

**St Barbara**



## **Diggers and Dealers Forum 2007 Presentation**

We attach a copy of Mr Eduard Eshuys presentation this week to the Diggers and Dealers Forum 2007 in Kalgoorlie.

**Ross Kennedy**

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6 August 2007

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# St Barbara Limited



## Growing Australian Gold Producer and Explorer



Eduard Eshuys, Managing Director & CEO  
Diggers & Dealers Forum

August 2007

## Delivered Since 2006



- ❖ Doubled reserves to 2.3 Moz
- ❖ Met gold production forecast of 171 koz
- ❖ Gwalia Hoover decline at 800mbs - 80% complete
- ❖ Raised A\$100 M capital to support expansion
- ❖ Generated \$57M\* cash from operations & asset sales
- ❖ Purchased put options to underwrite cash flows

*\*Unaudited figures*

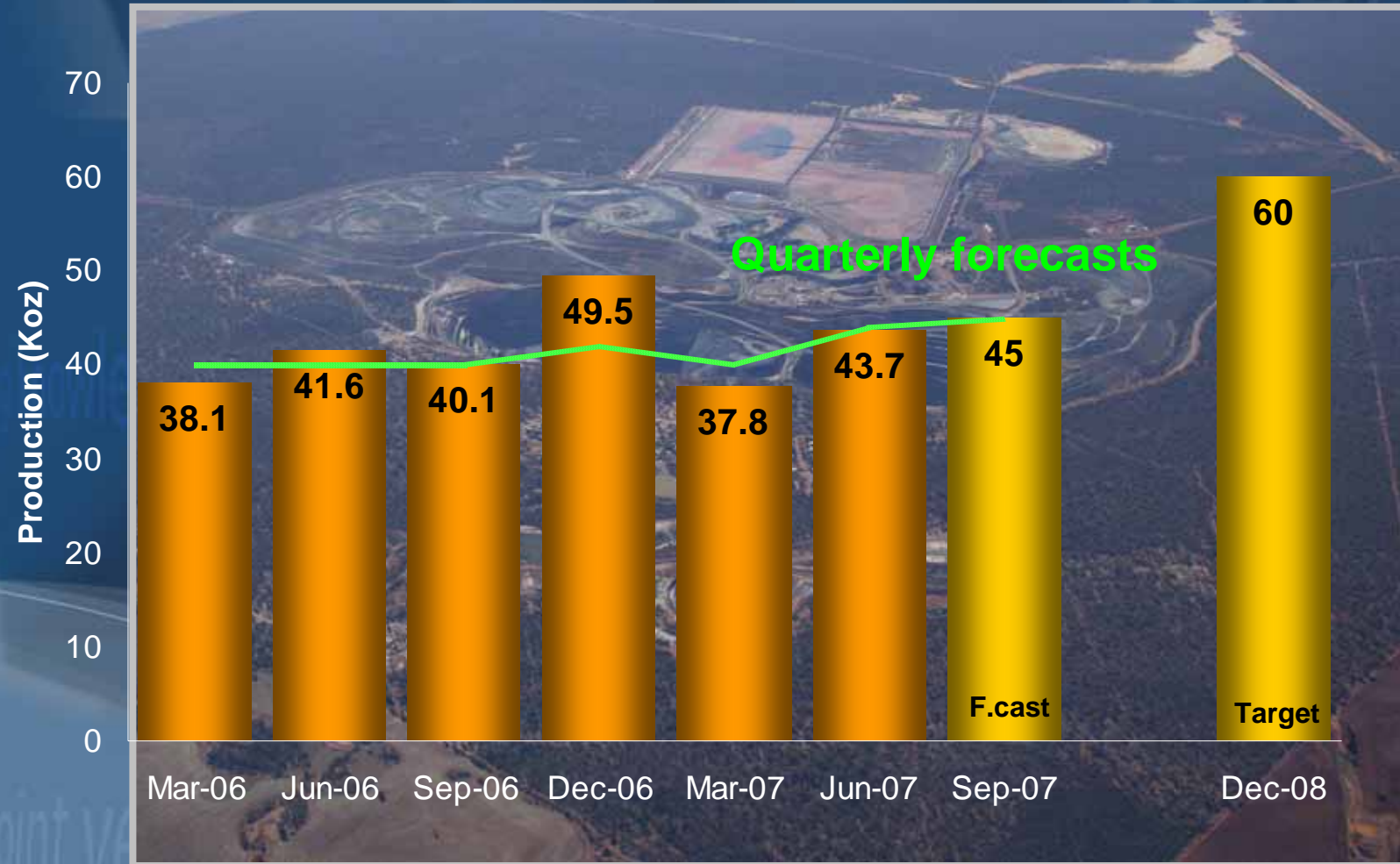
# Doubled Reserves at Southern Cross and Gwalia



- ❖ Reserves increased from 1 Moz to 2.3 Moz
- ❖ High average grade of reserves at 6g/t
- ❖ Reserve delineation cost A\$22/oz
- ❖ Resources increased from 7.1 Moz to 8.4 Moz

***Major focus now on open pit reserves***

# Southern Cross Achieved Production Forecast



# Operational Performance FY07



A\$M

EBITDA from Operations\*

46

Profit from Asset Sales\*

11

*Operations & asset sales funding exploration*

\* Unaudited figures

# Capital Expenditure - 2007/08



	A\$M
Southern Cross	25
Gwalia	110
Exploration	<u>25</u>
<b>Total</b>	<b>160</b>

*Building operations base for long term production*

# Raised Capital to Support Production Expansion



	<u>A\$M</u>
Cash & Investments	113
Bank debt underway	50
Operational cash flow	+
Asset sales	+
<b>Total</b>	<b>163++</b>

*Completed A\$100 M convertible note issue*

# Future Operating Cash Flows



8

- ❖ Purchased put options at a cost of A\$11 million
  - ❖ 1.30 Moz for Gwalia at A\$700/oz for 8 years
  - ❖ 0.17 Moz for SX at A\$760/oz for FY2008
- ❖ Underwrite cash flow should gold price fall
- ❖ Unlimited exposure to increase in gold price

*Zero delivery commitments*

# Capital Structure



- ❖ Market Cap A\$450M - A\$500M
- ❖ 836M ordinary shares
- ❖ 18M unlisted options
- ❖ Strong Australian & international shareholding base
- ❖ Convertible notes listed in Singapore

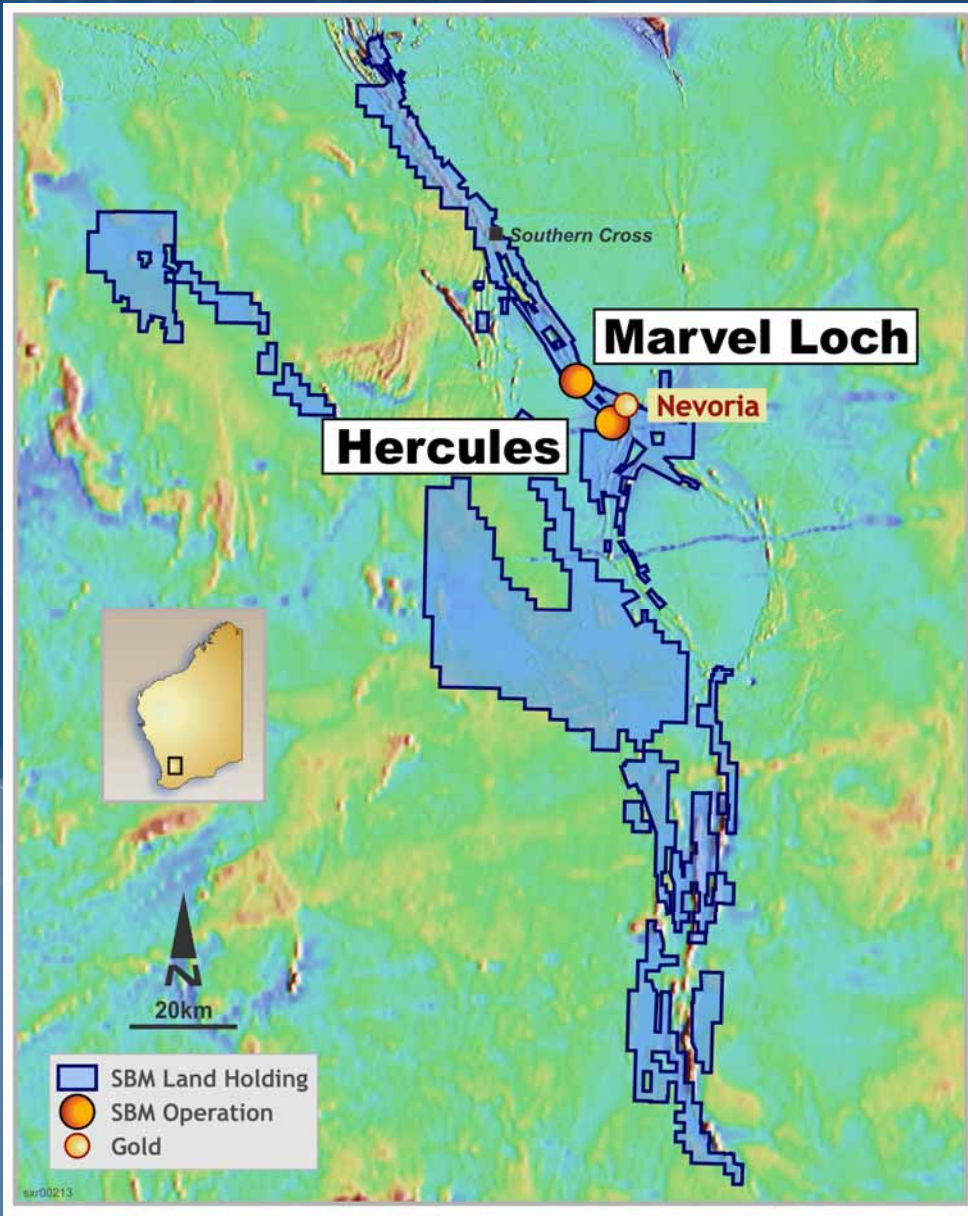
# Our Current WA Interests...



