St Barbara Limited

Quarterly Activities Report
31st March 2006

Company's Reserves increased to 1.1Moz and Resources to 7.3Moz

Summary of Key Points

Reserves & Resources

The Company's Ore Reserves total 1.1Mozs, an increase of 0.69Mozs from 0.38Mozs reported on 16 November 2005. See Table 1.

Gwalia Deeps Probable Reserves are 2.4Mt @ 9.7g/t for 0.74Mozs to a vertical depth of approximately 1,500m.

Gwalia Mineral Resources now total 2.6Mozs, an increase of 0.9Mozs.

Tarmoola Mineral Resources were upgraded to Measured and Indicated status totalling 58Mt @ 1.1g/t for 2.1Mozs.

The Company's Resources now total 7.3Mozs, up from 6.6Mozs. See Table 2.

Exploration

Subsequent to the completion of the resource estimate Gwalia Deeps drilling intersected 12m @ 60g/t from 1,634m and 7m @ 10.3g/t gold from 1,854m, the latter intersection extending the mineralisation 1,090m down dip from the base of the old workings.

Drilling is continuing at Southern Cross, Gwalia Deeps and Tarmoola with seven rigs.

Gold Production

Gold production for the March 2006 quarter totalled 39,100ozs, generating revenues of A$28.7M (US$21.2M) at an average received price of A$757/oz (US$560). Cash operating costs were A$474/oz (US$351) compared to forecast of A$520/oz (US$385).

Feasibility Studies

Feasibility studies are being prepared for Gwalia Deeps, Tarmoola and a combined case with treatment at Tarmoola. The feasibility studies are scheduled to be completed during the September 2006 quarter.

Hoover Decline at Gwalia

Rehabilitation and extension of the Hoover Decline at Gwalia has commenced to establish a timing advantage for possible future gold production.

Corporate

St Barbara was admitted to the S&P/ASX 300 Index on 3 March 2006.

The Sale of Meekatharra and South Laverton assets was completed on time, for profit on sale of A$10.5M (US$7.7M) and A$6.6M (US$4.9M) respectively.

Company investments in listed securities had a market value at 31 March 2006 of A$30.5M (US$22.6M).

Cash at bank at 31 March 2006 was A$18.8M (US$13.9M) and in addition, cash backing of Company performance bonds was A$9.6M (US$7.1M).

Resource Capital Fund III LP converted its A$7M (US$5.2M) Convertible Note into shares. Following this conversion Company secured debt is A$0.5M.

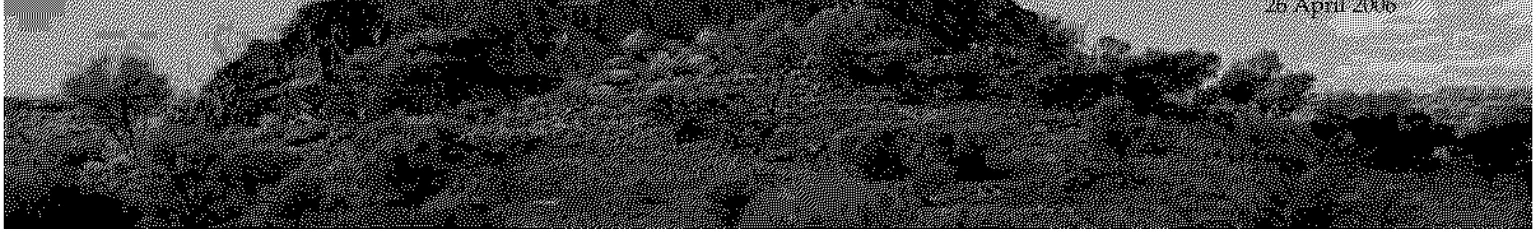
Exploration, resource development drilling and development expenditure during the quarter totalled A$10.5M (US$7.8M).

Forecasts

Gold production for the June 2006 quarter is forecast at 40,000ozs from Southern Cross Operations to achieve gold sales of 0.165Mozs at a cash cost of A$440/oz (US$326) for the year to 30 June 2006.

Eduard Eshuys
Managing Director & CEO

26 April 2006



Reserves

Gwalia Deeps & Intermediates

Probable Reserves for Gwalia Deeps have been estimated at 2.4Mt @ 9.7g/t gold for 0.74Mozs using a gold price of A$650/oz (US$481). This Reserve estimate represents a 79% conversion from Indicated Resources of 0.94Mozs.

The Inferred Resources of the mineralised material known as the Intermediates of 2.9Mt @ 6.3g/t gold for 0.59Mozs will become accessible for stope definition and grade control drilling from the Hoover Decline as it is extended to the Deeps.

