details of the calculation of the Genesis Share based payments arising from the issue of options and performance rights in Genesis.
2. Mr Gerry Kaczmarek is assisting Genesis with some additional work in connection with additional debt funding that Genesis may require and is being remunerated on an hourly basis on commercial terms.
3. Mr Michael Bowen was appointed non-executive director of Genesis on 19 November 2021. Refer to the Genesis Annual Report as lodged with ASX on 20 September 2022 for full details of the calculation of the Genesis Share based payments arising from the issue of options in Genesis.
4. Mr Anthony Kiernan was appointed non-executive Chairman on 1 October 2022.
5. Mr Mick Wilkes was appointed non-executive Director on 1 October 2022.

6.12 Genesis is a disclosing entity

Genesis is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) and is subject to regular reporting and disclosure obligations. Specifically, like all ASX-listed companies, subject to limited exceptions, Genesis is required to continuously disclose to the market any information of which it is aware which a reasonable person would expect to have a material effect on the price or the value of Genesis securities.

Copies of documents lodged in relation to Genesis may be obtained for a fee from, or inspected at, an office of ASIC or can be accessed at Genesis' ASX announcements platform at <https://www.asx.com.au>.

A summary of the major activities and financial information relating to Genesis can be found in Genesis' consolidated financial statements for the year ended 30 June 2022 lodged with ASX on 20 September 2022 (**Genesis Annual Report**) and Genesis' consolidated financial statements for the half year ended 31 December 2022 lodged with ASX on 22 February 2023 (**Genesis Half Year Report**). Genesis has made continuous disclosure notices (i.e. ASX announcements) since the lodgement of the Genesis Annual Report and Genesis Half Year Report.



Copies of the Genesis Annual Report, Genesis Half Year Report and continuous disclosure notices since the lodgement of the Genesis Annual Report are available free of charge from Genesis.

6.13 Summary of terms of Genesis Performance Rights

(a) Entitlement

Each Genesis Performance Right confers on St Barbara (or its nominees) an entitlement to be issued one Genesis Share, credited as fully paid, at no cost, upon the satisfaction of the Vesting Condition (defined below) in relation to that Genesis Performance Right on or before the expiry date of 5:00 pm (AWST) on the date that is five years from the date of issue of the Genesis Performance Right (**Expiry Date**).

(b) Vesting Conditions

The Genesis Performance Rights will vest and convert into Genesis Shares upon the first to occur of:

- i. the first extraction, recovery or production of any mineral from the Tower Hill Project, including where such extraction, recovery or production does not constitute the commencement of continuous or commercial extraction, recovery or production of such mineral; and
- ii. a Control Event,

or such earlier date as determined by the Genesis Board in its absolute discretion, provided that occurs prior to the lapse of the relevant Genesis Performance Rights (each a **Vesting Condition**).

The Genesis Performance Rights will only vest and entitle St Barbara to be issued Genesis Shares if the applicable Vesting Condition has been satisfied prior to the lapse of the Genesis Performance Right or waived by the Genesis Board.

For the purposes of these terms and conditions, a "**Control Event**" means:

- i. a disposal by Genesis or any Related Body Corporate of all or substantially all of the assets comprising the Tower Hill Project to a third party;
- ii. a disposal by Genesis or any Related Body Corporate of shares in any entity holding, directly or indirectly, any of the tenements comprising the Tower Hill Project (Holding Entity, with the Holding Entity excluding Genesis), to a third party or any issue by the Holding Entity of securities to a third party or any similar transaction which results in Genesis holding less than 50% of the voting shares of the Holding Entity;
- iii. in the case of a takeover bid for Genesis, an offeror who previously had Voting Power of less than 50% in Genesis obtains Voting Power of more than 50%;
- iv. Genesis Shareholders have at a Court convened meeting of Genesis Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a merger by way of scheme of arrangement for the purposes of a corporate restructure (including change of domicile, or any reconstruction, consolidation, sub-division, reduction or return) of the issued capital of Genesis) and the Court, by order, approves the scheme of arrangement pursuant to section 411(4)(a) of the Corporations Act;
- v. any person becomes bound or entitled to acquire shares in Genesis under:
 - A. section 414 of the Corporations Act (compulsory acquisition following a scheme or contract); or
 - B. Chapter 6A of the Corporations Act (compulsory acquisition of securities);
- vi. a selective capital reduction is announced in respect of Genesis pursuant to section 256C(2) of the Corporations Act which results in a person who previously had Voting Power of less than 50% in Genesis obtaining Voting Power of more than 50%; or
- vii. securityholder approval being given by a resolution duly passed at a general meeting of Genesis for an acquisition of Genesis Shares that would result in any person (either alone or together with its associates) owning all or a majority of the Genesis Shares.



(c) Satisfaction of Vesting Conditions

Where the Vesting Conditions applicable to the Genesis Performance Rights have been satisfied, Genesis must allot and issue, or transfer, the number of Genesis Shares which St Barbara is entitled to acquire upon satisfaction of the relevant Vesting Condition for the relevant number of Genesis Performance Rights held, in accordance with Section 6.13(e)(i).

(d) Lapse of Genesis Performance Rights

Where Genesis Performance Rights have not satisfied the relevant Vesting Condition by the Expiry Date those Genesis Performance Rights will automatically lapse and be cancelled. For the avoidance of doubt, a Genesis Performance Right will not lapse in the event that the issue of Genesis Shares in respect of the Genesis Performance Rights upon satisfaction of the Vesting Condition is deferred under Section 6.13(e)(iv).

(e) Timing of the Issue of Genesis Shares and Official Quotation

- i. Genesis must:
- A. allot and issue the Genesis Shares pursuant to the vesting of the Genesis Performance Rights;
 - B. as soon as reasonably practicable and if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if Genesis is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Genesis Shares does not require disclosure to investors; and
 - C. if Genesis is admitted to the official list of ASX at the time, apply for official quotation on ASX of the Genesis Shares issued pursuant to the vesting of the Genesis Performance Rights,

within five (5) Business Days after the satisfaction of the relevant Vesting Condition applicable to the Genesis Performance Rights.

- ii. St Barbara shall give notification to Genesis in writing if they consider that the issue of Genesis Shares pursuant to the vesting of the Genesis Performance Rights may result in the contravention of Section 606(1) of the Corporations Act, failing which Genesis shall assume that the issue of Genesis Shares pursuant to the vesting of the Genesis Performance Rights will not result in any person being in contravention of Section 606(1).
- iii. Genesis may (but is not obliged to), by written notice, request St Barbara to give notification to Genesis in writing within two Business Days if Genesis considers that the issue of Genesis Shares may result in the contravention of Section 606(1) of the Corporations Act. If St Barbara does not give notification to Genesis that they consider the issue of Genesis Shares may result in the contravention of Section 606(1) of the Corporations Act, within two Business Days of receipt of such request, then Genesis shall assume that the issue of Genesis Shares will not result in any person being in contravention of Section 606(1) of the Corporations Act.
- iv. If St Barbara notifies Genesis (in accordance with Section 6.13(e)(i) or (e)(ii)) or Genesis determines (acting reasonably) that the issue of Genesis Shares would result in St Barbara being in contravention of section 606(1) of the Corporations Act then, in respect of that number of Genesis Shares which would result in St Barbara being in contravention of section 606(1) of the Corporations Act the issue of Genesis Shares shall be deferred until such time or times thereafter that the issue of Genesis Shares would not result in a contravention of Section 606(1) of the Corporations Act.
- v. Genesis Shares issued on the satisfaction of the relevant Vesting Condition attaching to the Genesis Performance Rights rank equally with all existing Genesis Shares.

(f) Reorganisation

If there is any Reconstruction of the issued share capital of Genesis at any time prior to the Expiry Date, the terms of Genesis Performance Rights and the rights of St Barbara in respect of such Genesis Performance Rights will be varied, including an adjustment to the number of Genesis Performance Rights, in a manner which will maintain the economic value of the Contingent Consideration Shares and ensure that no relative benefit or detriment is conferred upon St Barbara and otherwise in accordance with the applicable Listing Rules.



For the purposes of these terms and conditions, a “**Reconstruction**” means:

- i. bonus issue of securities in Genesis;
- ii. a sub-division or consolidation of securities in Genesis;
- iii. a capital distribution on or in respect of any securities in Genesis; or
- iv. any other reorganisation, reclassification or reconstruction of the Genesis issued share capital where Genesis neither pays nor receives cash.

(g) Holder Rights

St Barbara is not entitled by virtue of holding those Genesis Performance Rights to:

- i. notice of, or to vote or attend at, a meeting of Genesis Shareholders;
- ii. receive any dividends declared by Genesis;
- iii. any right to a return of capital, whether in winding up of Genesis, upon a reduction of capital in Genesis or otherwise;
- iv. subject always to the rights under Section 6.13(f), participate in new issues of capital offered to Genesis Shareholders such as bonus issues and entitlement issues;
- v. subject always to the rights under Section 6.13(f), participate in any new issues of securities offered to Genesis Shareholders during the term of the Genesis Performance Rights; or
- vi. cash for the Genesis Performance Rights or any right to participate in surplus assets or profits of Genesis on winding up,

unless and until the relevant Vesting Condition is satisfied and St Barbara holds Genesis Shares.

(h) Pro Rata Issue of Securities

If during the term of any Genesis Performance Right, Genesis makes a pro rata issue of securities to the Genesis Shareholders by way of a rights issue, St Barbara shall not be entitled to participate in the rights issue in respect of any Genesis Performance Rights.

St Barbara will not be entitled to any adjustment to the number of Genesis Shares they are entitled to or adjustment to the Vesting Conditions as a result of Genesis undertaking a rights issue.

(i) Quotation

Genesis will not seek official quotation on ASX of any Genesis Performance Rights.

(j) No Transfer of Genesis Performance Rights

Genesis Performance Rights cannot be transferred to or vest in any person other than St Barbara except to the extent that the consent of Genesis (and ASX to the extent required) to any transfer has been obtained.

6.14 Risk associated with an investment in Genesis Shares

If the Transaction is implemented, St Barbara Shareholders will become Genesis Shareholders and be exposed to the risks associated with an investment in Genesis Shares. Some of these risks are either related to the resources sector generally or already affect the Leonora Assets which will be held by Genesis following the Transaction.

The risk factors presented in this Section are not an exhaustive list of all risks related to Genesis Shares or to the resource sector generally. These factors, and others not specifically referred to below, may, in the future, materially affect the financial performance of Genesis and the value of Genesis Shares. Therefore, the Genesis Shares carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Genesis Shares.

(a) Specific risks associated with Genesis

- i. Gold price

The potential revenue of Genesis is exposed to fluctuations in the gold price. Volatility in the gold price creates revenue uncertainty and a fall in the spot gold price could adversely impact on the financial performance, financial position and prospects of Genesis.



The risks associated with such fluctuations and volatility may be reduced by gold price hedging that Genesis may undertake. A declining gold price can also impact operations by requiring a reassessment of the feasibility of mine plans and certain projects and initiatives. The development of new ore bodies, commencement of development projects and the ongoing commitment to exploration projects can all potentially be impacted by a decline in the prevailing gold price. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment could potentially cause substantial delays and/or may interrupt operations, which may have a material adverse effect on the results of operations and the financial condition of Genesis.

ii. Mining risk and ore reserve and mineral resource estimation risk

When compared with many industrial and commercial operations, mining and mineral processing projects are relatively high risk. 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. 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. 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 Genesis 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 exploration, development and production plans of Genesis which may, in turn, positively or negatively affect the operations and financial position of Genesis.

Whilst Genesis intends to undertake exploration activities with the aim of defining new mineral resources, no assurances can be given that exploration will result in the determination of a new resource. Even if a mineral resource is identified, no assurance can be provided that this can be economically extracted.

iii. Geological and geotechnical risk

There is a risk that unforeseen geological and geotechnical difficulties may be encountered when developing and mining mineral deposits, such as unusual or unexpected geological conditions, pit wall slips and failures, rock bursts, seismicity and cave-ins. In particular, the risk of seismicity at the Gwalia mine is high given the depth of the mine. Unforeseen geological and geotechnical difficulties could impact exploration, development or production and/or require additional operating or capital expenditure to rectify problems and in doing so have an adverse impact on Genesis' operations, financial performance and financial position.

iv. Replacement of ore reserves risk

Genesis must continually replace reserves depleted by production to maintain production levels over the long term. Reserves can be replaced by expanding known ore bodies, locating new deposits or making acquisitions. There is a risk that depletion of reserves will not be offset by discoveries, conversion of resource or acquisitions or that divestitures of assets will lead to a lower reserve base. The future reserve base of Genesis may decline if reserves are mined without adequate replacement and Genesis may not be able to sustain production. Exploration is highly speculative in nature and costly. Genesis' exploration projects involve many risks and therefore may be unsuccessful. There is no assurance that current or future exploration programs will be successful. Also, if a discovery is made, it may, in some cases, take up to a decade or longer from the initial phases of exploration drilling until mining is permitted and production is possible.

v. Exploration and development risks

The business of mineral exploration, project development and production, by its nature, contains elements of significant risk with no guarantee of success.



