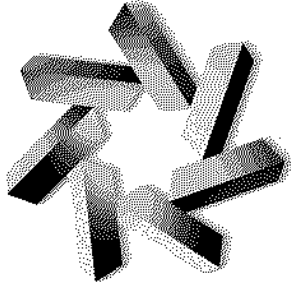


ST BARBARA MINES LIMITED

ACN 009 165 066



ASX SHAREHOLDERS REPORT

*Enquiries regarding this report
may be directed to:*

Stephen W. Miller

Executive Chairman

Telephone (08) 9476 5555

Overseas +61 8 9476 5555

or

Colin G. Jackson

Investor Relations

Telephone 0417 929 107

St Barbara Mines Limited

Level 2, 16 Ord Street

West Perth

Western Australia 6005

Telephone (08) 9476 5555

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December 2003 Quarterly Report

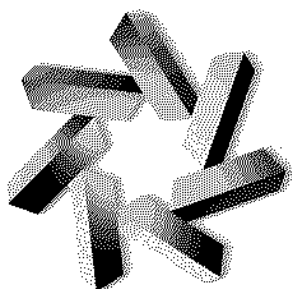
Attached is the Company's Quarterly Report for the period ending 31 December 2003.

Stephen W. Miller
Executive Chairman

30 January 2004

ST BARBARA MINES LIMITED

ACN 009 165 066



ACTIVITIES REPORT

**Three months to
31 December 2003**

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

*St Barbara is a dedicated gold
company listed on both the
Australian Stock Exchange and
the AIM (London Stock
Exchange) – ticker symbol SBM
– with nearly 12,000 shareholders.*

OVERVIEW

Meekatharra Operations

- ◆ Gold production 12,215 ounces, sourced entirely from low grade stockpiles, predominantly Paddys Flat
- ◆ Net cash cost of \$544 for production ounces
- ◆ Net cash cost of \$521 for ounces sold during the quarter
- ◆ \$2.4 million net cash generated from site operations for six months to 31 December 2003

Finance

- ◆ Interest bearing debt significantly reduced
 - secured debt by \$7.3 million to nil
 - convertible loan by \$2.8 million to \$4.4 million

Paddys Flat Development

- ◆ Prohibition/Red Spider resource increases to 270,000 ounces (up 170 percent) with down plunge drilling
- ◆ Potential development returns improved

Meekatharra Joint Ventures

- ◆ Burnakura JV – mining scheduled to commence early 2004
- ◆ Polelle JV – important results at Mulla Mulla deposit
- ◆ Reedys – new JV exploration programme announced

Paulsens

- ◆ Project approved following receipt of \$21 million placement/SPP equity recapitalisation
- ◆ St Barbara interest diluted to 54 percent
- ◆ Twenty-five hole (2,500 metre) stope definition drilling programme commences

Corporate

- ◆ Board composition
 - Mark K. Wheatley (36) appointed non-executive director
 - Brian Speechly (70) retires
- ◆ Resource Capital Funds II LP (Denver, Colorado) shareholding increases to 22.6 percent
- ◆ New substantial shareholder - Ocean Resources (London)

CHAIRMAN'S REVIEW

Momentum within the Company has progressed with important advances at two development projects, Paulsens and Prohibition, increased leverage from the substantial landbank at Meekatharra and an improved balance sheet.

The funding arrangements for Paulsens were completed during the quarter with institutions participating in a \$21 million equity financing in subsidiary company, Taipan Resources NL. Board approval to pursue the development of a high grade shallow underground mine was granted prior to the period end. Post period, drill rig mobilisation occurred with one rig on site to commence the stope definition programme of twenty-five holes. A second rig allocated to the resource extension programme is scheduled early February 2004. St Barbara's equity in the fully funded project is 54.8 percent.