- ❖ A large world class consolidated land bank - 5000 sq km
- ❖ Only 30% of Southern Cross & Leonora land effectively explored
- ❖ Operations and community infrastructure in place
- ❖ Spare capacity to allow for production expansion

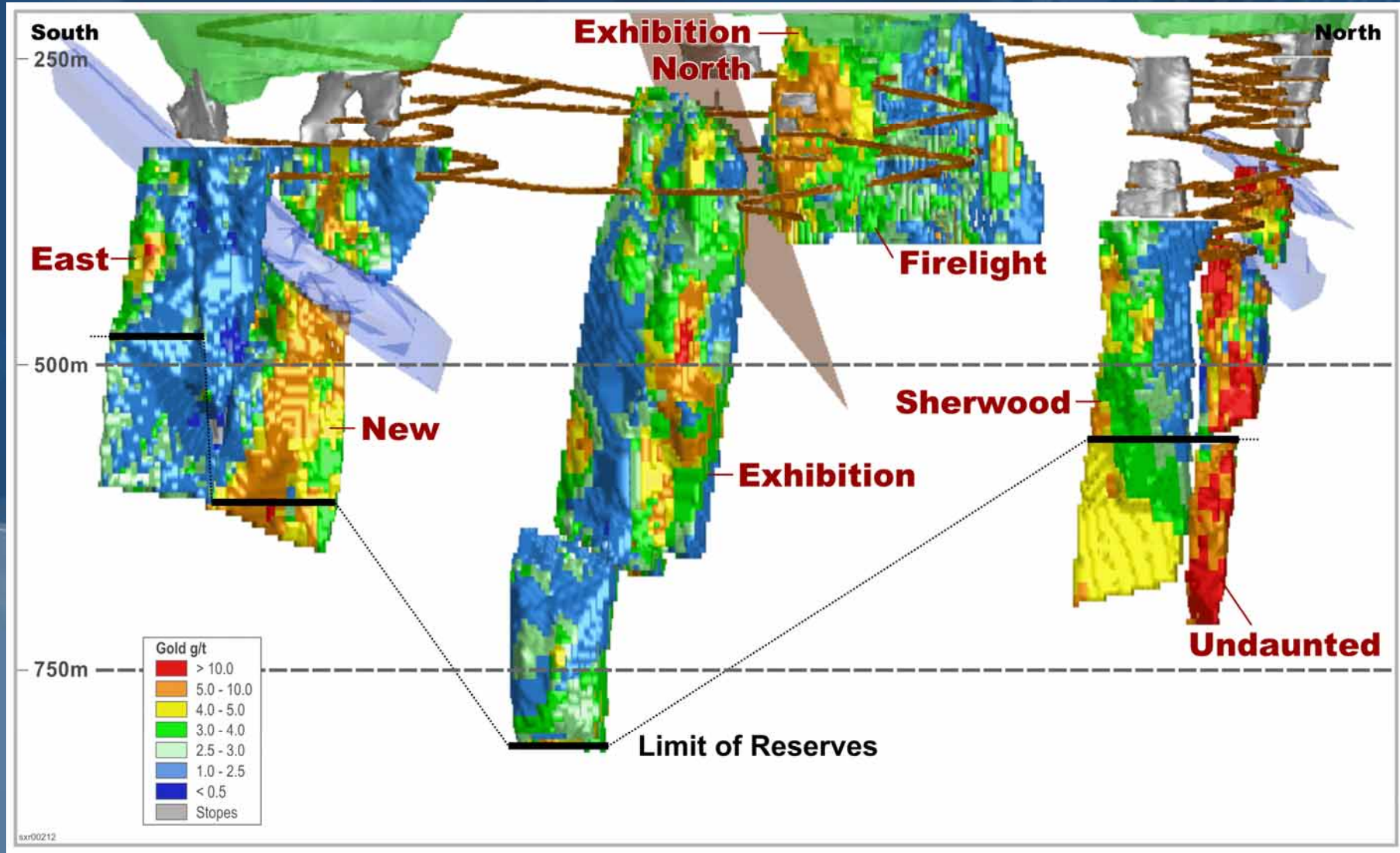
Creating value

# Southern Cross Operations



Exploration  
creating value

# Southern Cross - Marvel Loch Reserves



# Southern Cross Operations Upside



- ❖ Extend Marvel Loch underground reserves
- ❖ Nevoria underground production Dec quarter 2008
- ❖ Continuing to convert open pit resources to reserves
- ❖ Extending mine life beyond current 5 years
- ❖ Capital expenditure of \$25 M to improve profitability