There is no guarantee of development at the Genesis prospects. Ultimate and continuous success of activities is dependent on many factors such as:

- the discovery and/or acquisition of economically recoverable ore reserves;
- access to adequate capital for project development;
- design and construction of efficient development and production infrastructure within capital expenditure budgets;
- securing and maintaining title to tenements;
- obtaining regulatory consents and approvals necessary for the conduct of mineral exploration, development and production;
- securing plant and equipment, particularly given equipment utilisation rates are high in the current period of Western Australian exploration/production activity, hence competition for such equipment may also be high; and
- access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Even a combination of experience, knowledge and careful evaluation may not be able to overcome the inherent risks associated with exploring prospective tenements. There can be no assurance that exploration of the tenements (or any other tenements that may be acquired in the future), will result in the development of economically viable deposits of gold or other minerals.

In the event that exploration programs are unsuccessful this could lead to a diminution in the value of Genesis' projects, a reduction in the cash reserves of Genesis and possible relinquishment of part or all of their respective projects. The discovery of mineral deposits including gold deposits is dependent on a number of factors, including the technical skills of the exploration personnel involved and the success of the adopted exploration plan. In addition, there can be a time lag between the commencement of drilling and, if a viable mineral deposit(s) is discovered, the commencement of commercial operations. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited due to various issues including lack of ongoing funding, adverse government policy, geological conditions, commodity prices or other technical difficulties.

These factors may affect the Genesis' ability to establish mining operations, continue with their respective projects, earn income from their respective potential future operations and may affect the Genesis Share price. If a viable mineral deposit(s) is to be developed, Genesis will need to apply for a range of environmental and development authorisations which may or may not be granted on satisfactory terms (or at all). The future exploration and development activities of Genesis may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title and Aboriginal heritage processes, obtaining government authorisations including environmental, changing government regulations and many other factors beyond the control of Genesis. The success of Genesis will also depend upon Genesis having access to sufficient development capital, being able to maintain title to its projects and obtaining all required approvals for its activities.

vi. Production cost and capital estimates

Genesis prepares estimates of future production, operating costs and capital expenditure relating to production at its operations. The ability of Genesis to achieve production targets or meet operating and capital expenditure estimates on a timely basis cannot be assured. The assets of Genesis are subject to uncertainty with regards to ore tonnes, grade, metallurgical recovery, ground conditions, operational environment, funding for development, regulatory changes, accidents and other unforeseen circumstances such as unplanned mechanical failure of plant and equipment. Failure to achieve production, cost or capital estimates, or material increases to costs, could have an adverse impact on Genesis' future cash flows, profitability and financial condition. The development of estimates is managed by Genesis using a rigorous budgeting and forecasting process. Actual results are compared with budgets and forecasts on a regular basis to identify drivers behind discrepancies that may result in updates to future estimates.



vii. Key personnel and labour market risk

Genesis is dependent on the experience, skills and knowledge of its key personnel, to successfully manage its business. The loss of any of the Genesis key personnel, the inability to recruit necessary staff as needed or the increased cost to recruit or retain the necessary staff, may cause a significant disruption to Genesis and adversely impact Genesis' operations, financial performance and financial position. Genesis' operations may also be affected by labour market conditions and the availability of skilled personnel.

viii. Permitting

Genesis requires permits from regulatory authorities to authorise potential project operations, including with respect to the Leonora Operations.

Obtaining necessary permits can be a time-consuming process and there is a risk that Genesis will not obtain necessary 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 Genesis from proceeding with its mine development intentions, including those previously outlined to the market, as well as any other current or future mining operations or developments.

Furthermore, any material adverse changes in relevant government policies or legislation may adversely affect the viability and profitability of Genesis, and consequent returns to investors.

Genesis' 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 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 Genesis' results of operations, financial condition and prospects. Failure to comply with any applicable laws, regulations or permitting requirements may result in enforcement actions against Genesis, 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 Genesis' activities or forfeiture of one or more of its tenements.

ix. Production target

Genesis has prepared a production target for the potential future operations of Genesis. The feasibility of projects and the ability of Genesis to achieve production targets cannot be assured and there are risks that they will not be achieved.

The assets of Genesis are subject to uncertainty with regards to ore tonnes, grade, metallurgical recovery, ground conditions, operational environment, funding for development, regulatory changes, accidents and other unforeseen circumstances such as unplanned mechanical failure of plant and equipment. Failure to achieve production targets could have an adverse impact on Genesis' future cash flows, profitability and financial condition. Further, Genesis may be required to seek funding, in addition to the Genesis Capital Raising, to achieve the production target for the operations of Genesis. No assurances can be made that appropriate funding, if and when needed, will be available on terms favourable to Genesis or at all.

x. Funding risk

Genesis may consider obtaining additional debt funding post completion of the Transaction. The funding of Genesis will depend on a number of factors and there may be a requirement (either in the form of debt or equity) to fund the activities of Genesis and there is no guarantee that Genesis will be able to secure the required level of funding.



Any debt financing, if available, may involve restrictions on Genesis' financing and operating activities (and may involve encumbrances over some or all of Genesis' assets and undertaking), or its business strategy and additional equity financing may dilute Genesis Shareholders and may be undertaken at lower prices than the current market price. No assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to Genesis or at all. If Genesis is unable to obtain additional financing as needed, it may be required to reduce, delay or suspend its operations and this could have a material adverse effect on the Genesis' operations and financial position. In the ordinary course of operations and development, Genesis will be required to issue financial assurances, particularly assurances and bond/bank guarantee instruments, to secure statutory and environmental performance undertakings and commercial arrangements.

xi. Foreign exchange risk

Genesis has 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 Genesis' revenues are realised in, or linked to, U.S. dollars. There is a "natural" (but not perfect) hedge that matches to some degree U.S. denominated revenue and obligations related to U.S. dollar expenditure. Genesis is therefore exposed to fluctuations in foreign currency exchange rates.

xii. Operational risks

The existing and future operations of Genesis, as with any other exploration, development or mining operations, are subject to a number of uncertainties, including in relation to ore tonnes, grade, metallurgical recovery, actual realised values and grades of stockpiles (which are also estimated), ground conditions, operational environment, funding for development, regulatory changes, weather (including flooding in the event of heavy rainfall), accidents, difficulties in operating plan and equipment and other unforeseen circumstances such as unplanned mechanical failure of plant or equipment. Genesis is also considering a revised strategic mine plan for the Gwalia mine to optimise operational performance.

The ability to undertake, and the costs of, business operations for Genesis 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 cost increases could result in Genesis 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 Genesis' operational or financial performance. Failure of Genesis to achieve production or cost estimates could have an adverse impact on the future cash flows, profitability, results of operations and financial condition of Genesis.

xiii. Supply chain interruption

Genesis relies on supply chain networks across the globe for its supply of consumables, equipment and other project materials. Disruptions to this supply chain network may result in interruption to business continuity and increases in input prices. The likelihood of supply chain interruptions has increased due to the impact COVID-19 has had on the global supply chain. This risk is managed by ensuring critical spares and consumable items remain on hand, forecasting and monitoring supply chain congestion.

xiv. Metallurgical risks

Metal and/or mineral recoveries are dependent upon the metallurgical process that is required to liberate economic minerals and produce a saleable product and by nature contain elements of significant risk such as:

- identifying a metallurgical process through test work to produce a saleable metal and/or concentrate;
- developing an economic process route to produce a metal and/or concentrate; and
- changes in mineralogy in the ore deposit can result in inconsistent metal recovery, affecting the economic viability of Genesis' projects.



xv. Climate change

Climate change related risks that may impact Genesis 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/or may in the future adversely impact, the cost, production levels and financial performance of the operations of Genesis. The business operations of Genesis have been, and 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 prevention of, operations at their minerals projects (and reduce the prospects of achieving production targets). Carbon related regulatory impacts on the operations of Genesis 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 Genesis.

xvi. Payment and expenditure obligations

Pursuant to the licences comprising Genesis' projects, Genesis is subject to payment and expenditure obligations. In particular, tenement holders are required to expend the funds necessary to meet the minimum work commitments attaching to the tenements. Failure to meet these work commitments may render the tenements subject to forfeiture or result in the tenement holders being liable for penalties or fees. Further, if any contractual obligations are not complied with when due, in addition to any other remedies that may be available to other parties, this could result in dilution or forfeiture of Genesis' interest in the projects.

xvii. Land rehabilitation requirements

Although variable, depending on location and the governing authority, closure and reclamation requirements for mining operations of Genesis and for are generally imposed on mineral exploration and mining companies, in order to minimise long term effects of land disturbance.

Reclamation may include requirements to control dispersion of potentially deleterious effluents and to reasonably re-establish pre-disturbance land forms and vegetation. In order to carry out rehabilitation obligations imposed on Genesis in connection with its mineral exploration and development, Genesis must allocate financial resources that might otherwise be spent on further exploration and/or development programs. Whilst Genesis sets closure and reclamation plans based on current requirements, these rehabilitation requirements are subject to change. Unforeseen cost increases could result in Genesis not realising its closure and reclamation 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 Genesis' operational or financial performance. There is a risk that Genesis is required to allocate greater financial resources than planned for in circumstances where rehabilitation prescriptions are required to change through a variety of sources of change including government requirements.

xviii. Native title and aboriginal heritage

The Genesis directors closely monitor the potential effect of native title claims involving the tenements in which Genesis has an interest. If native title rights do exist, the ability of Genesis to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected. Considerable expense may be incurred in negotiating and resolving issues, including any compensation arrangements reached in settling native title claims lodged over any of the tenements held or acquired by Genesis. The presence of Aboriginal sacred sites and cultural heritage artefacts if present on the tenements is protected by State and Commonwealth laws. Any destruction or harming of such sites and artefacts may result in Genesis incurring significant fines and Court injunctions, which may adversely impact on exploration and potential mining activities. Genesis will review and, as required, conduct surveys before conducting work which could disturb the surface of the land. The existence of such sites may limit or preclude exploration or mining activities on those sites and delays and expenses may be experienced in obtaining clearances.



There is a risk that unregistered Aboriginal sites and objects may exist on the land the subject of its tenements owned by Genesis, the existence of which may preclude or limit mining activities in certain areas of such tenements. Further, the disturbance of such sites and objects is likely to be an offence under the applicable legislation, exposing Genesis to fines and other penalties.

xix. No forecast on dividends

Any future determination as to the payment of dividends by Genesis will be at the discretion of the Genesis Board and will depend on the financial condition of Genesis, future capital requirements and general business and other factors considered relevant to the Genesis Board.

No assurance in relation to the future payment of dividends or franking credits attaching to dividends can be given by Genesis.

(b) General risks

St Barbara Shareholders should be aware of the major general risks relating to Genesis Shares, which may include, but are not limited to those risks detailed below:

i. Litigation risk

Genesis may be exposed to possible litigation risks including native title claims, tenure disputes, disputes in relation to the interpretation of royalty agreements or other contractual entitlements, environmental claims, occupational health and safety claims and employee claims (among other potential claims).

Further, Genesis may be involved in disputes with other parties now or in the future which may result in litigation or other forms of dispute resolution procedure. Any such claim or dispute if proven, may impact adversely on the operations, financial performance and financial position of Genesis.

ii. Occupational health and safety

Workplace incidents may occur for various reasons, including as a result of noncompliance with occupational health and safety laws. Genesis may be liable for workplace incidents that occur to their employees, contractors or other persons under applicable occupational health and safety laws. If Genesis is liable under such laws, in whole or part, they may be liable for significant penalties, which may adversely impact their operations, financial performance and financial position.

iii. Employee and union relations

The employees at Genesis' projects may from time to time be represented by labour unions under various collective labour agreements and these and other employees may be engaged under relevant employment laws and regulations which may vary in the future.

Genesis may not be able to satisfactorily renegotiate collective labour agreements when they expire and may face higher wages and changes in benefits. In addition, existing labour agreements may not prevent strikes or work stoppages in the future, and any strike or other work stoppage could have an adverse effect on the operations and financial results of Genesis.

iv. Environmental risk

The operations and activities of Genesis are subject to the environmental laws and regulations of Australia. As with all mining operations and exploration projects, the operations and activities of Genesis are expected to have an impact on the environment. There are risks that the operations of Genesis may give rise to potentially substantial costs for environmental rehabilitation, damage control and losses that exceed estimates, and possible regulatory intervention, potentially adversely impacting the operations, financial performance and financial position of Genesis.

Additionally, environmental laws and regulations are increasingly evolving to require stricter standards and enforcement behaviours, increased fines and penalties for noncompliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility (and liability) for companies and their officers, directors and employees.



