



ACTIVITIES REPORT

**Three months
to 30 June 2004**

*Enquiries regarding this report
may be directed to:*

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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 over 11,000 shareholders.*

OVERVIEW

Meekatharra Operations

- ◆ Annual gold production 37,985 ounces
(5,029 ounces for the three months)
 - sourced predominantly from low grade stockpiles
- ◆ Treatment plant operations are suspended
 - pending future development and production strategy review

Paddys Flat Development

- ◆ Draft feasibility for underground operation nearing completion
- ◆ Cube Consulting identifies high grade targets at Vivians and Consols

Meekatharra Joint Ventures

- ◆ Polelle and Reedys JV – results awaited from regional exploration
- ◆ Annean JV – preparatory targeting for October drill programme commenced

Paulsens Development (55% interest)

- ◆ Resource increased 59 percent
 - 541,000 ounces at 11.7 g/t (cut)
- ◆ All major tenders awarded
- ◆ Box cut excavation completed
 - underground development commenced
- ◆ On-site treatment plant evaluated
 - debt financing options under review

Finance

- ◆ Ocean Resources exercised \$4.4 million convertible note at 8 cents per share (post period close)
- ◆ Equity placement raises \$3.7 million (post period close)

Corporate

- ◆ General Meeting of shareholders
 - removes Mr S. Miller as a Director
 - elects Mr C. Wise and Mr E. Eshuys
- ◆ Mr K. Dundo, Non-Executive Director, resigns
- ◆ Mr Wise and Mr Eshuys appointed Non-Executive Chairman and Managing Director respectively

MANAGING DIRECTOR'S REVIEW

On 20 July 2004, shareholders at a General Meeting requisitioned by Denver-based RCF Capital Fund II LP, the Company's largest shareholder, voted for a change in your Board of Directors. Subsequently, the Board elected Mr Colin Wise to the position of Non-Executive Chairman and Mr Eduard Eshuys to Managing Director.

A review of the assets and liabilities of the Company is currently being undertaken with the assistance of international accounting firm Deloitte. Progress on the review will be advised as appropriate.

The Company balance sheet has improved in recent days with London based Ocean Resources Capital exercising their \$4.4 million convertible note into shares at a strike price of 8 cents. A placement raising \$3.7 million was also completed, with the Company's largest two shareholders RCF and Ocean collectively contributing 51 percent of the total.

The treatment plant operations at Meekatharra have been suspended following depletion of remaining low grade stockpiles. A review of the Paddys Flat underground project and a re-assessment of the exploration potential on our large prospective landbank is in progress.

With regard to the Paulsens Project in which St Barbara has an indirect interest through 55 percent owned subsidiary NuStar Mining, the Company has been advised that significant progress has been achieved since the refinancing late last year. The resource has increased 59 percent to 1.44 million tonnes at 11.7 g/t for a contained 541,000 ounces. Based on initial mine inventory studies, Paulsens is expected to deliver the second highest grade mill feed in Australia.

The site is well established with underground mining recently commenced. An on-site mill design and evaluation is complete with debt funding options currently under review. The funding may be conventional bank debt or a build own operate-transfer funding similar to the existing camp and power station financing. First gold pour is scheduled for May 2005.

The new Board is focused on re-establishing value for all shareholders in the Company, and we look forward to reporting our progress.


Eduard Eshuys
Managing Director

30 July 2004

MANAGEMENT DISCUSSION AND ANALYSIS

PRODUCTION

Gold production at 5,029 ounces was 8 percent higher than the previous quarter.

Mill feed comprised the balance of Paddys Flat No. 3 low grade stockpile which was depleted in mid-May 2004, at which time milling operations ceased. Trapped gold in the grinding circuit, pump hoppers and leach tanks was recovered and the gold-in-carbon inventory reduced to minimum levels.

Milling operations are currently suspended pending finalisation of the Paddys Flat development strategy and the establishment of additional open pit resources. A small maintenance (and security) crew is completing a thorough mechanical check of the plant and refurbishing as appropriate. The original concept of circuit modifications to accommodate both soft open cut and harder underground material has been deferred in favour of a reduced throughput strategy which is aligned to current known resources.

Rehabilitation of the Paddys Flat low grade stockpile area is nearing completion with only seeding outstanding.

OUTLOOK

A base case draft feasibility study on the Paddys Flat underground project is nearing completion. Cube Consulting has reviewed the high grade Vivians and Consols ore positions and identified targets for investigation.

Development is the subject of a Board review and the discovery of additional open pit ore resources.