***Expanding production to 220,000oz pa to  
generate strong cashflow***

# Gwalia

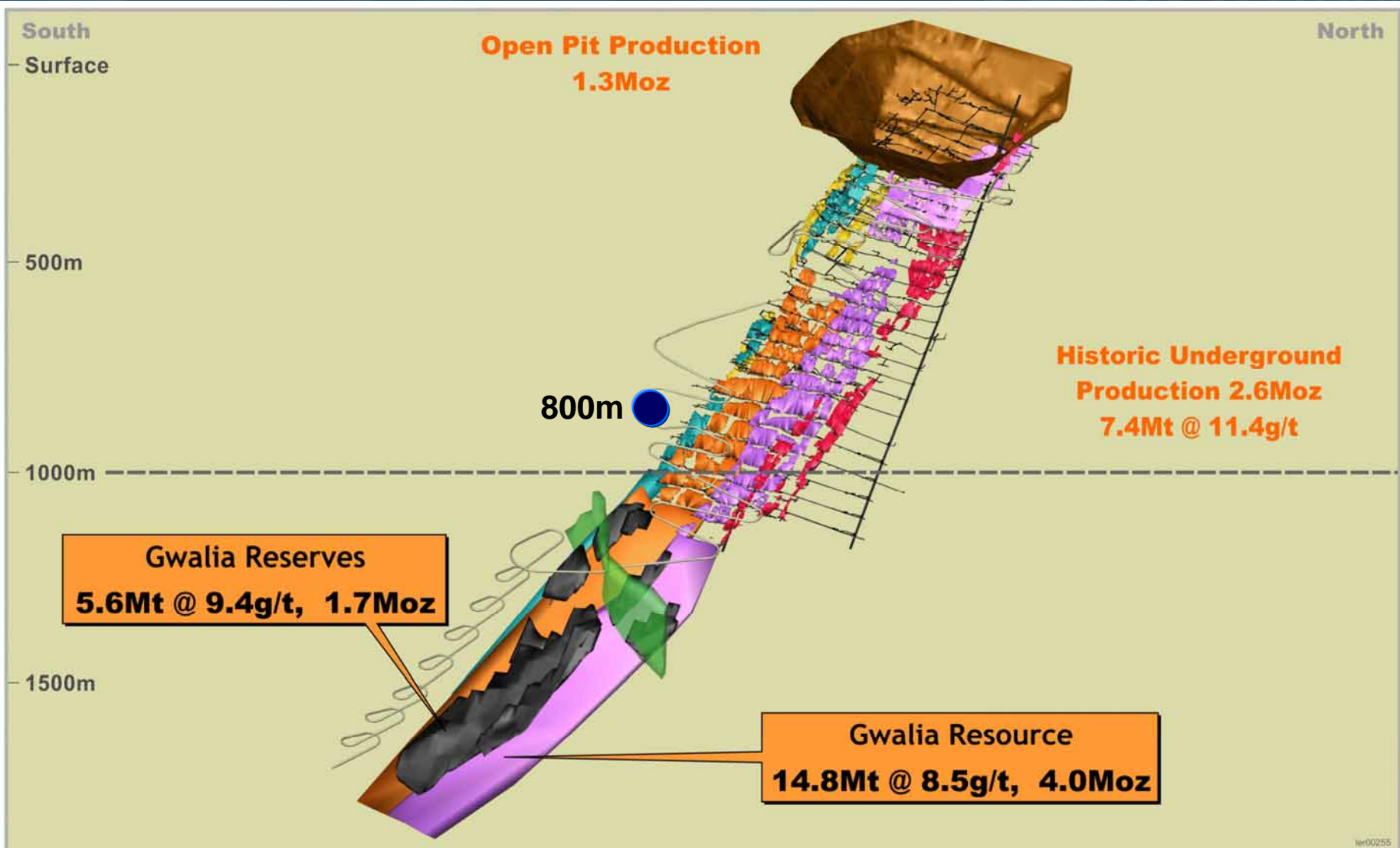


## Gwalia Hoover Decline 80% Complete

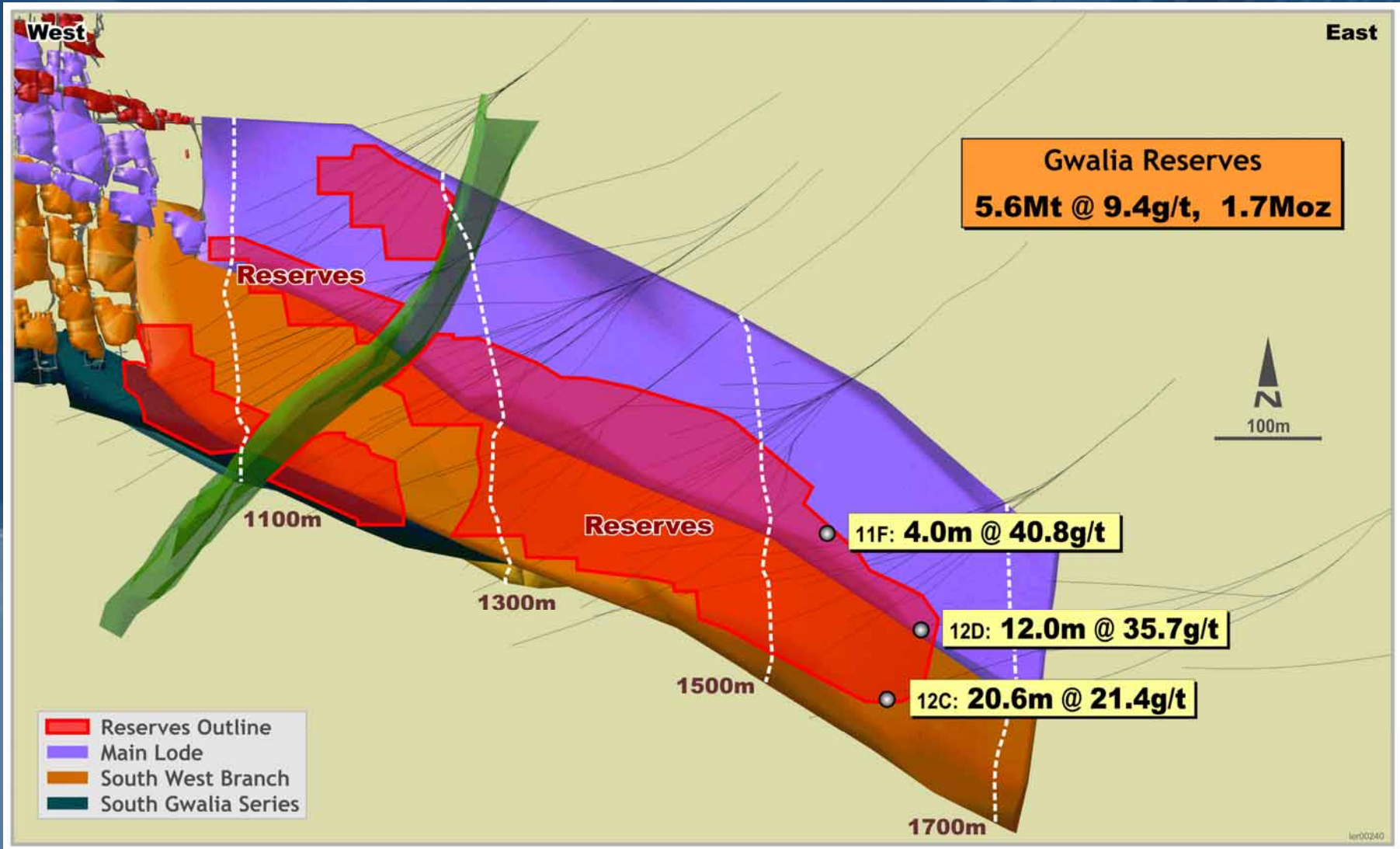
- ❖ Hoover Decline at 800 metres below surface
- ❖ Ground conditions at 800mbs are favourable
- ❖ Commencing gold production Sept Quarter 2008
- ❖ Initial rate of 100,000 oz pa