A 30 hole (9,700 metre) drill programme was completed at Paddys Flat, increasing the Prohibition/Red Spider resource by 170 percent to 270,000 ounces; the increase due to extending Prohibition and the adjoining shallower Red Spider down plunge. Indications are that the mineralisation will continue further down plunge. A preliminary revision to the mine economic model indicates the potential for advancing revenues whilst reducing capital costs, with the net result an improved return on assets employed.

Exploration and development activity at Meekatharra is at a three year high with on-going activity at Prohibition (Paddys Flat), the Burnakura JV to develop the NOA 2 orebody and the two new exploration JVs: Reedys and Polelle.

The new JVs will see continuation of exploration initially conducted by Goldfields at Reedys, and at Mulla Mulla in the Polelle JV, where the Company outlined a preliminary inferred resource. Earn-in expenditures are \$3.25 million and \$3.00 million respectively for 51 percent interests. St Barbara will manage and implement both JV programmes, minimising mobilisation costs and maximising the benefit from the established geological and knowledge database.

Early exploration results at the Mulla Mulla deposit and 6 km south at the Kanji-Miniritchie prospect demonstrate the potential for a substantial increase in the resource base. Exploration at Reedys is scheduled next quarter.

Complementing progress on the development and exploration front is an improvement to the balance sheet. In the last six months interest bearing debt has been reduced by \$16.4 million through non-core asset sales, a debt for equity swap and loan conversion.

In summary, interest bearing debt is significantly reduced, Paulsens development is fully funded, the increase to the Prohibition/Red Spider resource significantly advances cashflow and improves investment returns, and third party funding of exploration at Meekatharra has the potential to increase the gold inventory at Mulla Mulla.



Stephen W. Miller
Executive Chairman

30 January 2004

ST BARBARA MINES LIMITED

ACN 009 165 066

MANAGEMENT DISCUSSION AND ANALYSIS

PRODUCTION

Gold production at 12,215 ounces was 22 percent lower than the previous quarter.

Mill feed comprised low grade stockpiles, predominantly Paddys Flat No. 1 (recently completed), No. 2 and No. 3 stockpiles.

Lower production was a consequence of lower throughput (down 20 percent), due to harder Alliance and NOA low grade material and the commencement of campaign mining, and lower mill grade (down 4.7 percent).

Outlook

Positive drill results at Prohibition requiring revisions to the mine plan have necessitated a modification to the treatment plant schedule which will operate on a 2 week on/1 week off campaign. Ore sources for the balance of the year include Paddys Flat and Bluebird low grade stockpiles and Batavia open pit commencing approximately April 2004.

Five Mile remains subject to a geotechnical review of a pit last worked ten years ago.

The resource increase at Prohibition, and in particular the shallow Red Spider shoot, indicates the potential for modest changes to the mine plan to significantly improve early revenue while simultaneously reducing capital commitments. Consequently, detailed evaluation of the Mickey Doolan large tonnage, but low grade, deposit has been postponed.

Production and Sales Statistics

<i>Period</i>	<i>3 Months to 31 Dec 2003</i>	<i>6 Months to 31 Dec 2003</i>
Ore mined (tonnes)	nil	nil
Ore milled (tonnes)	563,061	1,263,719
Grade milled (g/t)	0.81	0.84
Recovery (%)	83.2	82.5
Gold produced (ounces)	12,215	27,935
Gold sold (ounces)	12,755	30,574

Production Cost Statement (\$/oz)

Modified Gold Institute Standard

<i>Period</i>	<i>3 Months to 31 Dec 2003</i>	<i>6 Months to 31 Dec 2003</i>
Mine site cash costs	531	484
State royalties	13	21
Net Cash Cost	544	505
Realised Gold Price	545	546

FINANCE

Realised Gold Price

A total of 12,755 ounces was sold at a net realised gold price of \$545 per ounce (against an average spot price of \$547 per ounce) and compares with the net cash cost of production of \$521 per ounce.

The Company delivered all production into spot. The Company has no hedge positions.

Financial Performance

Meekatharra Operations generated a \$0.15 million cash surplus for the quarter and a total of \$2.4 million net cash for the six months to 31 December 2003.