Changes in environmental laws and regulations deal with air quality, water and noise pollution and other discharges of materials into the environment, plant and wildlife protection, the reclamation and restoration of mining properties, greenhouse gas emissions, the storage, treatment and disposal of wastes, the effects of mining on the water table and groundwater quality.

Changes in environmental legislation could increase the cost of the exploration, development and mining activities of Genesis or delay or preclude those activities altogether. Genesis 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 their cost of doing business or affect their operations in any area.

There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige Genesis to incur significant expenses and undertake significant investments which could have material adverse effect on the business, financial condition and performance of Genesis.

v. Insurance coverage risk

Exploration development and mining operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, ground or slope failures, fires, floods, earthquakes and other environmental occurrences, political and social instability that could result in damage to or destruction of mineral properties, personal injury or death, environmental damage, delays in exploration and development activities caused by industrial accidents or labour disputes, changes in regulatory environment, monetary losses and possible legal liability.

Genesis maintains insurance to protect against certain risks. However, such insurance will not cover all potential risks. Genesis may be unable to maintain insurance to cover these risks at economically feasible premiums. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and development is not generally available to Genesis or to other companies in the industry on acceptable terms. Should such liabilities arise, they could adversely affect the financial position of Genesis and result in increasing costs and a decline in the value of the securities of Genesis.

vi. COVID-19

Coronavirus disease (**COVID-19**) continues to impact global economic markets. The nature and extent of the effect of COVID-19 on the performance of Genesis remains uncertain. The share price of Genesis may be adversely affected in the short to medium term by the continued economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the operations of Genesis and are likely to be beyond the control of Genesis.

vii. Economic risks

General economic conditions, movements in commodity prices, interest and inflation rates and currency exchange rates may have an adverse effect on the exploration, development and proposed production activities of Genesis, as well as on their ability to fund those activities.

Further, security market conditions may affect the value of the quoted securities of Genesis regardless of their operating performance. Security market conditions are affected by many factors such as:

- general economic outlook;
- interest rates and inflation rates;
- currency fluctuations;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

viii. Unforeseen expenses

Genesis may be subject to significant unforeseen expenses or actions. This may include unplanned operating expenses, future legal actions or expenses in relation to future unforeseen events.



ix. Securities market risk

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.

The market price of Genesis Shares could fluctuate significantly. The market price of Genesis Shares may fluctuate based on a number of factors including operating performance and the performance of competitors and other similar companies, the public's reaction to press releases, other public announcements and filings with the various securities regulatory authorities, changes in earnings estimates or recommendations by research analysts who track shares of Genesis or the shares of other companies in the resource sector, changes in general economic conditions, the number of shares publicly traded in Genesis and the arrival or departure of key personnel, acquisitions, strategic alliances or joint ventures involving Genesis or its competitors. In addition, the market price of Genesis Shares may be affected by many variables not directly related to their success and are therefore not within their control, including 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.

x. Information technology and cyber risk

The operations of Genesis are supported by information technology systems, consisting of infrastructure, networks, applications and service providers. Genesis 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 business, operations, financial condition and performance of Genesis. Disaster recovery plans are in place for all of Genesis' major sites and critical information technology systems, together with a well-developed cyber-security protection and monitoring system.

xi. Change in government policy and legislation

Any material adverse changes in relevant government policies or legislation of Australia may affect the viability and profitability of Genesis, and consequent returns to investors. The activities of Genesis are subject to various federal, state and local laws governing prospecting, exploration, development, production, taxes, labour standards and occupational health and safety, and other matters.

7. Risk factors



7.1 Introduction

Many of the same risks currently faced by St Barbara will continue to be faced by the company following the implementation of the Transaction. Investors are already exposed to these risks through their investment in St Barbara, and such risks are disclosed each year in the company's Annual Report. The nature of some of these risks may become more significant or concentrated as a result of the Transaction because all of St Barbara's operating assets will be located outside of Australia following the Leonora Sale.

This Section does not take into account the investment objectives, financial situation, position or particular needs of St Barbara Shareholders. Each St Barbara Shareholder should consult their legal, financial, taxation or other professional adviser if they have any queries.

7.2 Risks related to the Transaction

(a) Completion of the Leonora Sale is subject to various conditions

Completion of the Leonora Sale is subject to the Conditions Precedent to the Sale Agreement.

There can be no certainty, nor can St Barbara provide any assurance, that the Conditions Precedent 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 which are outside of St Barbara's control, including, but not limited to, approval of the Resolutions by St Barbara Shareholders.

Refer to the summary of the Sale Agreement in Section 3.3 for further details on the Conditions Precedent. If, for any reason, the Conditions Precedent are not satisfied (or waived, where applicable) and the Sale Agreement is not completed, the Transaction will not proceed and the market price of St Barbara Shares may be adversely affected.

(b) Termination rights under the Sale Agreement

St Barbara and Genesis each have the right to terminate the Sale Agreement in certain circumstances. There is no certainty that the Sale Agreement will remain on foot and not terminate before the Transaction is complete.

Refer to the summary of the Sale Agreement in Section 3.3 for further details on the termination rights under the Sale Agreement.

(c) Break fee

Under the Sale Agreement, a liquidated amount (or break fee) of A\$5,400,000 may become payable by St Barbara to Genesis in certain circumstances.

Refer to Section 3.3 for more information.

(d) Change in risk profile

If the Transaction is completed, there will be a change in the risk profile of St Barbara and to which St Barbara Shareholders are exposed.

If the Transaction completes, St Barbara Shareholders will also be exposed to risks relating to Genesis Shares. Refer to Section 6.14 for a summary of the risks associated with an investment in Genesis Shares.

7.3 Risks related to St Barbara post-Transaction

The risk factors presented in this Section are not an exhaustive list of all risks related to St Barbara or to the resource sector generally (which St Barbara Shareholders are already exposed). Instead, this Section 7.3 identifies certain key risks which may become more significant or concentrated for St Barbara following implementation of the Transaction, including as a result of all of St Barbara's operating assets being located outside Australia.

(a) Foreign exchange

St Barbara 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 St Barbara's revenues will be realised in, or linked to, U.S. dollars.



St Barbara is also exposed to U.S. dollars and Papua New Guinea Kina in respect of the Simberi Operations and Canadian dollars in respect of the Atlantic Operations as the operating costs are denominated in these currencies. There is a “natural” (but not perfect) hedge that matches to some degree U.S. denominated revenue and obligations related to U.S. dollar expenditure. St Barbara is therefore exposed to fluctuations in foreign currency exchange rates.

(b) Regulatory and permitting risk

St Barbara requires permits from regulatory authorities to authorise operations, including with respect to the mine development intentions regarding the Simberi Operations and the Atlantic Operations, outlined in Section 5. Obtaining necessary permits can be a time-consuming process and there is a risk St Barbara 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 St Barbara from proceeding with its mine development intentions, including those outlined in Section 5.3, 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 Papua New Guinea and Canada) may adversely affect the viability and profitability of St Barbara, and consequent returns to investors.

St Barbara’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 St Barbara’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 St Barbara’s results of operations, financial condition and prospects. Failure to comply with any applicable laws, regulations or permitting requirements may result in enforcement actions against St Barbara, 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 St Barbara’s activities or forfeiture of one or more of its tenements.

(c) Environmental risk

The operations and activities of St Barbara are subject to the environmental laws and regulations of Papua New Guinea and Canada, in particular. St Barbara attempts to conduct its operations and activities in compliance with all environmental laws and regulations. However, as with most exploration projects and mining operations, St Barbara 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 St Barbara, 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 St Barbara’s cost of doing business, in particular, the costs to be incurred for closure and reclamation, or which might affect its operations in any area. There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige St Barbara to incur significant expenses and undertake significant investments which could have a material adverse effect on St Barbara’s business, financial condition and performance.



(d) Land rehabilitation requirements

Closure and reclamation requirements for mining operations of St Barbara are generally imposed on mineral exploration and mining companies, in order to minimise long term effects of land disturbance.

Reclamation may include requirements to control dispersion of potentially deleterious effluents and to reasonably re-establish pre-disturbance land forms and vegetation. In order to carry out rehabilitation obligations imposed on St Barbara in connection with its mineral exploration and development, St Barbara must allocate financial resources that might otherwise be spent on further exploration and/or development programs. Whilst St Barbara sets closure and reclamation plans based on current requirements, these rehabilitation requirements are subject to change. Unforeseen cost increases or changes to reclamation plans arising from new information from continuing environmental and engineering studies could result in St Barbara not realising its closure and reclamation 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 St Barbara's operational or financial performance. There is a risk that St Barbara is required to allocate greater financial resources than planned for in circumstances where rehabilitation prescriptions are required to change through a variety of sources of change including government requirements.

(e) Political, social and security risks in PNG

The Simberi Operations are located in PNG and St Barbara will be subject to the various political, economic, labour and other risks and uncertainties associated with operating in that country. There are risks attached to exploration and mining operations in a developing country like PNG which are not necessarily present in a developed country like Australia. These risks and uncertainties include, but are not limited to, economic, social, labour or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export and import duties, environmental protection, mine safety and labour relations (including collective bargaining arrangements), bribery and corruption, as well as government control over mineral properties or government regulations that require employment of local staff or contractors or require other benefits to be provided to local residents. St Barbara may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity.

Any future material adverse changes in government policies, or legislation in PNG that affect taxation, foreign ownership, Government of PNG ownership of or equity participation in mining projects, mineral exploration, development or mining activities, may affect the viability and profitability of St Barbara. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on exploration, development, mining, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of primary host communities and local people, water use, local economic empowerment or similar policies, employment (including collective bargaining disputes), contractor selection and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors adds uncertainties that cannot be accurately predicted and could have an adverse effect on St Barbara operations and/or profitability.

The legal system operating in PNG is less developed than in more established countries, which may result in risk such as: difficulties in obtaining effective legal redress in the courts whether in respect of a breach of law or regulation, or in an ownership dispute, a higher degree of discretion on the part of governmental agencies and difficulties in addressing exercises of discretion that are outside of the discretionary power conferred, including revenue authorities and environmental protection agencies, the lack of political or administrative guidance on implementing applicable rules and regulations including, in particular, as regards local taxation and property rights, risks associated with the interpretation or application of laws and inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions and laws of general application, the creation of new laws which are inconsistent with old laws or impose more onerous obligations, regulations, decrees, orders and resolutions, or relative inexperience of the judiciary and courts in such matters.



The commitment by local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to licences and agreements for business. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that licences, licence applications or other legal arrangements will not be adversely affected by the actions of the government authorities or others and the effectiveness and enforcement of such arrangements cannot be assured.

(f) Change in governmental policy and legislation

Any material adverse changes in relevant government policies or legislation of Australia, Papua New Guinea and Canada may affect the viability and profitability of St Barbara, and consequent returns to investors. The activities of St Barbara are subject to various federal, state and local laws governing prospecting, exploration, development, production, taxes, labour standards and occupational health and safety, and other matters.

(g) 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 impacted communities on various matters. There can be no assurances that St Barbara's title interests will not be challenged or impugned by third parties.

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

(h) First Nations people and local landowners

St Barbara consults with the First Nations people in Nova Scotia, Canada and the local landowners in Papua New Guinea in relation to St Barbara's mining operations in those jurisdictions. Immediate and continuing access to land within St Barbara's licence areas cannot in all cases be guaranteed as St Barbara may be required to obtain the consent of First Nations people or local landowners of the relevant land or surrounding land. Compensation may be required to be paid by St Barbara to First Nations people or local landowners in order for St Barbara to carry out exploration activities. Various aspects of St Barbara's future performance and profitability are dependent on the outcome of future negotiations with third parties (including such First Nations people and local landowners).

(i) Contractual risks

St Barbara has a number of material contracts that are critical to its operations and the achievement of St Barbara's objectives will, to an extent, depend on the performance of the counterparties and their obligations under those material contracts. These material contracts generally have short contractual terms and are therefore subject to renegotiation and renewal on a periodic basis.

Whilst St Barbara endeavours to renegotiate and/or renew (as applicable) such material contracts, there is a risk that such contracts are not renewed or replaced. If a material contract is terminated, re-negotiated on terms less favourable to St Barbara (for whatever reason) or not renewed, this may have a material adverse effect on the financial performance, financial position and/or reputation of St Barbara.

In addition, there may be third party services that St Barbara receives in respect of its operations for which there is no binding agreement in place for the provision of such services. St Barbara manages this risk by identifying these services and negotiating contractual terms with the providers of these services.

St Barbara's operations also use contractors for some mining services, and some of its construction projects are conducted by contractors. As such, St Barbara'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 or a particular arrangement is not renewed, 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, St Barbara 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



St Barbara's results of operations and financial position. Further, there can be no assurance that St Barbara's existing relationships will continue to be maintained or that new ones will be successfully formed. St Barbara could be adversely affected by changes to such relationships or difficulties in forming new ones.