*Cash costs A\$395/oz for life of mine 8 years*

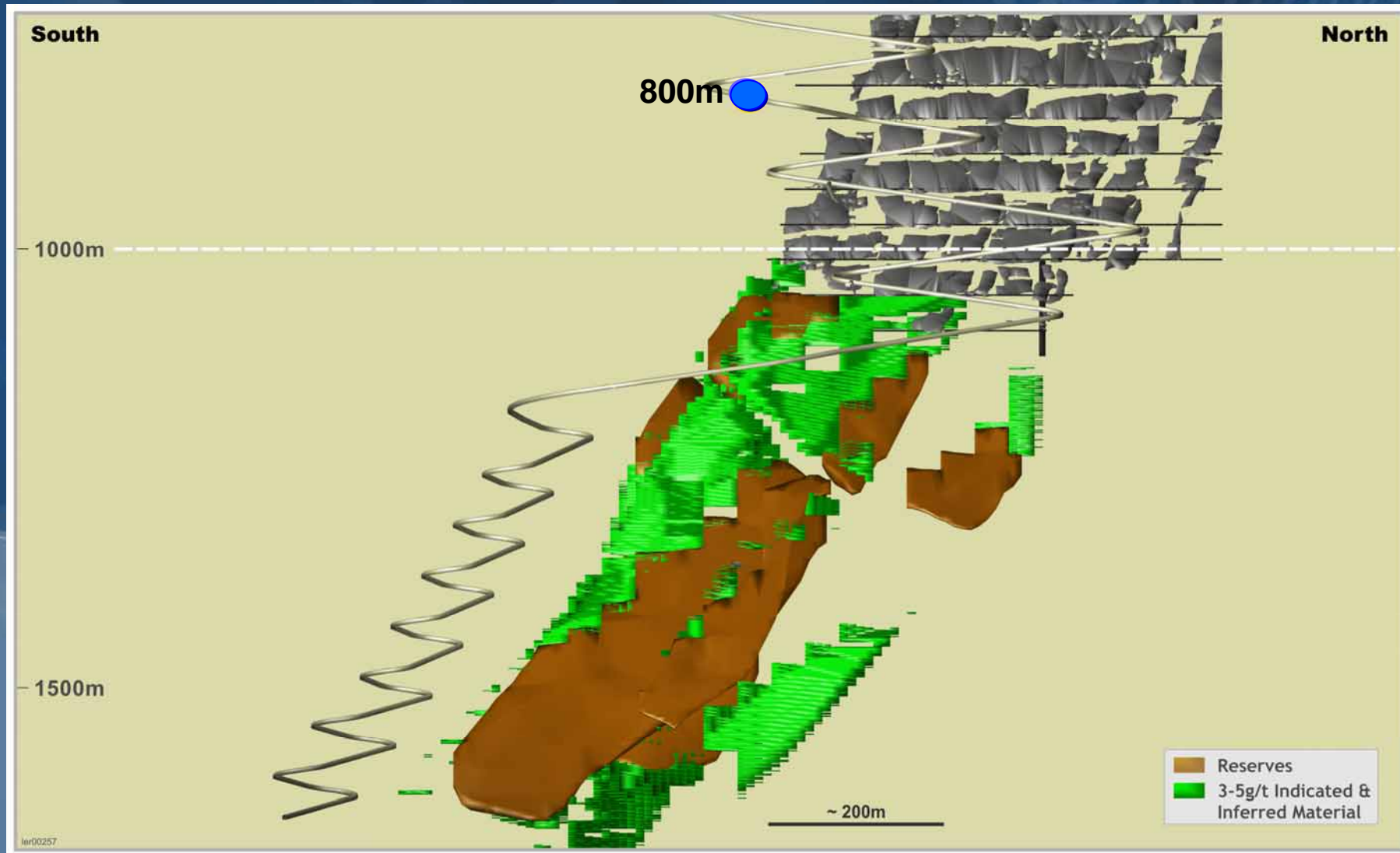
# Gwalia Hoover Decline at 800m



# Gwalia Reserves & the Future



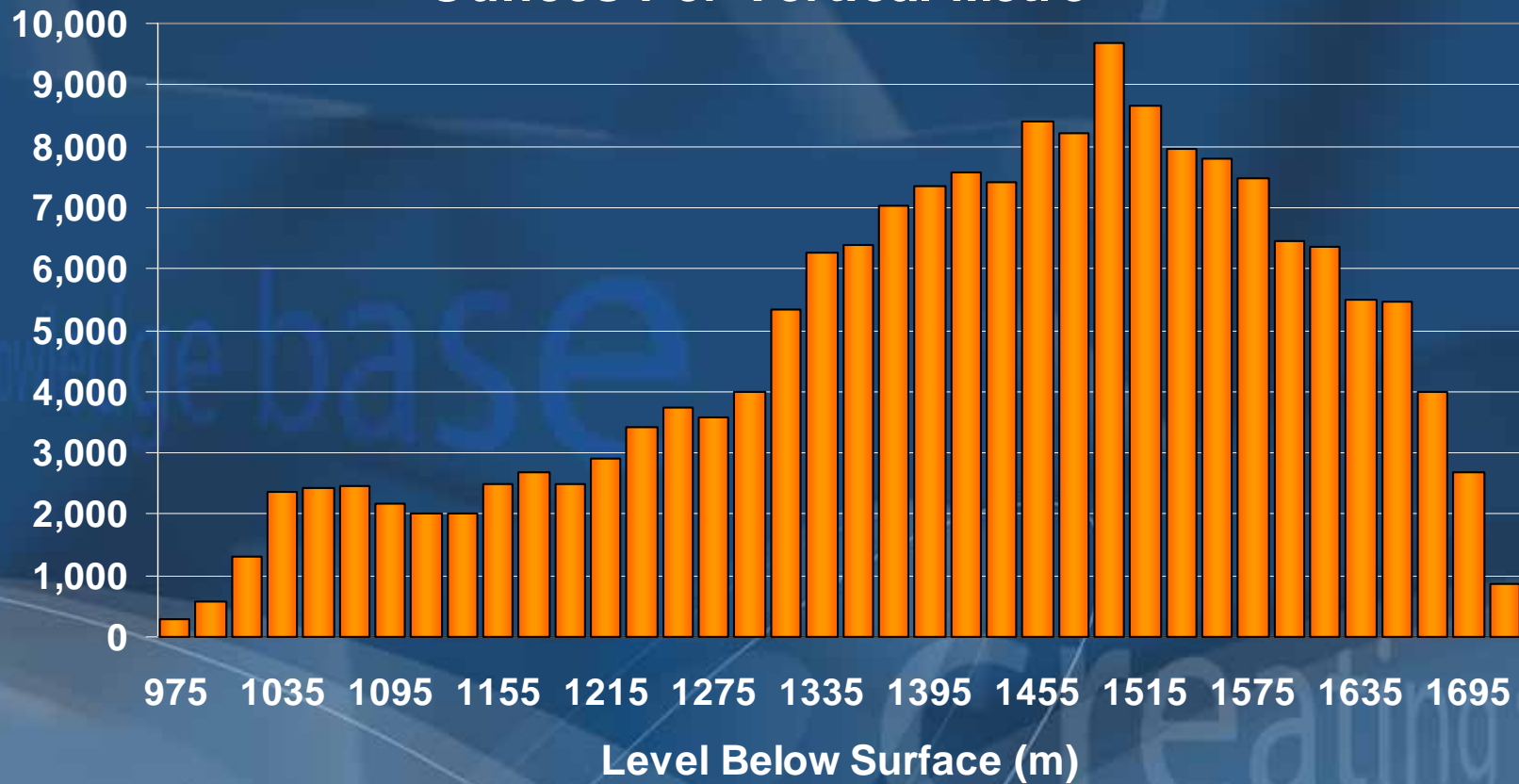
# Gwalia Upside



# Gwalia - the High Grades



## Ounces Per Vertical Metre



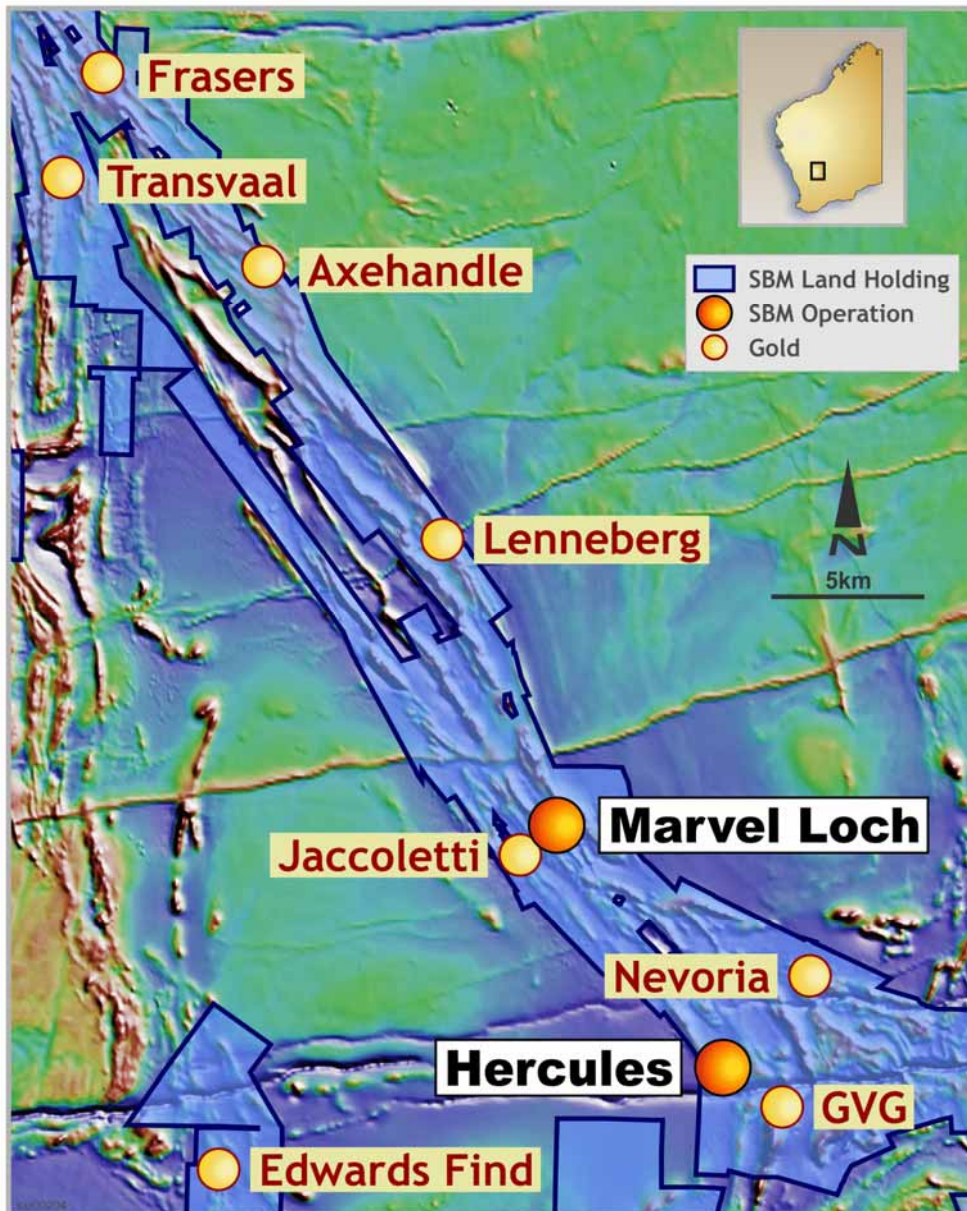
# Exploration Strategy - 2007/08



- ❖ Suspended drilling at Gwalia
- ❖ Exploration expenditure continues at \$25 million pa
- ❖ Accelerating nickel and base metal drilling at Leonora
- ❖ Drilling focus on open pit reserves

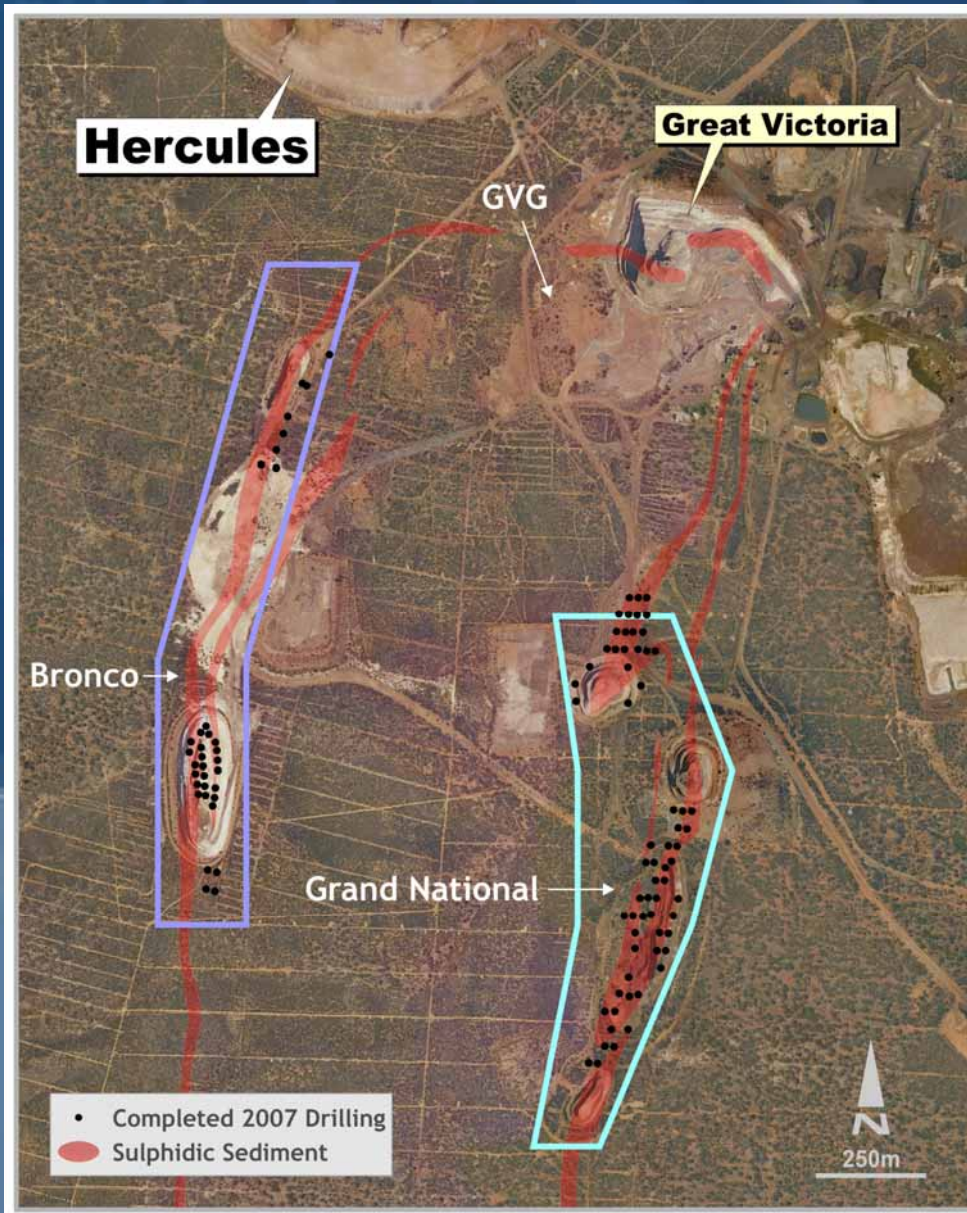
*Incremental cash from open pit reserves*