The underground development associated with the Gwalia Deeps Reserves will also provide access to Inferred Resources of up to 0.4Mozs and a portion may convert to reserves, subject to further drilling. See Table 1.

Southern Cross

Proven and Probable Reserves at Marvel Loch remain at 1.5Mt @ 4.1g/t for 0.2Mozs, after allowing for recent production depletion and additions. The Reserves extend to 500 vertical metres below natural surface (**mbs**). Drilling to outline possible extensions below 500mbs is underway.

Total Reserves at Southern Cross, including Hercules and ore stockpiles, are 3.0Mt @ 3.4g/t for 0.33Mozs. See Table 1.

Gold Exploration

Leonora

Gwalia

Deep resource development drilling, initially targeting the known higher grades, of gold mineralisation between 1,200mbs and 1,500mbs was completed in late 2005 and early 2006. This drilling resulted in an Indicated and Inferred Resource estimate for Gwalia Deeps of 7.3Mt @ 8.5g/t gold, containing 2.0Mozs of gold. Total Resources for Gwalia, including the Intermediates, are now 2.6Mozs, as shown in Table 2.

Subsequent to completing the Resource estimate hole GWDD11B intersected 12m @ 60g/t in the South West Branch Lode at 1,540mbs and is the strongest intersection to date for Gwalia Deeps. See Table 3.

Deeper drilling which tested the mineralisation at 1,720mbs intersected 7m @ 10.3g/t gold which represents a 240m down dip extension of the mineralisation from the previous deepest drill hole. This drill hole intersection is on the southern margin of the Gwalia mineralised system.

Gold mineralisation is now confirmed to extend for 1,090m down dip from the base of previous historic mining. The Gwalia Deeps Mineral Resource estimate of 2.0Mozs extends 525m vertically or 890m down dip below the base of previous mining.

Further infill drilling to establish Indicated Mineral Resources for gold mineralisation between the base of the previous mining levels at 1,075mbs and 1,200mbs is underway and is scheduled to be completed during the June 2006 quarter. Results from this drilling to date are shown in Table 3.

Diamond drilling from the surface will also be used to define remnant ore from the Intermediates Inferred Resources (0.59Mozs), some of which may be extracted as the Hoover Decline progresses past the old workings.

Drilling continues with three rigs. A fourth rig is to be added during the June 2006 quarter.

Tarmoola

A Mineral Resource estimate for Tarmoola was completed following a review of the geological model. The Measured and Indicated Resources using 0.5g/t gold cut-off totalled 58Mt @ 1.1g/t gold containing 2.1Mozs of gold.

Drilling of mineralisation located within a possible eastern wall cutback and the granite hosted mineralisation in North Pit, South Pit and to the west of South Pit is continuing.

Southern Cross

Marvel Loch

Additional Indicated Resources were estimated for the Sherwood and Undaunted Lodes from 400mbs to 500mbs. This estimate was calculated from drilling completed in the December 2005 quarter.

Jaccoletti

The Jaccoletti Pit is located 1.5km west of Marvel Loch and exploration drilling has intersected mineralisation similar to, and parallel with, Marvel Loch. Shallow open pit mining has occurred previously over a strike length of 600m and to a depth of 80m. Drilling is in progress with recent results of 22m @ 1.1g/t from 24m.

Operations

Safety

The rolling 12 month Lost Time Injury Frequency Rate for Southern Cross Operations is 5.7. The Disabling Injury Frequency Rate is 2.8 on a rolling 12 month basis. There is an on-going focus on safety to improve these statistics.

Southern Cross

Gold production at Southern Cross was derived from underground mining at Marvel Loch, open pit at Hercules and from ore stockpiles.

Hercules open pit is located 12km south of the Marvel Loch plant. Stage 1 of the pit is well advanced and mining has commenced in Stage 2. Ore produced from Stage 1 has totalled 0.858Mt at 1.9g/t, of which 0.75Mt has been processed.

Production at Marvel Loch underground was from New Lode, located at the southern end of the mine. Ore production in the last two quarters was impacted by equipment delivery delays for the underground mine, as well as difficulties in obtaining sufficient experienced operators. The contractor has addressed these issues and was fully staffed for the later part of the March quarter with all scheduled equipment operational.

Two rainfall events in the quarter affected the underground workings, but operations were fully restored within two weeks on each occasion. The underground pumping system has been upgraded to protect the workings from similar future events.

These delays have resulted in forecast production for the 2006 financial year being reduced to 0.165Mozs. Revised forecast cash operating costs for the year are A$440/oz (US$325).