(j) Key personnel

St Barbara will be reliant on a number of key senior management staff. In particular, St Barbara relies heavily on the experience of its executive leadership team in developing and maintaining important relationships with governmental and regulatory authorities, partners and contractors in Australia, Canada and Papua New Guinea. St Barbara'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 St Barbara and its performance. Recruiting and retaining qualified personal is important to the success of St Barbara, 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. The increased cost to recruit or retain the necessary staff, may also adversely impact St Barbara's operations, financial performance and financial position.

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 St Barbara.

(k) Future capital requirements

It is likely that St Barbara will require future funding to explore and progress its existing projects or additional projects that St Barbara 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 St Barbara and may be undertaken at prices lower than the prevailing market price of St Barbara Shares. Debt financing, if available, may involve restrictions on financing and operating activities or anticipated expansion of St Barbara's operations.

If St Barbara 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 St Barbara's business strategy and could have a material adverse effect on St Barbara's activities.

(l) No forecast that St Barbara will pay dividends

Any future determination as to the payment of dividends by St Barbara will be at the discretion of the St Barbara Board and will depend on the financial condition of St Barbara, future capital requirements and general business and other factors considered relevant to the St Barbara Board. No assurance in relation to the future payment of dividends or franking credits attaching to dividends can be given by St Barbara.

(m) Climate change

Climate change related risks that may impact St Barbara 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 St Barbara's operations. St Barbara'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. sea level increases impacting logistics and mining at the Simberi Operations; and/or snow storms preventing access to mining the Atlantic Operations).

Carbon related regulatory impacts on St Barbara'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 St Barbara.

(n) Other natural disasters

Seismic activity is of particular concern to mining operations. The Simberi Operations 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.



7.4 General risks relating to St Barbara post-Transaction

St Barbara Shareholders should be aware of the major general risks relating to St Barbara Shares, which may include, but are not limited to those risks detailed below:

(a) Litigation risk

St Barbara may be exposed to possible litigation risks including native title claims, tenure disputes, disputes in relation to the interpretation of royalty agreements or other contractual entitlements, environmental claims, occupational health and safety claims and employee claims (among other potential claims).

Further, St Barbara may be involved in disputes with other parties now or in the future which may result in litigation or other forms of dispute resolution procedure. Any such claim or dispute if proven, may impact adversely on the operations, financial performance and financial position of St Barbara.

(b) Occupational health and safety

Workplace incidents may occur for various reasons, including as a result of noncompliance with occupational health and safety laws. St Barbara may be liable for workplace incidents that occur to their employees, contractors or other persons under applicable occupational health and safety laws. If St Barbara is liable under such laws, in whole or part, they may be liable for significant penalties, which may adversely impact their operations, financial performance and financial position.

(c) Employee and union relations

The employees at St Barbara's projects may from time to time be represented by labour unions under various collective labour agreements and these and other employees may be engaged under relevant employment laws and regulations which may vary in the future.

St Barbara may not be able to satisfactorily renegotiate collective labour agreements when they expire and may face higher wages and changes in benefits. In addition, existing labour agreements may not prevent strikes or work stoppages in the future, and any strike or other work stoppage could have an adverse effect on the operations and financial results of St Barbara.

(d) Environmental risk

The operations and activities of St Barbara are subject to the environmental laws and regulations of Canada and PNG. As with all mining operations and exploration projects, the operations and activities of St Barbara are expected to have an impact on the environment. There are risks that the operations of St Barbara may give rise to potentially substantial costs for environmental rehabilitation, damage control and losses that exceed estimates, and possible regulatory intervention, potentially adversely impacting the operations, financial performance and financial position of St Barbara.

Additionally, environmental laws and regulations are increasingly evolving to require stricter standards and enforcement behaviours, increased fines and penalties for noncompliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility (and liability) for companies and their officers, directors and employees.

Changes in environmental laws and regulations deal with air quality, water and noise pollution and other discharges of materials into the environment, plant and wildlife protection, the reclamation and restoration of mining properties, greenhouse gas emissions, the storage, treatment and disposal of wastes, the effects of mining on the water table and groundwater quality.

Changes in environmental legislation could increase the cost of the exploration, development and mining activities of St Barbara or delay or preclude those activities altogether. 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 their cost of doing business or affect their operations in any area.

There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige St Barbara to incur significant expenses and undertake significant investments which could have material adverse effect on the business, financial condition and performance of St Barbara.



(e) Insurance coverage risk

Exploration development and mining operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, ground or slope failures, fires, floods, earthquakes and other environmental occurrences, political and social instability that could result in damage to or destruction of mineral properties, personal injury or death, environmental damage, delays in exploration and development activities caused by industrial accidents or labour disputes, changes in regulatory environment, monetary losses and possible legal liability.

St Barbara maintains insurance to protect against certain risks. However, such insurance will not cover all potential risks. St Barbara may be unable to maintain insurance to cover these risks at economically feasible premiums. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and development is not generally available to St Barbara or to other companies in the industry on acceptable terms. Should such liabilities arise, they could adversely affect the financial position of St Barbara and result in increasing costs and a decline in the value of the securities of St Barbara.

(f) COVID-19

COVID-19 continues to impact global economic markets. The nature and extent of the effect of COVID-19 on the performance of St Barbara remains uncertain. The market price of St Barbara Shares may be adversely affected in the short to medium term by the continued economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the operations of St Barbara and are likely to be beyond the control of St Barbara.

(g) Economic risks

General economic conditions, movements in commodity prices, interest and inflation rates and currency exchange rates may have an adverse effect on the exploration, development and proposed production activities of St Barbara, as well as on their ability to fund those activities.

Further, security market conditions may affect the value of the quoted securities of St Barbara regardless of their operating performance. Security market conditions are affected by many factors such as:

- general economic outlook;
- interest rates and inflation rates;
- currency fluctuations;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

(h) Unforeseen expenses

St Barbara may be subject to significant unforeseen expenses or actions. This may include unplanned operating expenses, future legal actions or expenses in relation to future unforeseen events.

(i) Securities market risk

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.



The market price of St Barbara Shares could fluctuate significantly. The market price of St Barbara Shares may fluctuate based on a number of factors including operating performance and the performance of competitors and other similar companies, the public's reaction to press releases, other public announcements and filings with the various securities regulatory authorities, changes in earnings estimates or recommendations by research analysts who track shares of St Barbara or the shares of other companies in the resource sector, changes in general economic conditions, the number of shares publicly traded in St Barbara and the arrival or departure of key personnel, acquisitions, strategic alliances or joint ventures involving St Barbara or its competitors. In addition, the market price of St Barbara Shares may be affected by many variables not directly related to their success and are therefore not within their control, including 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.

(j) Information technology and cyber risk

The operations of St Barbara are supported by information technology systems, consisting of infrastructure, networks, applications and service providers. St Barbara 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 business, operations, financial condition and performance of St Barbara. Disaster recovery plans are in place for all of St Barbara's major sites and critical information technology systems, together with a well-developed cyber-security protection and monitoring system.

(k) Change in government policy and legislation

Any material adverse changes in relevant government policies or legislation of Australia, Canada or PNG may affect the viability and profitability of St Barbara, and consequent returns to investors. The activities of St Barbara are subject to various laws governing prospecting, exploration, development, production, taxes, labour standards and occupational health and safety, and other matters.

8. Taxation implications of the Capital Reduction



8.1 Introduction

The following is a general summary of the Australian income tax, GST and stamp duty implications expected to arise for certain St Barbara Shareholders in respect of the Capital Reduction. As this summary is necessarily general in nature, St Barbara Shareholders should consult with a professional tax advisor regarding their particular circumstances.

This tax summary only addresses the position of St Barbara Shareholders (other than Ineligible Foreign Shareholders) who:

- are registered on the St Barbara Share Register as the holders of St Barbara Shares at the Record Date and continue to hold their shares until the Implementation Date;
- hold their St Barbara Shares on capital account (i.e. not on revenue account or as trading stock);
- have not elected for the taxation of financial arrangements provisions in Division 230 of the Income Tax Assessment Act 1997 to apply in respect of their St Barbara Shares; and
- did not acquire their St Barbara Shares under a St Barbara Employee Share Plan.

St Barbara Shareholders should seek professional advice to determine if their St Barbara Shares are held in the above capacity.

This tax summary does not address any tax consequence arising under the laws of jurisdictions other than Australia.

This tax summary is based on Australian tax laws and regulations, interpretations of such laws and regulations, and administrative practice as at the date of this Explanatory Booklet, which may change.

The comments in this Section are generally directed at St Barbara Shareholders who are Australian tax residents (and are not tax residents in any other country), and who acquired, or are taken to have acquired, their St Barbara Shares on or after 20 September 1985. Further, the comments also assume that no portion of the Capital Reduction is treated as a general dividend for tax purposes under section 6-1 of the *Income Tax Assessment Act 1936* (Cth).

However, where relevant, specific comments have been made regarding non-resident St Barbara Shareholders who:

- do not hold their St Barbara Shares in carrying on business through a permanent establishment in Australia; and
- did not make an election to treat their St Barbara Shares as taxable Australian property under section 104-165 of the *Income Tax Assessment Act 1997* when they ceased to be an Australian resident (**Residency Election**).

A non-resident St Barbara Shareholder who, together with any tax law associates, owns, or has owned, 10% or more of the shares in St Barbara should seek their own advice.

8.2 Class ruling

St Barbara is in the process of applying to the Australian Commissioner of Taxation (**Commissioner**) for a class ruling confirming certain income tax implications in respect of the Capital Reduction for St Barbara Shareholders.

A class ruling will only be received from the Commissioner after the implementation of the Capital Reduction. Until such time as this class ruling is issued, the final nature of the Capital Reduction will not be known for tax purposes with certainty. Accordingly, the information below includes the implications for St Barbara Shareholders where:

- the entire Capital Reduction is regarded as a return of capital; and
- a section 45B determination is made (i.e. some or all of the Capital Reduction is deemed to be a dividend for tax purposes).



8.3 Summary of tax outcomes

On the Implementation Date:

- St Barbara will undertake the Capital Reduction. The Capital Reduction will be effected by a distribution of Genesis Shares; and
- each St Barbara Shareholder (other than Ineligible Foreign Shareholders) will receive a fraction of a Genesis Share for each St Barbara Share it is registered as holding as at the Record Date (subject to fractional entitlement rounding as described in Section 4.5(k)).⁴⁸

In the case of Ineligible Foreign Shareholders, the Genesis Shares which those shareholders would otherwise have received under the Capital Reduction will be transferred to the Sale Agent to be sold on the ASX. The proceeds of sale will be remitted to the Ineligible Foreign Shareholders.

The potential Australian income tax consequences of the Capital Reduction for Australian resident St Barbara Shareholders are summarised in the table below. Section 8.3(a) provides a summary of the Australian income tax consequences in circumstances where the Commissioner does not make a section 45B determination and the Capital Reduction is wholly treated as a distribution of capital. Section 8.3(b) provides a summary of the Australian income tax consequences in circumstances where the Commission makes a section 45B determination to treat some (or all) of the Capital Reduction as a deemed dividend.

(a) Australian income tax consequence (assuming the Capital Reduction is treated as a capital return for tax purposes)

Issue	Australian income tax consequence (assuming the Capital Reduction is treated as a capital return for tax purposes)	Refer
Will I be assessed on the distribution of the Distribution Shares as a dividend?	You will not be assessed on the distribution as a dividend.	N/A
Does the Capital Reduction give rise to capital gains tax (CGT) consequences?	<p>A capital gain may arise if the Capital Reduction (being the value of the Genesis Shares received) is more than the cost base of your St Barbara shares.</p> <p>Depending on your individual circumstances, you may be entitled to discount CGT treatment on any capital gain if you held your St Barbara Shares for at least 12 months before the Implementation Date.</p> <p>Note: The cost base of the St Barbara Shares will be reduced by the Capital Reduction (potentially to zero), see below for further details.</p>	Section 8.4(a)
How do I determine the cost base of the St Barbara Shares and Genesis Shares?	<p>You must reduce the tax cost base of your St Barbara Shares by the amount of the Capital Reduction (potentially to zero).</p> <p>The Genesis Shares you receive should have a cost base equal to the Capital Reduction (i.e. the value of the Genesis Shares at the time of the Capital Reduction).</p> <p>Further information will be given to you to assist in this calculation.</p>	Section 8.4(b)
When am I taken to have acquired my Genesis Shares for CGT discount purposes?	For these purposes, you will be treated as having acquired your Genesis Shares on the Implementation Date	Section 8.4(c)

⁴⁸ Refer to Section 4.5(b) for an explanation of how the Capital Reduction ratio will be determined.



The Australian income tax outcomes for Australian resident St Barbara Shareholders will be different if the Commissioner rules that a section 45B determination will be made – refer to the table below and Section 8.5 for further details. St Barbara Shareholders should note that a section 45B determination may not be made in respect of the full value of the Capital Reduction. Where a portion of the Capital Return is treated as a deemed dividend, the balance of the Capital Reduction should still be treated as outlined in Section 8.3(a).