# Southern Cross Open Pits Focus



- ❖ Total endowment of 12Moz
- ❖ 20 open pit target - cutbacks
- ❖ Cutback of pits mined at \$400/oz small scale high cost
- ❖ Mining at Hercules & GVG

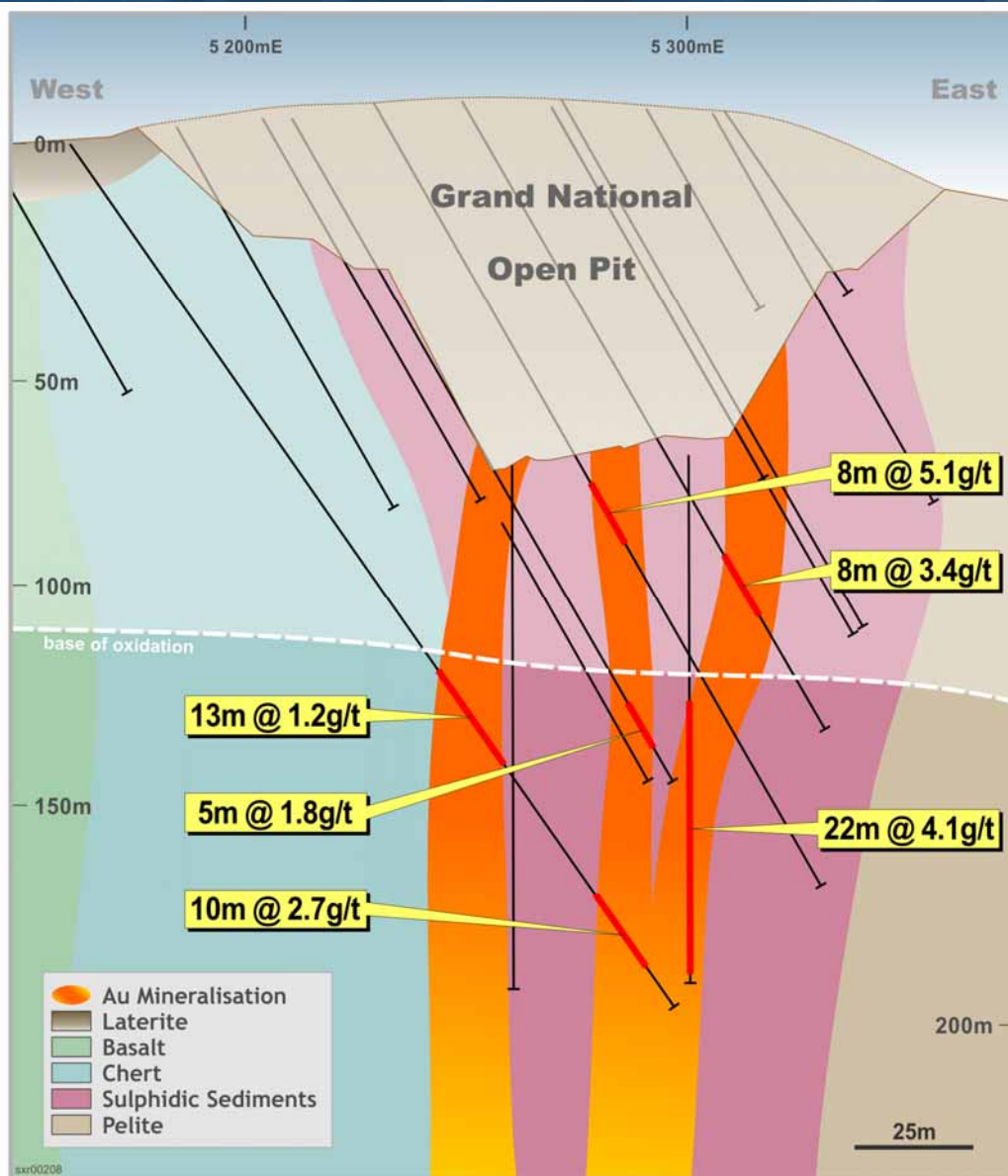
# Southern Cross - GVG Open Pit Focus



- ❖ Potential for 300koz
- ❖ Mineralised strike 7km
- ❖ Reserves to be completed Jan 2008