Work has commenced on power, dewatering and ventilation infrastructure improvements for the underground workings. Upgrades to the villages in the Marvel Loch town are also underway.

Underground drilling and mining studies at Marvel Loch established additional ore reserves at the northern end of the mine. Drilling of the depth extension of the high grade lodes is continuing to extend the mine life of the operations beyond the current 3 year mine plan.

Details of 2005/06 YTD Production

		Mar06 Quarter	Dec05 Quarter	Sep05 Quarter	YTD
Open Pit Ore Processed	t	**447,704**	308,426	149,132	905,262
Grade	g/t	**1.9**	1.7	2.6	2.0
Underground Ore Processed	t	**108,857**	58,003	67,972	234,832
Grade	g/t	**3.9**	7.4	10.2	6.58
Stockpiles Processed	t	**55,643**	211,397	353,017	620,057
Grade	g/t	**1.2**	1.4	1.3	1.3
Ore Milled	t	**612,204**	577,826	570,121	1,760,151
Grade	g/t	**2.2**	2.2	2.7	2.4
Recovery	%	**90**	91	92	91
Gold Sales	oz	**38,118**	35,963	50,320	124,401
Cash Operating Cost	A$/oz	**474**	475	346	423

Development

Leonora Feasibility Study

The Leonora Feasibility Study comprises the Gwalia Deeps and the Tarmoola Open Pit and Processing Plant. Feasibility work is underway to determine the viability of commencing gold production at the earliest possible time. The Feasibility Study is considering both stand alone and combined operations for Tarmoola and Gwalia Deeps and is on track to meet the planned completion date in the September 2006 quarter.

Hoover Decline

Extension of the Hoover Decline extension has commenced at Gwalia and is progressing with an average advance rate of over 7m per day. The decline advance will bring forward potential future production at the earliest possible time.

The decline extension commenced near the base of the existing workings at 375mbs and is planned to reach the start of the Deeps mineralisation at 1,100mbs by June 2008 quarter.

Tarmoola

Pit optimisation studies have outlined two mining scenarios. The first scenario is to mine the western margin, southern and southern extension of the existing pit. The second is to mine a much larger pit including the removal of the eastern wall failure.

The value of Tarmoola could be enhanced with the removal of the eastern wall failure.

To determine the volume of material which needs to be removed and the location of a stable eastern wall, five additional geotechnical core holes are being drilled immediately east of the wall.

In addition, gold mineralisation located within the possible east wall cutback is being tested with further drilling, as the gold mineralisation may assist to reduce the cost of the cutback.

Detailed evaluation of results of the geotechnical and exploration drilling of the east wall will be included in the Feasibility Study.

Beneficiation by screening testwork is continuing.

Corporate

The sales of Meekatharra and South Laverton assets were completed on schedule in February 2006.

The Company also invested seed capital and vended two non-core properties into Terrain Minerals Limited which listed recently on ASX.

As a consequence of these asset sales and receiving part consideration in shares, the Company has an investment portfolio including:

Saracen Minerals Holdings Ltd (South Laverton)	19.9%
Mercator Gold plc (Meekatharra)	24.4%
Terrain Minerals Limited	17.1%

The market value of the Company's share portfolio as at 31 March 2006 was A$30.5M (US$22.6M) (most shares acquired are held in escrow until February 2007).

Movements in share capital for the quarter are summarised:

Shares on issue 31 December 2005	619,102,524
Shares issued on exercise of unlisted options	50,000
Shares issued on conversion of convertible note by RCF	100,000,000
Less shares bought back on market	(3,138,393)
Shares on issue 31 March 2006	716,014,131

As at the date of this report, there are 40,025,000 unlisted options exercisable at various prices between 4.7¢ and 49¢ up to 23 December 2011.

On 27 March 2006, Resource Capital Fund converted its A$7M (US$5.2M) Convertible Note into 100M fully paid ordinary shares. As a consequence, the Company has only A$0.5M (US$0.4M) in secured borrowings, and Resource Capital Fund's shareholding is now 25.6% of the issued capital of the Company.

Kingstream

The notes to the Financial Report for the Half Year ended 31 December 2005 refer to a claim by the Administrators of Kingstream Steel Limited (Subject to Deed of Company Arrangement) (**Kingstream**) initiated in July 2002 against the Company in relation to some mining lease applications that were withdrawn in 2001 by a subsidiary of the Company.

Kingstream is claiming damages, contending that the applications were covered by an option agreement. The quantum of damages had not previously been specified. Kingstream has now delivered a report by Snowden Mining Industry Consultants Pty Ltd which claims to quantify damages.