(b) Australian income tax consequence (assuming the Capital Reduction is treated as a deemed dividend under a section 45B determination)

Issue	Australian income tax consequence (assuming the Capital Reduction is treated as a deemed dividend under a section 45B determination)	Refer
Will I be assessed on the distribution of the Distribution Shares as a dividend?	Yes, you will be assessed on the distribution (to the extent it is treated as a deemed dividend) as an unfranked dividend.	N/A
Does the Capital Reduction give rise to CGT consequences?	To the extent a deemed unfranked dividend treatment occurs, there will be no CGT treatment. Any portion of the Capital Reduction that is not treated as a deemed dividend will be treated as outlined in Section 8.3(a).	Section 8.5
How do I determine the cost base of the St Barbara Shares and Genesis Shares?	To the extent the Capital Return is treated as a deemed dividend, it should not impact the tax cost base of your St Barbara Shares. The Genesis Shares received should have a cost base equal to the Capital Reduction (i.e. the value of the Genesis Shares at the time of the Capital Reduction). Further information will be given to you to assist in this calculation.	Section 8.5
When am I taken to have acquired my Genesis Shares for CGT discount purposes?	You are taken to have acquired the Genesis Shares on the Implementation Date.	Section 8.5

8.4 If the Capital Reduction is wholly treated as a return of capital for tax purposes and there is no deemed dividend under a section 45B determination

(a) Capital Reduction – CGT consequences

i. Australian resident St Barbara Shareholders

CGT event G1 will happen on the Implementation Date for St Barbara Shareholders who hold St Barbara Shares:

- under CGT event G1, a capital gain will arise to the extent (if any) that the Capital Reduction Amount in respect of that St Barbara Share exceeds the cost base of that share; and
- Australian resident St Barbara Shareholders may be entitled to discount CGT treatment on any capital gain arising in respect of the Capital Reduction. Discount CGT treatment may be available for an Australian resident St Barbara Shareholder that is an individual, trust, or complying superannuation entity and who acquired their St Barbara Shares at least 12 months before the Implementation Date. The discount factor will vary depending on the tax profile of the St Barbara Shareholder. Specifically, the discount factor for resident individuals and trusts is 1/2 and for complying superannuation entities is 1/3.



ii. Non-resident St Barbara Shareholders

For a non-resident St Barbara Shareholder who does not hold their St Barbara Shares in carrying on a business through a permanent establishment in Australia and has not made a “residency election”, CGT consequences should arise only if:

- that St Barbara Shareholder together with its tax law associates held 10% or more of the St Barbara Shares at the time of the Capital Reduction or for any continuous 12 month period within two years preceding the disposal (referred to as a “non-portfolio interest” in St Barbara); and
- more than 50% of St Barbara’s value is attributable to direct or indirect interests in “taxable Australian real property” (as defined in the Income Tax Assessment Act 1997 (Cth)).

Non-resident St Barbara Shareholders who hold (or have held) a non-portfolio interest should obtain independent professional advice as to the tax implications of the Capital Reduction, including on the application of any relevant double tax agreements between Australia and the country of residence of the shareholder.

(b) CGT cost base in St Barbara Shares and Genesis Shares

Australian resident St Barbara Shareholders who hold St Barbara Shares must reduce the tax cost base of their St Barbara Shares just before the Capital Reduction, by the Capital Reduction Amount in the form of Genesis Shares held just after the Capital Reduction.

The first element of the tax cost base of each St Barbara Share and corresponding Genesis Share held by an Australian resident St Barbara Shareholder just after the Capital Reduction will be determined as follows:

- calculate the total of the cost bases of St Barbara Shares held (worked out just before the Capital Reduction);
- reduce the result of the above calculation (by the value of Genesis Shares distributed (potentially to zero)); and
- the cost base of the Genesis Shares will be the value of the capital returned.

St Barbara will provide St Barbara Shareholders with information to assist them in determining the respective cost bases of their St Barbara Shares and corresponding Genesis Shares on the St Barbara website (www.stbarbara.com) following the Capital Reduction.

(c) Time of acquisition of Genesis Shares

St Barbara Shareholders will be treated as having acquired their Genesis Shares on the Implementation Date for capital gains tax purposes.

8.5 If a section 45B determination is made and all (or a portion) of the Capital Reduction is not treated as a return of capital for tax purposes

If the Commissioner makes a section 45B determination, all (or a portion) of the Capital Reduction may be treated as an unfranked dividend.

Any component of the Capital Reduction that is not treated as an unfranked dividend will retain its capital character and have the tax implications as outlined in Section 8.4.

The treatment of the deemed dividend for St Barbara Shareholders is outlined below. A deemed dividend should not impact the cost base of St Barbara Shares and the determination of the cost base of Genesis Shares outlined in Section 8.4 should equally apply under this scenario.

(a) Australian resident St Barbara Shareholders

St Barbara Shareholders who are Australian tax residents should include the amount of any deemed dividend (gross of any withholding tax) as assessable income in their income tax return.

A St Barbara Shareholder who is an Australian tax resident is not obliged to quote a TFN (or where relevant, an ABN) to St Barbara. However, as the dividend would be unfranked, if a TFN (or ABN) is not quoted to St Barbara and no exemption is applicable, income tax is required to be deducted by St Barbara at the highest marginal rate (currently 45% plus Medicare levy of 2%) from the dividend.

A St Barbara Shareholder who is an Australian tax resident may be able to claim a tax credit or rebate (as applicable) in respect of any tax withheld on the dividend in their income tax return.



St Barbara Shareholders who are Australian tax residents that have not provided, or are not certain whether they have provided, a TFN (or ABN) to St Barbara are advised to update their records with the St Barbara Share Registry at the St Barbara Share Registry's website (www.computershare.com.au/easyupdate/sbm) in order to avoid withholding tax being applied to any dividend component of the Capital Reduction.

(b) Non-resident St Barbara Shareholders

Australian DWT should be applicable on the amount of any deemed dividend received by a St Barbara Shareholder who is a non-resident of Australia for tax purposes, with the DWT levied at a flat rate of 30% on the gross amount of the deemed dividend as reduced by an applicable double tax treaty with Australia and the relevant jurisdiction of the St Barbara Shareholder.

Other than DWT, a St Barbara Shareholder that is a non-resident of Australia for income tax purposes should not be taxable in Australia on such dividends provided they do not hold their St Barbara Shares through an Australian permanent establishment.

Non-resident St Barbara Shareholders should seek their own independent tax advice as to the tax implications in their country of residence of receiving the deemed dividend (including if a credit is available for any Australian DWT).

8.6 Holding Genesis Shares

The Australian income tax consequences for holding Genesis Shares should generally be the same as holding St Barbara Shares.

(a) Dividends

Australian resident Genesis Shareholders will be required to include dividends in respect of Genesis Shares in their assessable income for the income year in which the dividends are received.

Dividends may be franked to the extent determined by Genesis.

For Australian resident Genesis Shareholders:

- subject to the "qualified person" rules, the Genesis Shareholder should include any franking credits in their assessable income and should be entitled to a tax offset equal to the franking credits received;
- a Genesis Shareholder that is an individual or complying superannuation entity may be able to receive a tax refund in a particular year if the franking credits attached to the dividend exceed the tax payable on the Genesis Shareholder's total taxable income for that income year;
- a Genesis Shareholder that is a company will not be entitled to a tax refund of excess franking credits. Rather, the excess franking credits may be converted to a tax loss which can be carried forward to future years (subject to the Genesis Shareholder satisfying certain loss carry forward rules); and
- Genesis Shareholders that are trusts should obtain their own advice on the Australian tax treatment of dividends received from Genesis and any franking credits attached.

For non-resident Genesis Shareholders:

- to the extent a dividend is franked, no DWT should arise; and
- to the extent a dividend is unfranked, DWT of 30 per cent will arise subject to reduction under relevant double tax agreements between Australia and the country of residence of the shareholder or in the circumstance where conduit foreign income (CFI) is attached to the dividend via the non-Australian operations of Genesis.

(b) Sale of Genesis Shares

Australian resident Genesis Shareholders will make a capital gain or capital loss depending on whether the sale proceeds from the disposal of their Genesis Shares exceed the cost base of the shares sold.

For the purpose of determining the CGT consequences from a sale of the Genesis Shares:

- the cost base of the Genesis Shares will be as outlined in Section 8.4(b); and
- for the purpose of determining whether the Genesis Shares are held for 12 months or more for the purpose of the CGT discount, shareholders will be treated as having acquired the corresponding Genesis Shares on the Implementation Date (see Section 8.4(a)).



A non-resident Genesis Shareholder (who holds less than 10% of the Genesis Shares on an associate inclusive basis) holding their shares on capital account should not generally be subject to CGT unless their Genesis Shares are held via an Australian permanent establishment.

8.7 Other matters

(a) TFN and ABN

Following the Transaction, it is expected that St Barbara Shareholders will be given the opportunity to quote their TFN, TFN exemption or their ABN in respect of Genesis Shares. These numbers will not be transferred or otherwise provided to Genesis.

St Barbara Shareholders need not quote a TFN, TFN exemption or ABN in respect of their Genesis Shares. However, if they do not, then TFN withholding may be required to be deducted from any dividends paid by Genesis at the highest marginal tax rate plus the medicare levy (currently 47 per cent in total).

(b) GST

No GST should be payable by St Barbara Shareholders in relation to their participation in the Transaction.

However, the eligibility for St Barbara Shareholders to claim full or partial input tax credits in relation to GST incurred on advisor fees and other costs relating to their participation in the Transaction will depend on the individual circumstances of each shareholder.

(c) Stamp duty

No stamp duty should be payable in any Australian State or Territory by St Barbara Shareholders in relation to their participation in the Transaction.

(d) Foreign resident CGT withholding declaration

St Barbara warrants that it has, at all times up to and including the Implementation Date, been an Australian resident for tax purposes in accordance with the Income Tax Assessment Act 1936. On the basis of the above declaration, and given that St Barbara is a company incorporated in Australia, foreign resident CGT withholding should not apply to the Transaction.

9. Additional information



9.1 Interests of St Barbara Directors

St Barbara Directors who hold St Barbara Shares will be entitled to vote at the Extraordinary General Meeting and receive Genesis Shares under the Genesis Share Distribution on the same terms as all other St Barbara Shareholders.

Set out in the table below are details of the interests of the St Barbara Directors in the securities of St Barbara and Genesis as at the date of this Explanatory Booklet, plus the anticipated number of Genesis Shares that they will receive if the Transaction is approved (assuming a ratio of 0.25 Genesis Shares for each St Barbara Share held by a St Barbara Shareholder on the Record Date):

Directors	St Barbara Shares	St Barbara Performance Rights	Genesis Shares ⁽²⁾⁽³⁾
Daniel Lougher ⁽¹⁾	500,000	-	125,000
Kerry Gleeson	28,785	5,576	7,196
Stefanie Loader	30,414	18,587	7,603
David Moroney	105,438	-	26,359

Notes:

1. Exclusive of the 300,000 St Barbara Shares to which Mr Lougher is entitled to be issued on 30 June 2023 (subject to Mr Lougher remaining employed with St Barbara and subject to the achievement of strategic initiatives determined by the St Barbara Board) as part of his one-off on boarding payment. Refer to St Barbara's ASX announcement dated 17 November 2022 and entitled "Change of leadership" for more information.
2. Assumes a ratio of 0.25 Genesis Shares for each St Barbara Share held by a St Barbara Shareholder on the Record Date and that no St Barbara Performance Rights are exercised.
3. No St Barbara Director currently holds any Genesis Shares.

9.2 Remuneration of St Barbara Directors

The St Barbara constitution provides that non-executive directors of St Barbara may be paid, as remuneration for their services as St Barbara Directors, 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.

The St Barbara Directors currently receive the following salaries (inclusive of superannuation and director fees):

- Daniel Lougher – \$750,000 for his role as Managing Director and Chief Executive Officer;
- Kerry Gleeson – \$263,340 for her role as Chair of the St Barbara Board;
- Stefanie Loader – \$171,260 for her role as non-executive director; and
- David Moroney – \$161,260 for his role as non-executive director.

The remuneration of the St Barbara Directors for the past two financial years is detailed in the below table:

St Barbara Director		Cash, salary & fees (A\$) ⁽¹⁾	Non-monetary benefits (A\$)	Superannuation (A\$)	Total (A\$)
Daniel Lougher ⁽²⁾	2022	724,700	-	25,300	750,000
	2021	-	-	-	-
Kerry Gleeson	2022	146,600	-	14,660	161,260
	2021	148,571	-	12,689	161,260
Stefanie Loader	2022	146,600	-	14,660	161,260
	2021	151,607	-	9,653	161,260
David Moroney	2022	146,600	-	14,660	161,260
	2021	147,720	-	13,990	161,260

Notes:

1. Inclusive of any participation in the St Barbara NED Equity Plan.
2. Daniel Lougher was appointed Managing Director with effect from 28 November 2022.