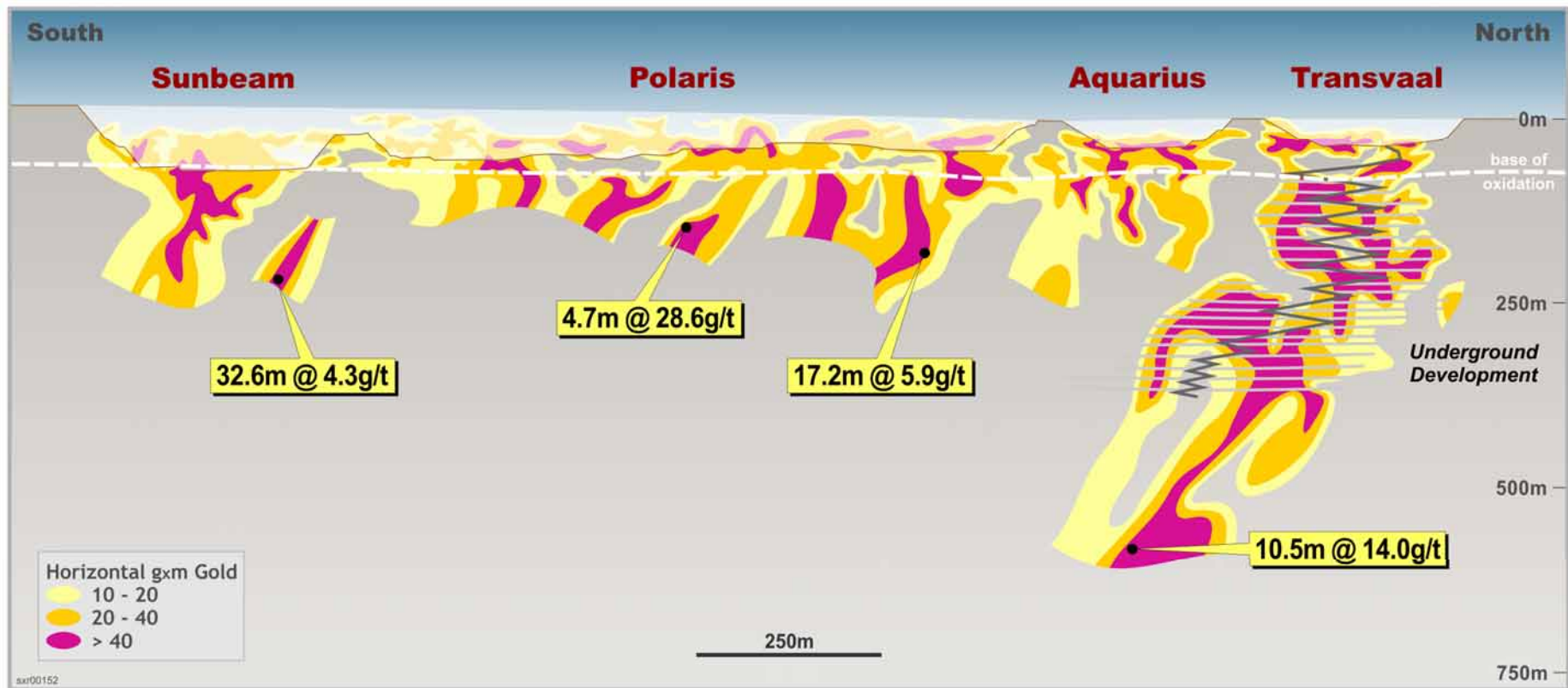
creating value

# GVG Cross Section

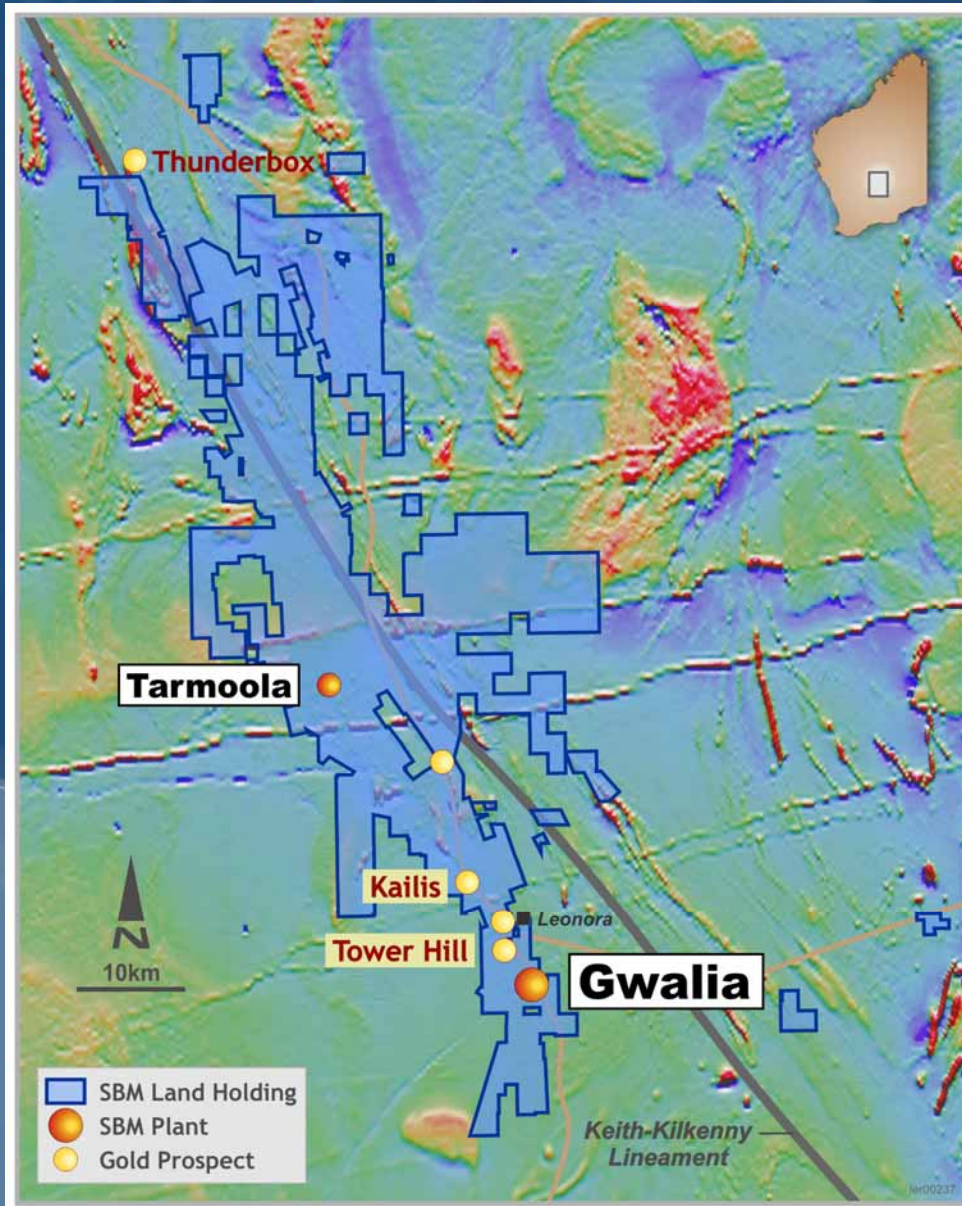


- ❖ Pits previously mined to 50-60 metres
- ❖ Oxide mineralisation extends to ~110 metres
- ❖ Testing the gap for reserves

# Transvaal Long Section

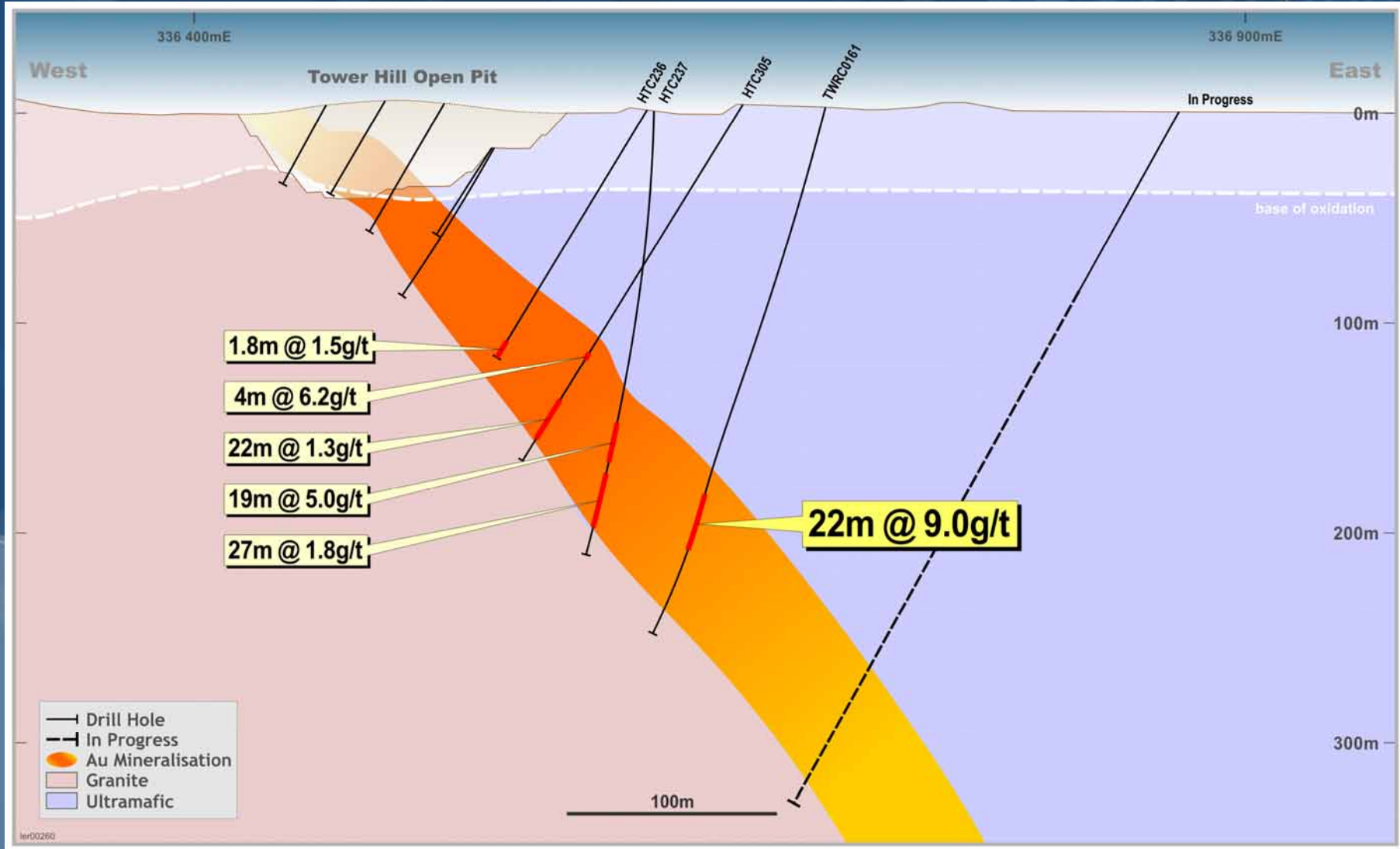


# Leonora Open Pits

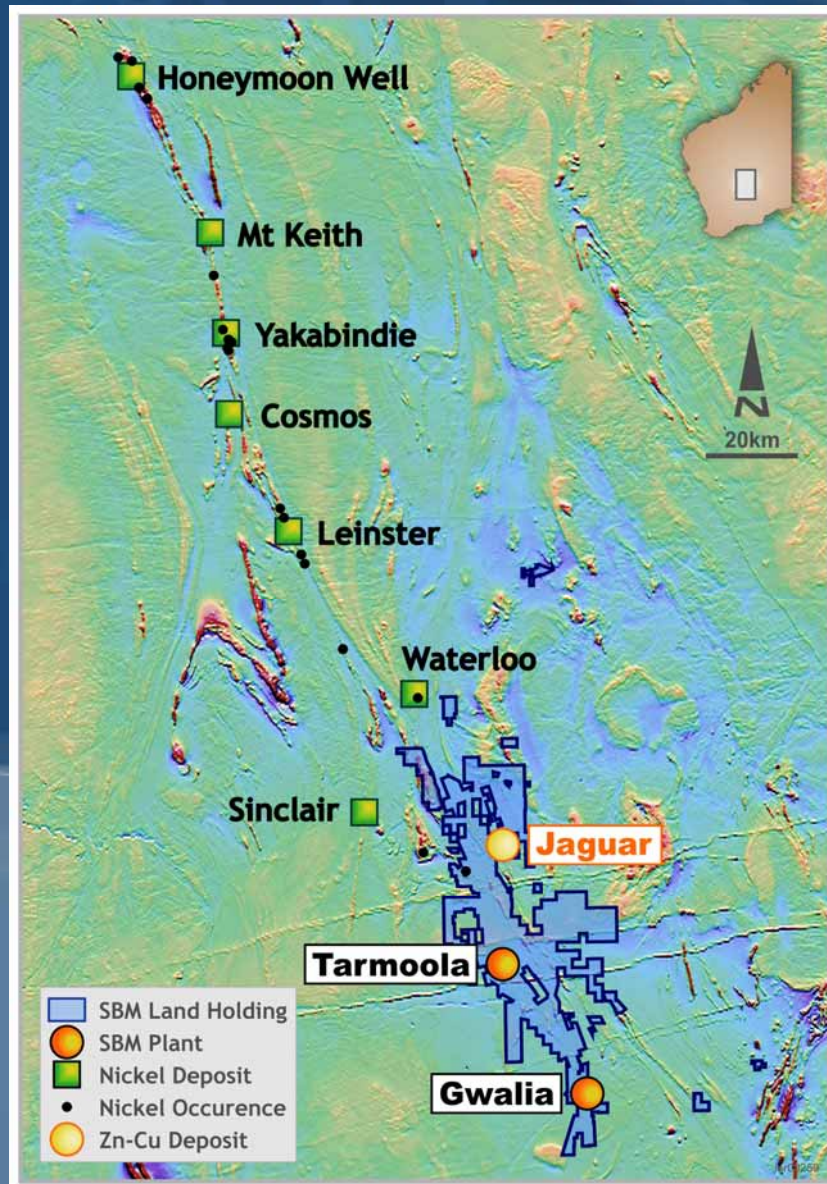


- ❖ Gwalia mill <50% utilised by Gwalia production
- ❖ Tower Hill past production 200 koz, Kailis 50 koz
- ❖ Resources of 600koz
- ❖ Evaluating cut backs at Tower Hill and Kailis
- ❖ Other targets to be drilled

