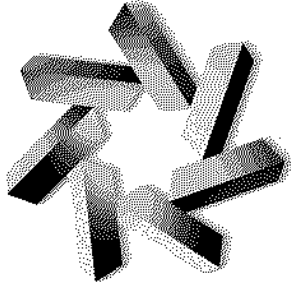


ST BARBARA MINES LIMITED

ACN 009 165 066



ASX SHAREHOLDERS REPORT

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*Dollar values in this report are
Australian Dollars unless
otherwise stated.*

Convertible Note and Loan Agreements

St Barbara is pleased to announce that it has entered into agreements to raise \$8.4 million by way of St Barbara issuing \$2.8 million of unsecured Convertible Notes and \$5.6 million through an unsecured Convertible Loan.

The key terms of the Convertible Note are as follows:

- The Note is convertible into St Barbara shares at the strike price at any stage should the Noteholder decide to convert the Note into St Barbara shares;
- The strike price of St Barbara shares used to determine the number of St Barbara shares that would be issued on conversion is 13 cents per share;
- Repayment date is 31 December 2007 if not already redeemed. St Barbara has the option to redeem the Convertible Note early; and
- Interest rate 12%.

The key terms of the Convertible Loan are as follows:

- The Convertible Loan is only convertible into St Barbara shares if shareholder approval is received for the conversion within twelve months of issue of the Convertible Loan and then only if the holder decides to convert the Note into St Barbara shares;
- The strike price of St Barbara shares used to determine the number of St Barbara shares that would be issued on conversion is 13 cents per share;
- Repayment date is 31 December 2007 if not already redeemed. St Barbara has the option to redeem the Convertible Loan early; and
- Interest rate 12%.

The funds to be raised will be used to fund the Paddys Flat acquisition and provide general working capital.

Stephen W. Miller
Executive Chairman

28 February 2003