Kingstream's claim includes the value of the applications at the time of withdrawal (A$0.5M) and the diminution in value of other tenements acquired by Kingstream under the option agreement, up to a maximum of A$14.2M. The Company disputes and will continue to defend Kingstream's claim and will challenge the foundations for, and the conclusions expressed in the recent Snowden report.

Financials

The closing cash position at 31 March 2006 was $18.8M (US$13.9M) and in addition, cash backing of Company performance bonds was A$9.6M (US$7.1M) for a total of A$28.4M (US$21M).

On 23 March 2006 the Company drew down an Environmental Bond Facility provided by Commonwealth Bank of Australia (**CBA**), in replacement of a previous facility and has established a A$10M (US$7.4M) general purpose facility with CBA which remains undrawn. CBA has also provided a hedging facility. These facilities are secured.

Apart from A$0.48M (US$0.36M) in finance lease and hire purchase commitments, the Company has no other secured debt.

The Company continued to benefit from strongly rising gold prices during the quarter. Gold was sold at spot price, at an average of A$757/oz (US$560) for the quarter.

Sold call options maturing at the end of January 2006 and February 2006 expired unexercised. Sold call options over 10,000ozs of gold, exercisable in March 2006 were exercised at A$770/oz (US$570), and will be delivered into during April 2006.

Shareholder funds increased during the quarter due to the combined profit derived on sale of South Laverton and Meekatharra assets of A$17.1M (US$12.7M) and the conversion of the Resource Capital Fund A$7M (US$5.2M) Convertible Note. These increases more than offset the aggregate negative mark to market valuation of the hedge book of A$13.1M, as at 31 March 2006.

Expenditure incurred for the quarter included:

	A$M
Mine development expenditure	6.6
Exploration expenditure	3.9
	10.5

Mine development expenditure was incurred at Gwalia Deeps and Marvel Loch underground.

Exploration drilling for the quarter included Gwalia Deeps A$2.8M (US$2.1M) and Tarmoola A$0.4M (US$0.3M).

Other exploration expenditure relates to target identification, nickel exploration and exploration administration costs.

Directors
S J C Wise .... Chairman
E Eshuys .... Managing Director & CEO
D W Bailey .... Non-Executive Director
R Knight .... Non-Executive Director
H G Tuten .... Non-Executive Director
M K Wheatley .... Non-Executive Director
R J Kennedy .... Company Secretary

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Largest Shareholders
Resource Capital Fund II LP 25.6%
St James Place Recovery Trust 4.9%
JPMorgan Asset Management (UK) 4.6%

Australian Stock Exchange Listing .... SBM

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

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110 Stirling Highway
Nedlands WA 6009
Telephone: .... +61 8 9221 7288
Facsimile: .... +61 8 9221 7869

Exchange Rate .... A$ amounts converted at A$1 = US$0.74

Table 1: **Proven & Probable Reserves Statement at 31 March 2006**

	PROVEN			PROBABLE			TOTAL		
REGION	**kTonnes**	**Au g/t**	**koz**	**kTonnes**	**Au g/t**	**koz**	**kTonnes**	**Au g/t**	**koz**
Southern Cross									
Marvel Loch	120	4.9	19	1,400	4.0	179	1,510	4.1	197
Hercules				1,310	2.9	120	1,310	2.9	120
Other	160	1.7	9	60	2.4	5	230	1.9	14
	280	**3.0**	**27**	**2,770**	**3.4**	**303**	**3,050**	**3.4**	**331**
Leonora									
Gwalia				2,370	9.7	739	2,370	9.7	739
TOTAL ALL AREAS	**280**	**3.0**	**27**	**5,130**	**6.3**	**1,043**	**5,410**	**6.1**	**1,070**

Notes – Southern Cross:

1) Information in this report that relates to Southern Cross Ore Reserves is based on information compiled by Mr Sam Larritt (Marvel Loch) and Mr Allan Blair (Hercules) who are Members or Fellows of the Australasian Institute of Mining and Metallurgy. Mr Larritt is a full-time employee of the Company and Mr Blair is employed by Snowden Mining Industry Consultants. Mr Larritt and Mr Blair have sufficient experience relevant to the style of mineralisation, type of deposit under consideration and to the activity being undertaken to qualify as Competent Persons as defined by the 2004 edition of the ' Australasian Code for Reporting of Mineral Resources and Ore Reserves'. The previously reported reserve estimate for Hercules used a gold price of A$550/oz and cut-off grade of 1.1g/t. Mr Larritt and Mr Blair consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.
2) All data is rounded to two significant digits. Discrepancies in summations will occur due to rounding