# Tower Hill - New Cross Section



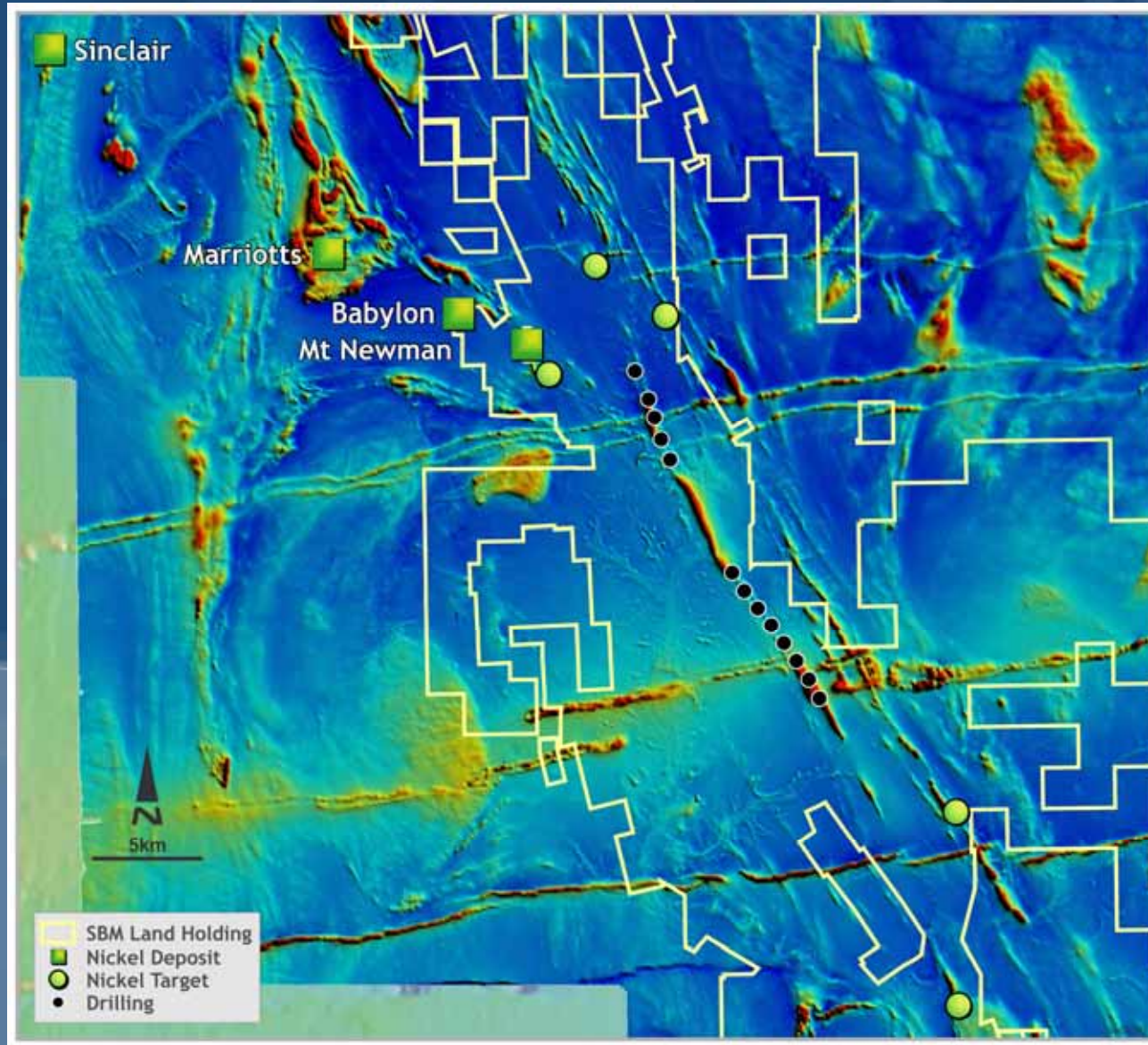
# World Class Nickel Province



- ❖ Nickel production is ~100kt pa
- ❖ Tenements cover >100 km strike of this world class province
- ❖ Encouraged by results to date
- ❖ \$5M base metal budget for 2008

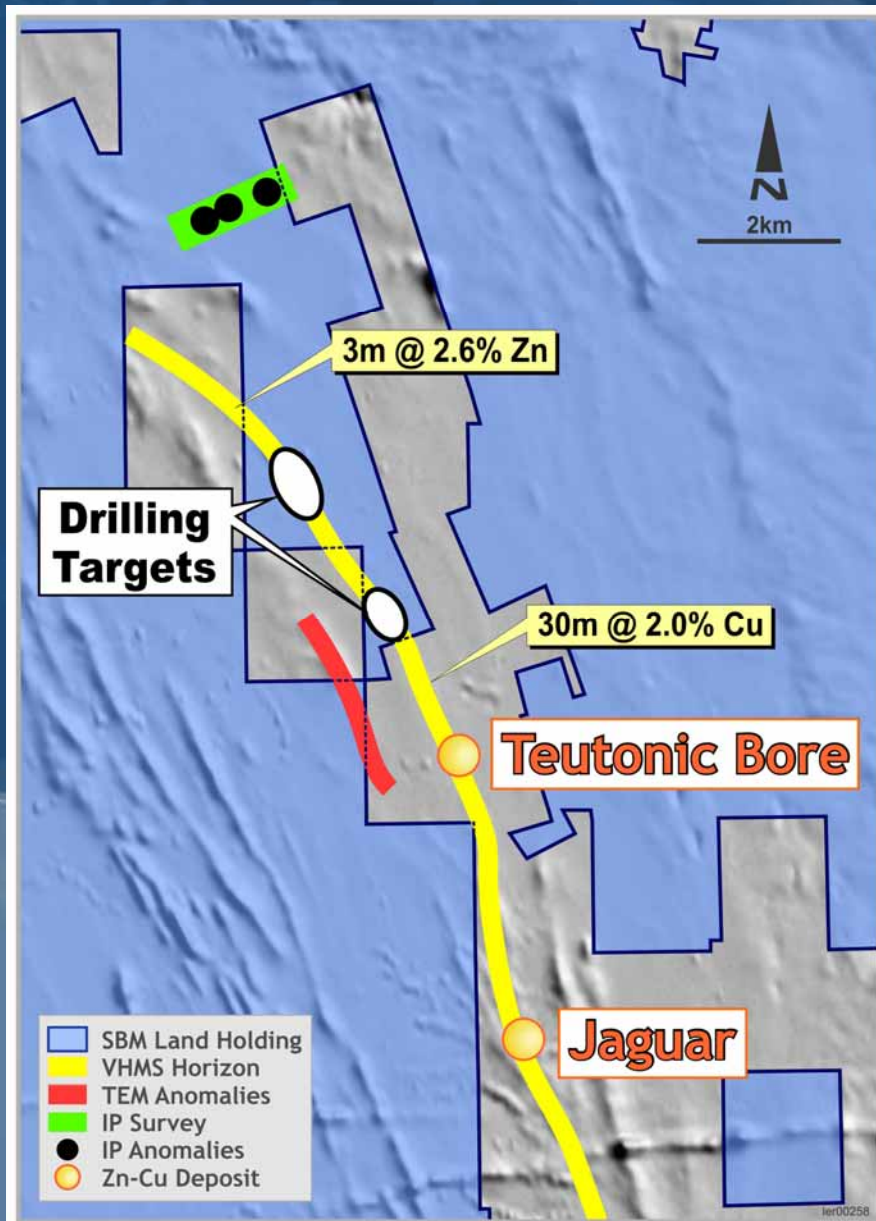
creating value

# Sullivans Nickel Drilling



eating value

# Leonora Base Metal Targets



- ❖ Jaguar highlights the prospectivity
- ❖ Jaguar mineralisation starts at 250mbs
- ❖ Drilling within our land less than 50m
- ❖ Drilling to commence this Sept Qtr