Production and Sales Statistics

<i>Period</i>	<i>3 Months to 30 June 2004</i>	<i>12 Months to 30 June 2004</i>
Ore mined (tonnes)	nil	nil
Ore milled (tonnes)	233,389	1,711,300
Grade milled (g/t).....	0.82	0.84
Recovery (%).....	81.7	82.2
Gold produced (ounces).....	5,029	37,985
Gold sold (ounces).....	4,777	40,232

FINANCE

Realised Gold Price

A total of 4,777 ounces was sold at a net realised gold price of \$547 per ounce (against an average spot price of \$551 per ounce).

The Company has no hedge positions.

Financial Performance

Meekatharra Operations generated a \$0.2 million cash loss for the quarter and a total of \$0.7 million net cash surplus (unaudited) for the year to 30 June 2004.

Financial Position

As at 30 June 2004, consolidated cash and bullion totaled \$13.5 million (unaudited) (plus \$3.1 million in rehabilitation bonds). A \$3.7 million placement was completed post period end.

Meekatharra Joint Ventures

Momentum on both the Polelie and Reedys JVs (St Barbara managed-Elara Mining Limited funded) continued with substantial regional exploration around the eastern and northern margins of the Norie Pluton – north and south of the Mulla Mulla deposit – and in the Thompsons area at Reedys. Assay results are awaited for approximately 4,000 aircore drill samples.

At the new Annean JV (Aurogenic Resources Pty Ltd earning a 51 percent interest by the expenditure of \$4 million over three years), geological mapping has been carried out at a number of localities in the Bluebird, Nannine and Tuckanarra mining camps preparatory to formulation of a drill programme for late 2004.

At the Lights of Asia prospect (Cue Goldfield JV – St Barbara 20%) our partner reports a low level, high resolution aeromagnetic survey has been flown to identify structural targets (shallow but non-outcropping) for drilling.

MANAGEMENT DISCUSSION AND ANALYSIS

Paulsens Project Implementation

St Barbara (55% indirect interest)

Management of NuStar Mining Corporation Limited report as follows.

Contracts have been awarded for all major facets of the site infrastructure and mine development.

Barmenco was selected for the underground contract on the basis of the commitment of new equipment (jumbo, long hole drill and bogger), contractual flexibility, good management systems and safety performance.

Mobilisation has occurred, with current activity centred on establishment of the decline portal at the base of the 20 metre deep box-cut. Once completed, the first intersection of the orebody is anticipated within 24 weeks at 120 metres vertical.

Roche Mining (JR) Pty Ltd completed capital and operating cost estimates and a construction schedule for a 250,000 tonne per annum single mill/gravity/CIL plant.

The capital cost, exclusive of contract crushing, is \$11.0 million (\pm 15 percent). The relative merits of build-own-operate-transfer or conventional debt funding are currently being evaluated.

Resource Extension Drilling

A 15,000 metre, 55 hole drilling programme, predominantly targeting down-plunge extensions of the orebody, was completed in June 2004.

The programme confirmed the continuity of high grade mineralisation beyond the limits of the previously defined resource – adjacent to known positions above the 200 metre vertical and down plunge of positions below 200 metres vertical. The deepest intersection in this programme was at 350 metres vertical.

The new resource, calculated by independent consultants, is 1.44 million tonnes at 11.7 g/t based on 270 drill holes (200 ore grade intersections). Overall, contained gold increased 59 percent to 541,300 ounces with 89 percent in the Indicated Resource category. The estimate incorporates an assay top-cut to limit the influence of the significant number of high grade intercepts. The un-cut average is 13.1 g/t.

This resource estimate complies with recommendations in the Australasian Code for Reporting of Mineral Resources and Ore Reserves prepared in 1999 by the Joint Ore Reserves Committee (JORC). It was prepared by Mr Paul Payne, a Principal Consultant with Resource Evaluations Pty Ltd, a Competent Person as defined by the Code. It is included in this report with his consent.

CORPORATE INFORMATION

Directors and Executive Management

S. J. C. Wise..... Chairman
E. Eshuys..... Managing Director
M. K. Wheatley Non-Executive Director
H. G. Tuten Non-Executive Director
E. L. Boyd..... Company Secretary

Registered Office

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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 715,271,157 shares.
There are 84,840,026 unlisted options exercisable at various prices between 11 cents and 40 cents up to 24 May 2008.

Substantial Shareholders

Resource Capital Fund II LP..... 21.86%
Ocean Resource Capital Holdings.... 10.13%
RAB Europe Fund Ltd 6.29%
St James's Place Recovery Trust..... 5.65%

ADR Depository

The Bank of New York
ADR Division
101 Barclay Street
New York NY10286 USA
Telephone: +1 212 815 2218

Shareholder Enquiries

Matters related to shares held, change of address and tax file numbers should be directed to:
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Level 7, 200 Adelaide Terrace
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