Financial Position

As at 31 December 2003, cash and bullion totaled \$0.8 million (plus \$3.3 million in rehabilitation bonds).

ST BARBARA MINES LIMITED

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MANAGEMENT DISCUSSION AND ANALYSIS

MEEKATHARRA JOINT VENTURES

Early follow-up RC drill results at the Mulla Mulla deposit (Polelle JV) include 10 m at 7.9 g/t (vertical depth of 120 m), 34 m at 2.6 g/t (at 95 m), 12 m at 7.3 g/t (at 80 m) and 8 m at 16.4 g/t (at 65 m).

Aircore drill results at Kanji-Miniritchie, 6 km south, achieved anomalous gold results in 28 percent of the holes including 4 m at 4.8 g/t.

Exploration on the new Reedys JV is scheduled to commence in the next quarter.

The Burnakura JV partner (Extract Resources Ltd – earning a 70% interest by spending \$2 million over thirty months) has commenced pit dewatering ahead of development of the 53,000 ounce NOA2 underground resource. Mined ore will be milled through the St Barbara treatment plant, commencing mid 2004.

PAULSENS

Subsidiary Taipan Resources NL (54.8 percent interest) has committed to pursue the development of Paulsens as a high grade shallow underground mine following the re-engineering of the project and recapitalisation of the balance sheet.

Two RC/core drill programmes are scheduled early in the development strategy. The first, stope definition drilling, comprises 25 holes (12.5 x 12.5 m grid) targeting 125 metres below the surface. This will confirm the decline route and define four stope outlines for the generation of a representative sample to confirm mining and metallurgy parameters. This programme has commenced.

A second programme, comprising 44 holes (14,500 metres), will target the down plunge extension of the orebody below 200 metres vertical. Two holes drilled in late 2001 indicated structural and mineralisation continuity at 450 metres vertical.

This programme commences in the first week of February 2004. Drilling is expected to be continuous to midway through the June 2004 quarter.

Information in this report relating to mineral resources conforms to the reporting requirements of the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves (The JORC Code). It is based on information compiled by Mr Graham Miller, FAusIMM, a Competent Person as defined by the Code. It is included in this report with his consent.

CORPORATE INFORMATION

Directors and Executive Management

S. W. Miller Executive Chairman
K. A. Dundo Non-Executive Director
M. K. Wheatley Non-Executive Director
H. G. Tuten Non-Executive Director
E. L. Boyd Company Secretary

Registered Office

Level 2, 16 Ord Street
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Website: www.stbarbara.com.au

Stock Exchange Listings

Australian Stock Exchange
AIM Board of London Stock Exchange
Ticker Symbol: SBM

Issued Capital

As at the date of this report, issued capital is 574,149,157 shares.
There were 44,329,772 listed options, exercisable at 30 cents up until 29 February 2004 and 71,682,563 unlisted options exercisable at various prices between 11 cents and 40 cents up to 17 January 2008.

Major Shareholders

Westpac Custodians 15.75%
National Nominees 10.16%
Resource Capital Fund II LP 7.68%
Strata Mining Corporation Ltd 5.61%

Substantial Shareholders

Resource Capital Fund II LP 22.60%
RAB Europe Fund Ltd 7.83%
St James's Place Recovery Trust 7.04%
Ocean Resource Capital Holdings 6.09%
Strata Mining Corporation Ltd 5.61%

Shareholder Enquiries

Matters related to shares held, change of address and tax file numbers should be directed to:

Advanced Share Registry Services
Level 7, 200 Adelaide Terrace
Perth WA 6000
Telephone: +61 8 9221 7288
Facsimile: +61 8 9221 7869
or
Computershare Investor Services PLC
The Pavilions, Bridgwater Road
Bristol BS99 7NH, England
Telephone: +44 870 703 6088
Facsimile: +44 870 703 6142

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ADR Division
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Telephone: +1 212 815 2218