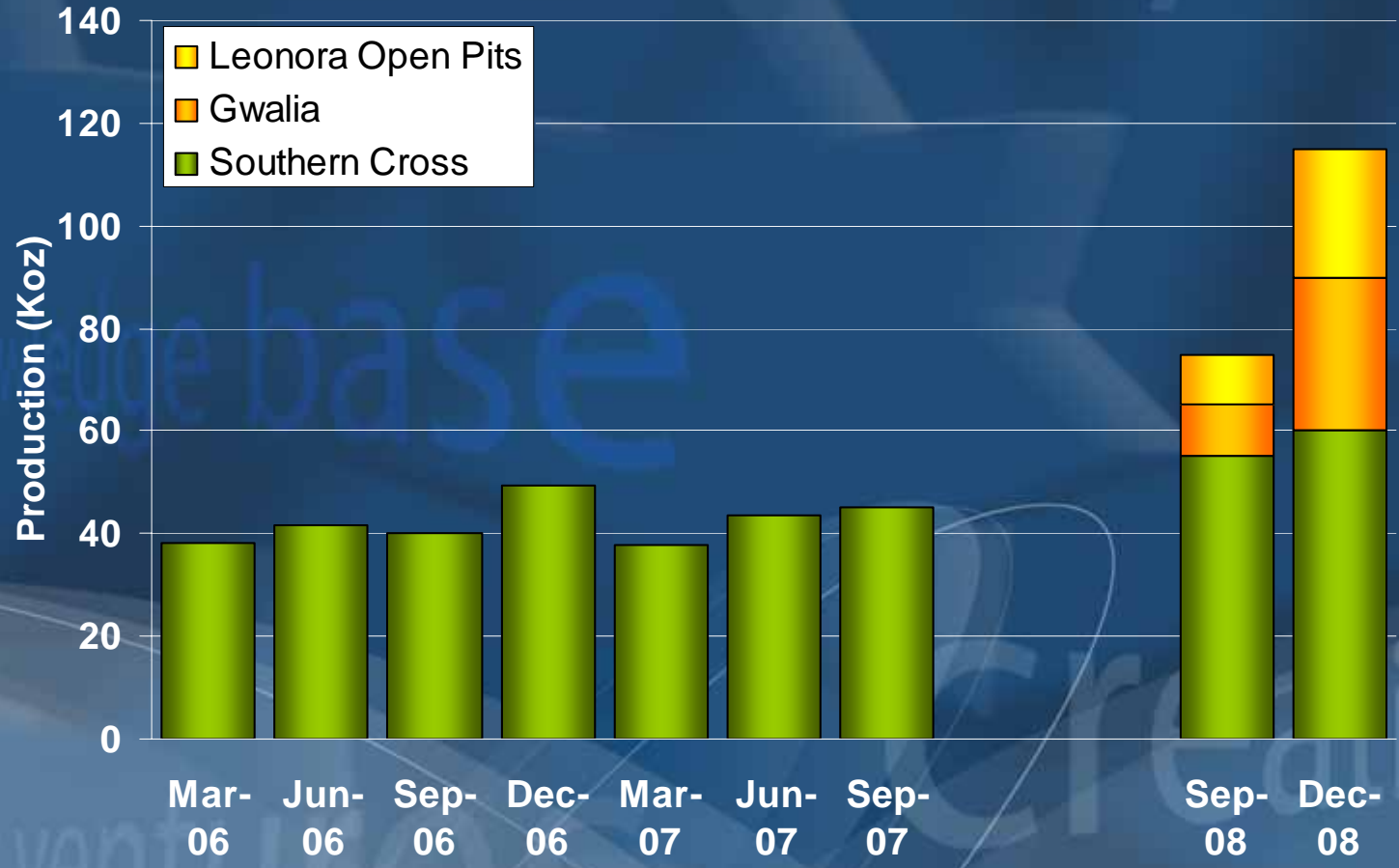
## Objectives - 2007/08



- ❖ Produce 175k oz pa @ A\$505/oz cash cost at Southern Cross
- ❖ Expand open pit reserves at Southern Cross and Leonora
- ❖ Hoover Decline to reach reserves by March 08
- ❖ Recommence Gwalia gold production by Sept 08
- ❖ Discover nickel and copper/zinc at Leonora

*In preparation for 450,000 oz annual production*

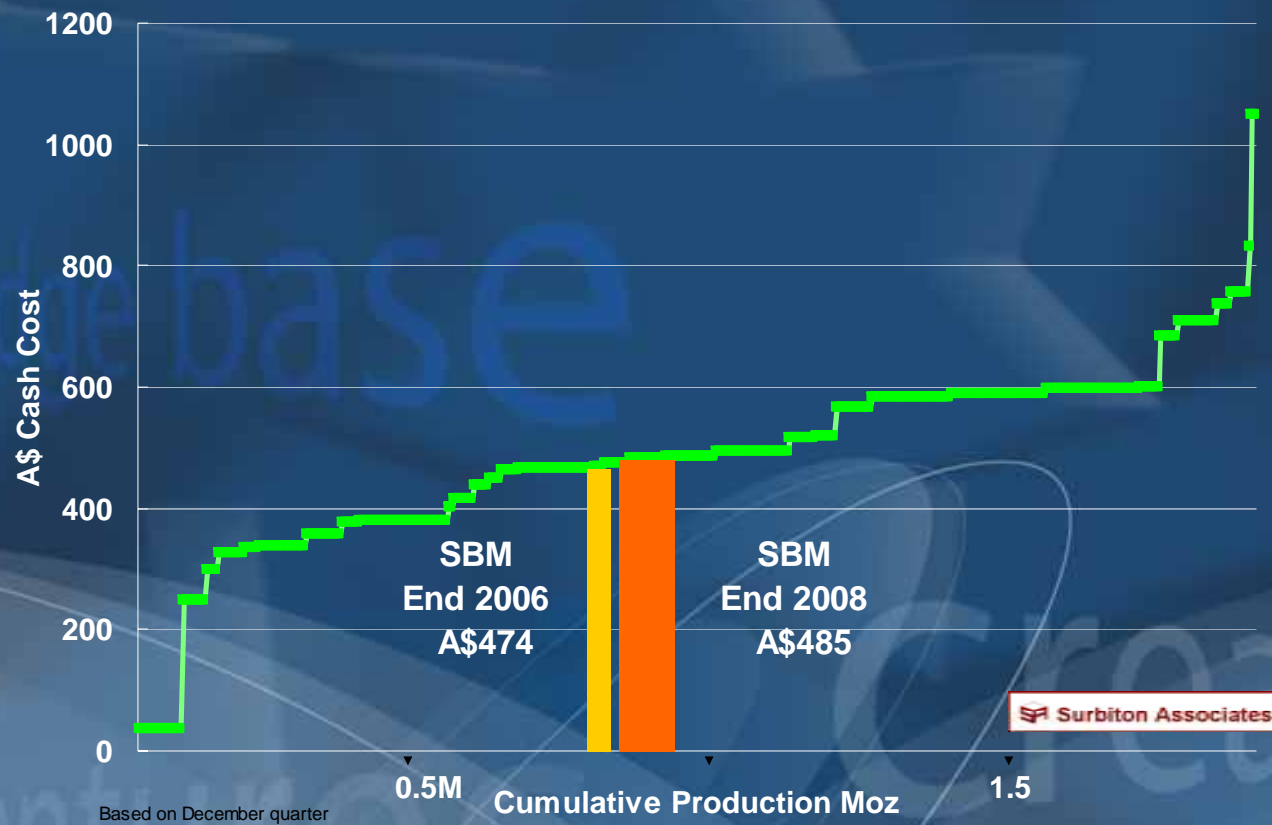
# Expanding Production to 120koz/qtr



# St Barbara's Cost Position



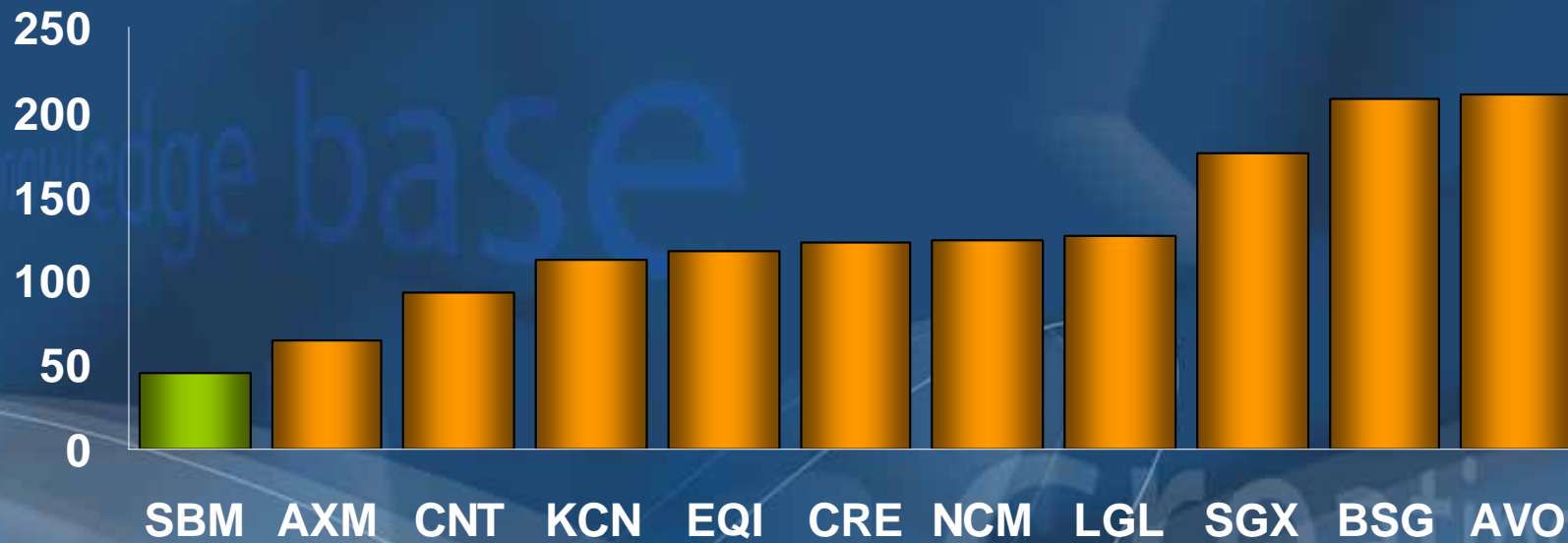
## Australian Gold Cost Curve



# Best Value per Reserve Ounce!



## Market Cap / Reserve Ounce



Current Comparison - Source Southern Cross Equities July 07

## Longer Term Objectives by 2010...



- ❖ Expand Southern Cross & Leonora production to 600,000 oz pa
- ❖ Moving from 3<sup>rd</sup> to 2<sup>nd</sup> quartile of Australian cost curve
- ❖ Pursue growth through acquisitions
- ❖ Convert exploration successes into shareholder wealth

*Cash flow funds aggressive growth*

## St Barbara in 2010



Production of 1Moz gold pa

Reserves of 10Moz gold





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...thank you