9.3 Regulatory waivers and consents

(a) ASIC

St Barbara has applied to ASIC for relief from various provisions in the Corporations Act (including the provisions relating to managed investment schemes and financial services licensing) that may otherwise apply to the Sale Facility.

(b) ASX

ASX has:

- provided in-principle confirmation that ASX Listing Rules 11.1 and 11.2 do not apply to the Leonora Sale; and
- provided in-principle confirmation that the distribution of Genesis Shares through the Genesis Share Distribution will be on a pro rata basis for the purposes of Listing Rule 7.17 despite St Barbara intending to set up the Sale Facility to dispose of the Genesis Shares to which the Ineligible Foreign Shareholders would otherwise be entitled.

9.4 Consents and disclaimers

Each of the parties named in this Section 9.4 as consenting parties:

- has given and has not, before the date of this Explanatory Booklet, withdrawn its written consent to be named in this Explanatory Booklet in the form and context in which it is named;
- where applicable, has given and has not, before the date of this Explanatory Booklet, withdrawn its written consent to the inclusion of their respective statements noted next to their names in this Section 9.4, and the references to those statements in the form and context in which they are included in this Explanatory Booklet;
- does not make, or purport to make, any statement in this Explanatory Booklet other than those statements referred to in this Section 9.4 in respect of that person's name (and as consented to by that person); and
- to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for any statements in or omissions from this Explanatory Booklet, other than a reference to its name and any statement which has been included in this Explanatory Booklet with the consent of that person.

Further, Computershare Investor Services Pty Limited has given and, as at the date of this Explanatory Booklet, has not withdrawn, its written consent to be named as the St Barbara Share Registry in the form and context in which it is named. Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of this Explanatory Booklet other than as being named as the St Barbara Share Registry. Computershare Investor Services Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this Explanatory Booklet.

Role	Consenting Party
Legal adviser	King & Wood Mallesons
Financial adviser	Macquarie Capital (Australia) Limited
Taxation adviser	Deloitte Tax Services Pty Ltd, in relation to Section 8
St Barbara Share Registry	Computershare Investor Services Pty Limited
Genesis	Genesis Minerals Limited, in relation to Sections 6, 9.5(b) and 9.5(c)
Auditor	PricewaterhouseCoopers

9.5 Competent Persons' Statements and compliance statements

(a) St Barbara

The information in this Explanatory Booklet that relates to Mineral Resources and Ore Reserves referable to St Barbara is extracted from St Barbara's ASX announcement dated 22 February 2023 and entitled "Ore Reserves and Mineral Resources Statements as at 31 December 2022", available to view at stbarbara.com.au and for which Competent Persons' consents were obtained (**Original Report**).



St Barbara confirms that it is not aware of any new information or data that materially affects the information included in the Original Report and, in the case of estimates of Mineral Resources and Ore Resources, that all material assumptions and technical parameters underpinning the estimates in the Original Report continue to apply and have not materially changed.

St Barbara confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the Original Report.

(b) Genesis

The information in this Explanatory Booklet that relates to Mineral Resources referable to Genesis is extracted from Genesis' ASX announcement dated 29 March 2022 and entitled "*Leonora Resource increases by 400,000oz to 2Moz*" and for which the consent of the Competent Person, Mr Paul Payne, was obtained. Genesis confirms that it is not aware of any new information or data that materially affects the information included in the ASX announcement and Genesis confirms that all material assumptions and technical parameters underpinning the mineral resource estimates in the ASX announcement continue to apply and have not materially changed. Genesis confirms that the form and context in which the Competent Person's findings are presented have not been materially modified.

The information in this Explanatory Booklet that relates to Mineral Resources referable to Dacian is extracted from Dacian's ASX announcement dated 30 March 2023 and entitled "*Updated Jupiter Mineral Resource Estimate*" and for which the consent of the Competent Person, Mr Alex Wishaw, was obtained. Genesis confirms that it is not aware of any new information or data that materially affects the information included in the ASX announcement and Genesis confirms that all material assumptions and technical parameters underpinning the Mineral Resource estimates in the ASX announcement continue to apply and have not materially changed. Genesis confirms that the form and context in which the Competent Person's findings are presented have not been materially modified.

The information in this Explanatory Booklet that relates to Ore Reserves referable to Dacian is extracted from Genesis' ASX announcement dated 12 December 2022 and entitled "*Reporting on Dacian Projects*" and for which the consent of the Competent Person, Mr Atish Kumar, was obtained. Genesis confirms that it is not aware of any new information or data that materially affects the information included in the ASX announcement and Genesis confirms that all material assumptions and technical parameters underpinning the Ore Reserve estimates in the ASX announcement continue to apply and have not materially changed. Genesis confirms that the form and context in which the Competent Person's findings are presented have not been materially modified.

The information in this Explanatory Booklet Notice that relates to Ore Reserves and Mineral Resources referable to St Barbara (Leonora Operations) is extracted from Genesis' ASX announcement dated 17 April 2023 and entitled "*Reporting on St Barbara's Leonora Projects*" and for which the consent of the Competent Persons Mr Brett Ascott (in respect of the Ore Reserves at Gwalia and Zoroastrian), Mr Andrew Francis (in respect of the Ore Reserves at Aphrodite), Mr Martin Liu and Mr Glen Williamson (in respect of the Ore Reserves at Tower Hill), Ms Jane Bateman (in respect of the Mineral Resources at Tower Hill and the Bardoc Deposits) and Mr David Reid (in respect of the Mineral Resources at Gwalia and Harbour Lights), were obtained. Genesis confirms that it is not aware of any new information or data that materially affects the information included in the ASX announcement and Genesis confirms that all material assumptions and technical parameters underpinning the Mineral Resource and Ore Reserve estimates in the ASX announcement continue to apply and have not materially changed. Genesis confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified.

(c) Genesis Production Target

The Genesis Production Target in Section 6.5 is extracted from Genesis' ASX announcement dated 17 April 2023 and entitled "*Presentation – Acquisition of St Barbara's Leonora Assets*". Genesis confirms that all material assumptions underpinning the Genesis Production Target in that ASX announcement continue to apply and have not materially changed. There is a low level of geological confidence associated with inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of indicated Mineral Resources or that the Genesis Production Target itself will be realised.



9.6 Foreign selling restrictions

This Explanatory Booklet does not constitute an offer of Genesis Shares in any jurisdiction in which it would be unlawful. In particular, this Explanatory Booklet may not be distributed to any person, and the Genesis Shares may not be offered or sold, in any country outside Australia except to the extent provided below.

New Zealand

You are being offered Genesis Shares via the Genesis Share Distribution.

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This requires those offering financial products to have disclosed information that is important for investors to make an informed decision.

The usual rules do not apply to this offer because it is a small offer. As a result, you may not be given all the information usually required. You will also have fewer other legal protections for this investment.

Ask questions, read all documents carefully and seek independent financial advice before committing yourself.

Singapore

This Explanatory Booklet and any other materials relating to the Genesis Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Explanatory Booklet and any other document relating to the offer of Genesis Shares may not be issued, circulated or distributed, nor may the Genesis Shares be offered or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the *Securities and Futures Act 2001* of Singapore (the “SFA”), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Explanatory Booklet is being made available in Singapore only to existing shareholders of St Barbara. You may not forward or circulate this Explanatory Booklet to any other person in Singapore. Any offer is not made to you with a view to the Genesis Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Genesis Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United Kingdom

Neither this Explanatory Booklet nor any other document relating to the Genesis Share Distribution has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the *Financial Services and Markets Act 2000*, as amended (“FSMA”)) has been published or is intended to be published in respect of the Genesis Shares.

This Explanatory Booklet does not constitute an offer of transferable securities to the public within the meaning of the UK Prospectus Regulation or the FSMA. Accordingly, this document does not constitute a prospectus for the purposes of the UK Prospectus Regulation or the FSMA.

This Explanatory Booklet is issued on a confidential basis in the United Kingdom to existing shareholders of St Barbara. This Explanatory Booklet may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the transfer or sale of the Genesis Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to St Barbara.

In the United Kingdom, this Explanatory Booklet is being distributed only to, and is directed at, persons (i) who fall within Article 43 (members of certain bodies corporate) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, or (ii) to whom it may otherwise be lawfully communicated (together “relevant persons”). The investments to which this Explanatory Booklet relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Explanatory Booklet or any of its contents.



United States

This Explanatory Booklet has not been filed with, or reviewed by, the US Securities and Exchange Commission or any US state securities authority and none of them has passed upon or endorsed the merits of the Genesis Share Distribution or the accuracy, adequacy or completeness of the Explanatory Booklet. Any representation to the contrary is a criminal offence.

The Genesis Shares have not been, and will not be, registered under the US Securities Act 1933 or the securities laws of any US state or other jurisdiction. Accordingly, the Genesis Shares may not be offered or issued in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act of 1933 and applicable US state securities laws.

An offer of the Genesis Shares is being made in the United States only to St Barbara Shareholders that are “institutional accredited investors” (“IAIs”) within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (9) and (12) under the Securities Act. In order to receive Genesis Shares in the Genesis Share Distribution, a US shareholder must sign and return a US investor certificate that is available from St Barbara to confirm, amongst other things, that the shareholder is an IAI.

US shareholders of St Barbara should note that the Genesis Share Distribution is made of securities of an Australian company in accordance with the laws of Australia and the listing rules of the Australian Securities Exchange. The Genesis Share Distribution is subject to disclosure requirements of Australia that are different from those of the United States.

It may be difficult for you to enforce your rights and any claim you may have arising under US federal securities laws, since St Barbara and Genesis are located in Australia and most, if not all, of their officers and directors are residents of Australia. You may not be able to sue their respective officers or directors in Australia for violations of the US securities laws. It may be difficult to compel St Barbara and Genesis to subject themselves to a US court’s judgment.

Norway

This Explanatory Booklet has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007 no. 75, as amended. Accordingly, this Explanatory Booklet shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act.

The Genesis Shares may not be offered or sold in Norway except:

- to “professional clients” (as defined in the Norwegian Securities Trading Act);
- to fewer than 150 non-professional clients; or
- in any other circumstances provided that such offer of securities does not result in a requirement for the registration or the publication of a prospectus pursuant to the Norwegian Securities Trading Act.

Germany

This Explanatory Booklet may only be distributed in Germany to existing St Barbara Shareholders. This Explanatory Booklet has not been, and will not be, registered with or approved by any securities regulator in Germany. Accordingly, this Explanatory Booklet may not be made available, nor may the Genesis Shares be offered for sale in Germany, except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union.

Switzerland

No securities of St Barbara will be listed on the SIX Swiss Exchange (“SIX”) or on any other stock exchange or regulated trading facility in Switzerland. This Explanatory Booklet has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this Explanatory Booklet nor any other document relating to the Genesis Shares may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Explanatory Booklet nor any other document relating to the Genesis Shares have been, or will be, filed with or approved by any Swiss regulatory authority. This Explanatory Booklet is personal to the recipient only and not for general circulation in Switzerland.



9.7 Other information material to the making of a decision in relation to the Resolutions

Except as set out in this Explanatory Booklet, there is no other information material to the making of a decision in relation to the Resolutions, being information that is within the knowledge of any St Barbara Director which has not previously been disclosed to St Barbara Shareholders.

9.8 Supplementary information

St Barbara will issue a supplementary document to this Explanatory Booklet if it becomes aware of any of the following between the date of this Explanatory Booklet and the date of the Extraordinary General Meeting:

- a material statement in this Explanatory Booklet is false or misleading;
- a material omission from this Explanatory Booklet;
- a significant change affecting a matter included in this Explanatory Booklet; or
- a significant new matter has arisen and it would have been required to be included in this Explanatory Booklet if it had arisen before the date of this Explanatory Booklet.

Depending on the nature and timing of the changed circumstances and subject to obtaining any relevant approvals, St Barbara may circulate and publish any supplementary document by:

- posting the supplementary document on St Barbara's website (www.stbarbara.com); or
- making an announcement to ASX.

Any updated information about the Transaction will be made available by announcement to ASX and on St Barbara's website (www.stbarbara.com).

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10. Glossary



The following is a glossary of certain terms used in this Explanatory Booklet.