Notes – Leonora:

1) The information in this report that relates to Gwalia Deeps Ore Reserve is based on information compiled by Messrs Stephen Miller and Martin Reed, who are members of the Australasian Institute of Mining and Metallurgy. Messrs Miller and Reed are consultants to St Barbara Limited and have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Messrs Miller and Reed consent to the inclusion in the report of the matters based on the information in the form and context in which it appears.
2) The mining reserve includes dilution of 10% to 15% at 0.0g/t Au depending on stope size. Dilution is applied by factoring the final design stope shape volume and tonnes but not increasing contained metal.
3) A mining recovery factor of 95% after dilution is applied.
4) A cut-off grade of 4 g/t Au has been applied.
5) A gold price of $A650/ounce has been used for the Reserve estimation
6) All data is rounded to two significant digits. Discrepancies in summations will occur due to rounding

Table 2: **Mineral Resource (including Reserves) Statement at 31 March 2006**

	MEASURED			INDICATED			INFERRED			TOTAL		
REGION	**kTonnes**	**Au g/t**	**koz**	**kTonnes**	**Au g/t**	**koz**	**kTonnes**	**Au g/t**	**Koz**	**kTonnes**	**Au g/t**	**koz**
Southern Cross												
Marvel Loch	410	5.8	76	2,800	4.0	360	980	5.1	160	4,200	4.4	600
Yilgarn Star				390	6.6	82	1,100	3.2	110	1,500	3.9	190
Hercules				2,500	2.3	190				2,500	2.3	190
Other	160	1.7	9	4,700	2.3	350	4,700	2.9	440	9,600	2.6	800
	570	**4.6**	**85**	**10,000**	**2.9**	**980**	**6,800**	**3.3**	**710**	**18,000**	**3.1**	**1,800**
Leonora												
Gwalia				2,900	10.1	940	7,300	6.8	1,600	10,000	8.1	2,600
Tarmoola	12,000	0.9	350	46,000	1.2	1,800	0	0.0	0	58,000	1.1	2,100
Other	1,000	0.9	30	6,100	1.3	260	6,700	2.3	500	14,000	1.8	800
	13,000	**0.9**	**380**	**55,000**	**1.7**	**3,000**	**14,000**	**4.7**	**2,100**	**82,000**	**2.1**	**5,500**
TOTAL ALL AREAS	**14,000**	**1.1**	**470**	**66,000**	**1.9**	**4,000**	**21,000**	**4.2**	**2,800**	**100,000**	**2.3**	**7,300**

Notes:

1) The information contained in this report relating to Mineral Resources has been compiled by Ms Jane Bateman and Mr Peter Thompson. Ms Bateman and Mr Thompson are Members of the Australasian Institute of Mining and Metallurgy and are full-time employees of the company. Ms Bateman and Mr Thompson have sufficient experience relevant to the style of mineralisation, type of deposit under consideration and to the activity being undertaken to qualify as Competent Persons as defined in the 2004 edition of the 'Australasian Code for Reporting of Mineral Resources and Ore Reserves'. Ms Bateman and Mr Thompson consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.
2) All data have been rounded to two significant figures
3) Discrepancies in summations will occur due to rounding

Table 3: Exploration Significant Intersections

Hole No	North	East	mbs		Mineralised Intercept From	Length	Gold
					m	m	g/t
LEONORA							
Gwalia Deeps							
GWDD11B	5901	9315	1540		1634.0	12.0	60.1
GWDD6K	6118	8947	1360		1390.5	16.0	11.4
GWDD8H	6275	8712	1165		1273.0	7.0	19.7
GWDD7L	6034	9208	1476		1546.0	8.0	10.3
	6016	9175	1551		1630.0	9.0	6.8
	6031	9203	1489		1563.0	2.0	27.1
GWDD12	5775	6582	1720		1854.0	7.0	10.3
GWDD1D	6002	8977	1350		1391.0	7.0	8.3
GWDD9B	6116	8663	1110		1213.5	13.0	4.4
GWDD8F	6284	8663	1106		1253.0	2.0	28.4
	6230	8659	1115		1263.5	6.0	5.1
GWDD8G	6230	8659	1118		1280.2	8.8	5.6
SOUTHERN CROSS							
Jaccoletti			**Dip**	**Azimuth**			
JCC193	19810	9890	-50	090	24	22.0	1.1

Intercepts lengths are downhole. For Gwalia Deeps, this equates to true thicknesses. Co-ordinates for all holes are at the collar except for Gwalia Deeps which are mid-point of the intercept.
MBS = vertical depth below surface

Figure 1: Gwalia Deeps Resource – section view