\$ or A\$	Australian dollars.
2022 Interim Report	has the meaning given in Section 5.4.
AAS or Australian Accounting Standards	Australian Accounting Standards issued by the AASB.
AASB	Australian Accounting Standards Board.
ABN	Australian Business Number.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited ABN 98 008 624 691, or the financial market operated by the Australian Securities Exchange, as the context requires.
ASX Listing Rules	the official Listing Rules of ASX.
Atlantic Operations	the operating assets and associated mining tenure located in Nova Scotia, Canada, as summarised in Section 5.2(a).
ATO	Australian Taxation Office.
AWST	Australian Western Standard Time.
Business Day	has the meaning given in the ASX Listing Rules.
Capital Reduction	has the meaning given in Section 1.3.
Capital Reduction Amount	the market value of the Distribution Shares on the Effective Date.
CGT	capital gains tax.
Commissioner of Taxation	Australian Commissioner of Taxation.
Competent Person	has the meaning given to in the JORC Code.
Completion	means the completion of the Leonora Sale under, and in accordance with, the Sale Agreement.
Completion Date	means the date on which Completion occurs. Refer to the Timetable for anticipated timing.
Completion Share Price	has the meaning given in Section 4.4(b).
Conditions Precedent	means the conditions precedent to the Sale Agreement, as detailed in Section 3.3(a).
Consideration Shares	205,000,000 Genesis Shares (on the basis that St Barbara Shareholders approve the Resolutions on or before 30 June 2023, otherwise refer to Section 2.6(a)).
Contingent Consideration Milestone	has the meaning given in Section 3.3(d).
Contingent Consideration Shares	52,173,913 Genesis Shares (subject to adjustment in accordance with the Sale Agreement), described in Section 3.3(d).
Control Event	has the meaning given in Section 6.13(b).
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Dacian	Dacian Gold Limited (ACN 154 262 978).
Dacian Takeover	has the meaning given in Section 6.3(b).

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Distribution Shares	that number of Consideration Shares as is determined by the St Barbara Board in accordance with Section 4.5, being up to 205,000,000 Consideration Shares.
DWT	dividend withholding tax.
Effective Date	the date on which the Genesis Share Distribution (including the Capital Reduction the subject of Resolution 2) is designated as taking effect. Refer to the Timetable for the anticipated timing.
Eligible Shareholder	<p>a St Barbara Shareholder whose registered address on the St Barbara Share Register on the Record Date is in:</p> <ul style="list-style-type: none">• Australia, New Zealand (where the number of St Barbara Shareholders is less than 20), Singapore, the United Kingdom, the United States (where St Barbara Shareholders are “institutional accredited investors” within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (9) or (12) under the US Securities Act), Norway (where (i) St Barbara Shareholders are “professional clients” or (ii) the number of St Barbara Shareholders who are non-professional clients is less than 150), Germany or Switzerland; or• a jurisdiction respect of which St Barbara reasonably believes that it is not prohibited and not unduly onerous or impractical to distribute Genesis Shares to a St Barbara Shareholder with a registered address in such jurisdiction.
End Date	17 October 2023, or such later date as St Barbara and Genesis may agree under the terms of the Sale Agreement.
EPBs	Environmental Performance Bonds in favour of Nova Scotia in connection with the Atlantic Operations.
Exclusivity Arrangements	has the meaning given in Section 3.3(e).
Exclusivity Period	the period beginning on and from the date of the Sale Agreement until Completion (unless the Sale Agreement is terminated prior).
Explanatory Booklet	this booklet.
Extraordinary General Meeting	the extraordinary general meeting of St Barbara Shareholders convened to consider the Resolutions to be held at 11.00am (AWST) on 20 June 2023.
Facility Agreement	the syndicated facility agreement dated 26 October 2021 between St Barbara (as borrower) and Westpac Banking Corporation (as agent), as amended from time to time.
Financing Payments	<p>as described in Section 5.4:</p> <ul style="list-style-type: none">• the payment of the outstanding amounts on the Facility Agreement;• the payment of the outstanding amounts on St Barbara’s finance lease liabilities; and• the cash backing of the Letters of Credit issued in respect of the EPBs.
FY	financial year, being the 12 months to 30 June.
Genesis	Genesis Minerals Limited (ACN 124 772 041).
Genesis Board	the board of directors of Genesis.
Genesis Capital Raising	the issue of Genesis Shares to sophisticated and institutional investors at an issue price of \$1.15, as announced to ASX on 17 April 2023, via a \$70 million unconditional placement and a \$400 million conditional placement.
Genesis Group	Genesis, together with its Subsidiaries.
Genesis Information	the information regarding Genesis provided by Genesis to St Barbara in writing for inclusion in the Explanatory Booklet, predominantly being (other than to the extent these sections contain or rely on information prepared by St Barbara) Section 6 (Overview of Genesis) and Section 9.5(b) and 9.5(c) (Competent Persons’ Statements and compliance statements).

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Genesis Performance Rights	52,173,913 Genesis performance rights which convert into Genesis Shares upon the satisfaction of the Contingent Consideration Milestone.
Genesis Production Target	Genesis' forecast production target of "300kozpa" in respect of its mining operations (post-Transaction), as outlined in Section 6.5.
Genesis Resolutions	means: <ul style="list-style-type: none">• a resolution put to Genesis Shareholders for the approval of the issue of the Consideration Shares and Genesis Performance Rights for the purposes of ASX Listing Rule 7.1; and• a resolution put to Genesis Shareholders for the approval of the issue of Genesis Shares in connection with the Genesis Capital Raising for the purposes of ASX Listing Rule 7.1.
Genesis Share	a fully paid ordinary share in the capital of Genesis.
Genesis Share Distribution	the transfer of the Distribution Shares to St Barbara Shareholders (other than Ineligible Foreign Shareholders) in satisfaction of the Capital Reduction the subject of Resolution 2.
Genesis Shareholder	each person registered in the register of members of Genesis as a holder of Genesis Shares.
GST	has the meaning given in the A New Tax System (Goods and Services Tax) Act 1999 (Cth).
Implementation Date	the date of implementation of the Genesis Share Distribution in satisfaction of the Capital Reduction the subject of Resolution 2. Refer to the Timetable for the anticipated timing.
Ineligible Foreign Shareholder	a St Barbara Shareholder who is not an Eligible Shareholder.
JORC Code	the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.
Leonora Assets	has the meaning given in Section 3.2.
Leonora Sale	the sale by St Barbara of the Leonora Assets to Genesis under the terms of the Sale Agreement.
Letters of Credit	the letters of credit provided for the benefit of Atlantic Mining NS Inc. (a subsidiary of St Barbara) from National Bank of Canada dated 5 August 2021, 3 October 2019 and 7 December 2018 and from HSBC Bank Canada dated 4 August 2021, as amended from time to time.
Merger Proposal	the proposed transaction announced by St Barbara and Genesis on 12 December 2022, comprising the: <ul style="list-style-type: none">• scheme of arrangement, pursuant to which St Barbara was proposing to acquire all of the ordinary shares in Genesis under Part 5.1 of the Corporations Act in exchange for St Barbara Shares; and• demerger of the Atlantic Operations and the Simberi Operations by way of in specie distribution of shares.
Mineral Resource	has the meaning given in the ASX Listing Rules.
Notice of Meeting	the notice of meeting for the Extraordinary General Meeting set out in Annexure A.
Ore Reserve	has the meaning given in the ASX Listing Rules.
Pro Forma Adjustments	has the meaning given in Section 5.4.
Proxy Form	the proxy form for the Extraordinary General Meeting.
Record Date	the date for determining entitlements of St Barbara Shareholders to Genesis Shares under the Genesis Share Distribution. Refer to the Timetable for the anticipated timing.
Relevant Interest	has the meaning given in section 9 of the Corporations Act.

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Residency Election	election to treat St Barbara Shares as taxable Australian property under section 104-165 of the Income Tax Assessment Act 1997 (Cth) when ceasing to be an Australian resident.
Resolution 1	the resolution for the approval of the Leonora Sale designated as “Resolution 1” in the Notice of Meeting.
Resolution 2	the resolution for the approval of the Genesis Share Distribution designated as “Resolution 2” in the Notice of Meeting.
Resolutions	the resolutions set out in the Notice of Meeting, comprising Resolution 1 and Resolution 2.
Restricted Shares	has the meaning given in Section 3.4.
Sale Agent	the nominee appointed by St Barbara to sell or facilitate the transfer of the Genesis Shares to which Ineligible Foreign Shareholders are entitled.
Sale Agreement	the definitive sale agreement between St Barbara and Genesis dated on or around the date of this Explanatory Booklet.
Sale Facility	the facility to be established by the Sale Agent under which Genesis Shares to which Ineligible Foreign Shareholders are entitled, will be sold, as described more fully in Section 4.5.
Section	a section of this Explanatory Booklet.
Shareholder Information Line	the information line set up for the purpose of answering enquiries from St Barbara Shareholders in relation to the Transaction. The information line numbers are 1300 255 218 (within Australia) or +61 2 9066 4084 (outside Australia) Monday to Friday (except public holidays) between 8.30am and 6.00pm (AWST).
Silver Lake	Silver Lake Resources Limited (ACN 108 779 782).
Silver Lake Proposal	has the meaning given in Section 2.3.
Simberi Expansion Project	has the meaning given in Section 5.2(b).
Simberi Operations	the assets and associated mining tenure located in Papua New Guinea, as summarised in Section 5.2(b).
Simberi Strategic Review	has the meaning given in Section 5.2(b).
St Barbara	St Barbara Limited (ACN 009 165 066).
St Barbara Board	the board of directors of St Barbara.
St Barbara Director	a director of St Barbara.
St Barbara Group	St Barbara, together with its Subsidiaries, and following the Demerger including the Genesis Group.
St Barbara Group Member	a member of the St Barbara Group.
St Barbara Historical Statement of Financial Position	has the meaning given in Section 5.4.
St Barbara Information Request	has the meaning given in Section 2.3.
St Barbara NED Equity Plan	the St Barbara Non-Executive Director Equity Plan approved by the St Barbara Board on 24 July 2020.
St Barbara NED Right	an unquoted right to acquire a St Barbara Share issued under the St Barbara NED Equity Plan.
St Barbara Performance Right	a St Barbara Right or a St Barbara NED Right, as the case may be.
St Barbara Rights Plan	the St Barbara Rights Plan Rules approved by the St Barbara Board in February 2022.

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St Barbara Right	an unquoted right to acquire a St Barbara Share issued under the St Barbara Rights Plan.
St Barbara Share	a fully paid ordinary share in the capital of St Barbara.
St Barbara Shareholder	a registered holder of St Barbara Shares.
St Barbara Share Register	the register of St Barbara Shareholders maintained under section 169 of the Corporations Act.
St Barbara Share Registry	Computershare Investor Services Pty Limited (ACN 078 279 277).
Subsidiary	has the meaning given in the Corporations Act.
Superior Proposal	has the meaning given in Section 3.3(e).
TFN	Australian Tax File Number.
Timetable	the timetable set out in the “Important dates” of this Explanatory Booklet.
Transaction	collectively the Leonora Sale and the Genesis Share Distribution.
Transaction Agreement	the binding agreement dated 17 April 2023 between St Barbara and Genesis, pursuant to which the parties agreed to the Leonora Sale as varied by a variation deed dated 14 May 2023, which was superseded by the Sale Agreement.
Transitional Services Agreement	has the meaning given in Section 3.3(c).
Voting and Escrow Deed	means the voting and escrow deed which may be entered into between St Barbara and Genesis, a summary of which is set out in Section 3.4.
Voting Power	has the meaning given in the Corporations Act.
VWAP	volume-weighted average price.

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**Annexure A:
Notice of Extraordinary General Meeting**

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18 May 2023

Notice of Extraordinary General Meeting

This Extraordinary General Meeting of St Barbara will be held in person at The Melbourne Hotel, 33 Milligan Street, Perth, Western Australia at 11.00 am on Tuesday, 20 June 2023 (**Meeting**).

Capitalised terms used in this Notice of Meeting (**Notice of Meeting**) and the Explanatory Notes (**Explanatory Notes**) have the meanings given in the Explanatory Booklet (in which this Notice of Meeting is included) unless the context otherwise requires.

Shareholders are encouraged to check St Barbara's website at www.stbarbara.com.au and the ASX for any future updates in relation to conduct of the Meeting.

Authorised by

Sarah Standish
General Counsel and Company Secretary

For more information

Investor Relations

David Cotterell
Manager Business Development
info@stbarbara.com.au
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Media Relations

Paul Ryan / Michael Weir
Citadel-MAGNUS
0409 296 511 / 0402 347 032

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Items of business

Resolution 1: Leonora Sale

To consider and, if thought fit, pass the following as an **ordinary resolution**:

“That St Barbara Shareholders approve the Leonora Sale and authorise St Barbara to dispose of the Leonora Assets on the terms and conditions set out in the Explanatory Booklet (which accompanies and forms part of this Notice of Meeting).”

Resolution 2: Genesis Share Distribution

To consider and, if thought fit, pass the following as an **ordinary resolution**:

“That, subject to completion being effected under the Sale Agreement in accordance with that document and to the approval of Resolution 1:

- a. *for the purposes of section 256C(1) of the Corporations Act, approval be given for St Barbara’s share capital to be reduced by St Barbara making a pro rata distribution in-specie of the Distribution Shares to Eligible Shareholders (and to the Sale Agent in respect of Ineligible Foreign Shareholders); and*
- b. *the Genesis Share Distribution (including the Capital Reduction in (a)) otherwise be implemented in the manner more fully described in the Explanatory Booklet (which accompanies and forms part of this Notice of Meeting).”*

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How to participate in the Meeting

Attending the Meeting

The Meeting will take place in person at 11.00am (AWST) on Tuesday, 20 June 2023. St Barbara Shareholders may attend the Meeting in person in the Karingal Ballroom at The Melbourne Hotel, 33 Milligan Street, Perth, Western Australia 6000.

Registrations in person will commence from 10.30am (AWST).

Voting

All resolutions will be by poll

Each resolution considered at the Meeting will be conducted by poll.

Eligibility to participate and vote at the Meeting

The Board has determined that the St Barbara Shareholders entitled to participate and vote at the Meeting are those persons who are the registered holders of St Barbara Shares on Sunday, 18 June 2023 at 5.00pm (AWST).

How to vote

St Barbara Shareholders can vote in one of two ways:

- by attending the Meeting and voting in person; or
- by appointing a proxy to attend and vote on their behalf.

How to vote by Proxy before the Meeting

If you are a St Barbara Shareholder entitled to participate and vote, you have the right to appoint a proxy to participate and vote on your behalf. St Barbara Shareholders are encouraged to lodge a proxy before the Meeting (using the Proxy Form which accompanies this Notice of Meeting) if they do not attend to vote in person.

A proxy need not be a St Barbara Shareholder and can be either an individual or a body corporate.

If you appoint a body corporate as a proxy, that body corporate will need to ensure that it:

- appoints an individual as its corporate representative to exercise its powers at the Meeting, in accordance with section 250D of the Corporations Act; and
- provides satisfactory evidence of the appointment of its corporate representative prior to commencement of the Meeting.

If such evidence is not received before the Meeting, then the body corporate (through its representative) will not be permitted to act as a proxy.

If you are entitled to cast 2 or more votes, you may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy will exercise half of your votes.

For an appointment of a proxy to be effective for the Meeting, the proxy's appointment, and any authority under which the Proxy Form is signed or otherwise authenticated, must be received by the St Barbara Share Registry by no later than 11.00am (AWST) on Sunday, 18 June 2023. Proxy Forms received after this time will not be effective for the scheduled commencement of the Meeting.

Proxy appointments and relevant authorities may be delivered to the St Barbara Share Registry by one of the following methods:

Mail to:	Computershare Investor Services Pty Limited, GPO Box 1282, Melbourne, Victoria, 3001
Fax to:	1800 783 447 (within Australia), +61 3 9473 2555 (outside Australia)
Online:	login at www.investorvote.com.au using the Control Number found on the front of your accompanying proxy form and follow the instructions. Alternatively, with your mobile device scan the QR code located on the front of the proxy form and follow the instructions. You will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website.

For details on how to complete and lodge the Proxy Form, refer to the instructions on the Proxy Form.

For intermediary online subscribers only (custodians) please visit www.intermediaryonline.com.

How to ask questions before or during the Meeting

St Barbara encourages St Barbara Shareholders to submit questions online in advance of the Meeting at www.investorvote.com.au.

Questions submitted in advance of the Meeting must be received by St Barbara no later than 5.00pm (AWST), on Tuesday, 13 June 2023.

St Barbara Shareholders may also ask questions in real time during the Meeting by attending the meeting in person.

St Barbara Shareholders are requested to only ask questions relevant to the business of the Meeting.

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The chairperson of the Meeting (**Chairperson**) will endeavour to address as many of the more frequently raised and relevant questions as possible during the course of the Meeting.

It may not be possible for St Barbara to respond to all questions raised during the Meeting. St Barbara Shareholders are therefore encouraged to lodge questions in advance of the Meeting. Please note that individual responses will not be sent to St Barbara Shareholders.

Chairperson's voting intentions

The Chairperson intends to vote all available proxies in favour of the proposed Resolutions.

Technical difficulties

Technical difficulties may arise during the course of the Meeting which are beyond the control of St Barbara. The Chairperson has discretion as to whether and how the Meeting should proceed in the event that a technical difficulty arises. In exercising this discretion, the Chairperson will have regard to the number of St Barbara Shareholders impacted and the extent to which participation in the business of the Meeting is affected.

Where the Chairperson considers it appropriate, the Chairperson may continue to hold the Meeting and transact business and voting in accordance with valid proxy instructions. For this reason, Shareholders are encouraged to lodge a proxy by no later than 11.00am (AWST) on Sunday, 18 June 2023.

If you are unable to join the meeting in person, St Barbara Shareholders are encouraged to appoint the Chairperson as their proxy.

Enquiries

If you have any questions about any matter contained in this Notice of Meeting documentation, please contact Ms Sarah Standish, General Counsel and Company Secretary, at company.secretary@stbarbara.com.au or on +61 8 9476 5555.

Voting recommendations of the St Barbara Board

If you wish to appoint a proxy on the enclosed Proxy Form to vote on your behalf in the manner consistent with the voting recommendations of the St Barbara Board mark the "FOR" box for Resolutions 1 and 2.

The background and reasons for these recommendations are set out in the enclosed Explanatory Notes and the Explanatory Booklet.

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Explanatory Notes

These Explanatory Notes have been prepared to assist St Barbara Shareholders to understand the business to be put to Shareholders at the forthcoming Meeting on Tuesday, 20 June 2023.

Resolution 1: Leonora Sale

St Barbara Shareholder approval

Resolution 1 is being put to St Barbara Shareholders at the Meeting to obtain approval for the Leonora Sale under and in accordance with the terms and conditions of, the Sale Agreement.

The effect on St Barbara and its shareholders if Resolution 1 is passed, together with all other factors that are material to the making of a decision by St Barbara Shareholders whether to approve Resolution 1, is set out in the Explanatory Booklet, of which this Notice of Meeting and Explanatory Notes form part.

If Resolution 1 is passed by the required majority, the Leonora Sale will proceed in accordance with the Sale Agreement.

Board recommendation

The St Barbara Directors are of the view that, taking into account all relevant matters, the Leonora Sale is in the best interests of St Barbara and St Barbara Shareholders, in the absence of a Superior Proposal.

Each St Barbara Director recommends that you vote in favour of Resolution 1 and intends to vote all St Barbara Shares controlled by them in favour of Resolution 1, in each case, in the absence of a Superior Proposal.

Resolution 2: Genesis Share Distribution

St Barbara Shareholder approval

Resolution 2 is being put to St Barbara Shareholders at the Meeting to obtain approval under section 256C of the Corporations Act to an equal capital reduction in St Barbara's ordinary share capital under section 256B of the Corporations Act.

Resolution 2 at the Meeting is being proposed in connection with the Genesis Share Distribution and is conditional on, among other things, Resolution 1 being passed and completion being effected under and in accordance with the Sale Agreement.

The Capital Reduction will be effected by a distribution of the Distribution Shares (being Genesis Shares of such number as may be determined by the St Barbara Board) to St Barbara Shareholders as at the Record Date (or in the case of Ineligible Foreign Shareholders, to the Sale Agent) via the Capital Reduction in accordance with the Explanatory Booklet.

The effect on St Barbara and its shareholders if Resolution 2 is passed, together with all other factors that are material to the making of a decision by St Barbara Shareholders whether to approve Resolution 2, is set out in the Explanatory Booklet, of which this Notice of Meeting and Explanatory Notes form part.

If Resolution 2 is passed by the required majority, subject to all other conditions to the Genesis Share Distribution being satisfied or waived (where applicable), the Genesis Share Distribution will proceed in accordance with the Explanatory Booklet.

Board recommendation

The St Barbara Directors are of the view that, taking into account all relevant matters, the Genesis Share Distribution is in the best interests of St Barbara and St Barbara Shareholders and will not materially prejudice St Barbara's ability to pay its creditors, in the absence of a Superior Proposal.

Each St Barbara Director recommends that you vote in favour of Resolution 2 and intends to vote all St Barbara Shares controlled by them in favour of Resolution 2 in each case, in the absence of a Superior Proposal.

ST BARBARA LIMITED

Level 7, 40 The Esplanade
Perth WA 6000
Australia

FINANCIAL ADVISER

Macquarie Capital (Australia) Limited
Level 36, South Tower, 80 Collins Street,
Melbourne VIC 3000
Australia

LEGAL ADVISER

King & Wood Mallesons
Level 30, QV.1 Building
250 St Georges Terrace
Perth WA 6000

AUDITOR

PricewaterhouseCoopers
2 Riverside Quay
Southbank VIC 3006

ST BARBARA SHARE REGISTRY

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne VIC 3001

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stbarbara.com.au



Need assistance?**Phone:**1300 255 218 (within Australia)
+61 2 9066 4084 (outside Australia)**Online:**www.investorcentre.com/contact

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Extraordinary General Meeting - Letter to Shareholders

Dear Shareholder,

St Barbara Limited (ASX:SBM) (**St Barbara** or the **Company**) advises that an Extraordinary General Meeting (**EGM**) of St Barbara shareholders (**Shareholders**) will be held at 11:00am (AWST) on Tuesday, 20 June 2023 at the Melbourne Hotel, 33 Milligan Street, Perth, Western Australia.

In accordance with section 110D(1) of the *Corporations Act 2001* (Cth) (**Corporations Act**), St Barbara will not be sending hard copies of the notice of meeting and accompanying explanatory booklet (**Explanatory Booklet**) to Shareholders, unless a Shareholder has requested a hard copy of the Explanatory Booklet or made an election to receive documents from St Barbara in physical form (for the purposes of section 110E of the Corporations Act). An email containing similar information has been dispatched to Shareholders who have previously elected to receive communications electronically.

To view and download the Explanatory Booklet (which includes the notice of meeting for the EGM) please visit www.investorvote.com.au and use the below information:

**Control Number: 132192****Business of the EGM**

The EGM is being convened for the purposes of considering and voting on:

- the sale by St Barbara of the Leonora assets to Genesis under, and in accordance with, the sale agreement; and
- the in specie distribution of Genesis shares to Shareholders (other than ineligible foreign Shareholders) in satisfaction of an equal capital reduction,

(together, the **Transaction**).

If the resolutions are approved by Shareholders and the Transaction proceeds, eligible Shareholders will receive a fraction of a Genesis share for each St Barbara share they hold on the record date.

You should read the Explanatory Booklet (which contains important information for your consideration about the Transaction and the notice of meeting for the EGM) in full before you decide whether or not to vote in favour of the Transaction.

Details of the EGM

The EGM, at which Shareholders will vote on the Transaction, will be held at 11:00am (AWST) on Tuesday, 20 June 2023.

All Shareholders registered on the St Barbara share register as at 5:00pm (AWST) on Sunday, 18 June 2023 will be eligible to vote at the EGM.

You are encouraged to participate in the meeting using the following options:



1 - APPOINT A PROXY AND MAKE YOUR VOTE COUNT

The business of the EGM affects your shareholding, and your vote is important.

As you have not elected to receive notices by email, a copy of your personalised proxy form is enclosed. Shareholders are urged to appoint the Chair as their proxy.

You may appoint a proxy or submit a direct vote prior to the EGM by completing the enclosed form and returning it by post (in the reply paid envelope provided), hand delivery or fax to St Barbara's share registry.

You may also appoint a proxy online by following the instructions on your personalised proxy form.

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

Proxy appointments must be received by 11:00am (AWST) on Sunday, 18 June 2023 for the appointment to be effective.



2 - ATTEND THE MEETING AND VOTE IN PERSON

The meeting will be held in person at the Melbourne Hotel, 33 Milligan Street, Perth, Western Australia.

Further queries and support



Refer to the Explanatory Booklet for more information.

If you have any questions about the Explanatory Booklet or the Transaction, or if you would like to obtain a hard copy of the Explanatory Booklet, please contact the Shareholder Information Line on 1300 255 218 (within Australia) or +61 2 9066 4084 (outside Australia) Monday to Friday (except public holidays) between 8:30am and 6:00pm (AWST) or visit the company's website, www.stbarbara.com.au.

Yours sincerely

Chair
St Barbara Limited

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Need assistance? **Phone:**
1300 255 218 (within Australia)
+61 2 9066 4084 (outside Australia) **Online:**
www.investorcentre.com/contact**YOUR VOTE IS IMPORTANT**

For your proxy appointment to be effective it must be received by **11:00am (AWST) on Sunday, 18 June 2023.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING**Corporate Representative**

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:**Online:**

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

**Control Number: 132192**

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of St Barbara Limited hereby appoint

the Chair of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chair of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Extraordinary General Meeting of St Barbara Limited to be held at the Melbourne Hotel, 33 Milligan Street, Perth, Western Australia on Tuesday, 20 June 2023 at 11:00am (AWST) and at any adjournment or postponement of that meeting.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Resolution 1 Leonora Sale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Genesis Share Distribution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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The Chair of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chair of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1	Securityholder 2	Securityholder 3	
<input type="text"/>	<input type="text"/>	<input type="text"/>	/ /
Sole Director & Sole Company Secretary	Director	Director/Company Secretary	Date

Update your communication details (Optional)

Mobile Number Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

