

**St Barbara**



## **North American Roadshow Presentation**

We attach a copy of a presentation being given by Mr Eduard Eshuys, Managing Director & CEO, on a North American Roadshow.

**Ross Kennedy**  
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21 September 2007

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# St Barbara Limited



## Leading Australian Gold Producer and Explorer



Eduard Eshuys, Managing Director & CEO

September 2007

# Recent Achievements



- ❖ Doubled reserves to 2.3 Moz
- ❖ Achieved gold production forecast of 171 koz pa
- ❖ EBITDA \$46M (US\$38M) from operations
- ❖ Gwalia Hoover Decline over 80% complete
- ❖ Purchased put options for 1.5 Moz
- ❖ Substantial exploration success at Tower Hill

# Capital Structure



- ❖ Mk Cap A\$440M (US\$370M)
- ❖ 836M ordinary shares
- ❖ 18M options (unlisted)
- ❖ A\$100M Conv. Notes  
(Convert to 137.7M ords)
- ❖ June 2007 Cash /  
investments A\$113M  
(US\$94M)
- ❖ Ords listed on ASX – SBM
- ❖ Notes listed Singapore
- ❖ Major Shareholders
  - Resource Capital  
Funds – 9.4%
  - JP Morgan Asset  
Management – 5.6%

# Future Operating Cash Flows



- ❖ Full exposure to increase in gold price
- ❖ Zero gold delivery commitments
- ❖ Purchased put options at a cost of A\$11M
  - ❖ 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



# Our Current WA Interests



- ❖ A large world class land bank - 7000+ sq km
- ❖ Only 30% of Southern Cross & Leonora land effectively explored
- ❖ Operations and community infrastructure in place
- ❖ Spare capacity to allow for production expansion
- ❖ Well established regulatory environment

# Company Drivers



- ❖ Producer with strong exploration focus
- ❖ Many areas under explored because
  - ❖ Mining in 1980s based on A\$400/oz (US\$333) gold price and high cost plants
  - ❖ Drilling often only to shallow depths of 100m
  - ❖ Overburden made geological interpretation difficult
  - ❖ New technology and concepts
- ❖ Exploration expenditure at A\$25M (US\$21M) pa

# Exploration Strategy



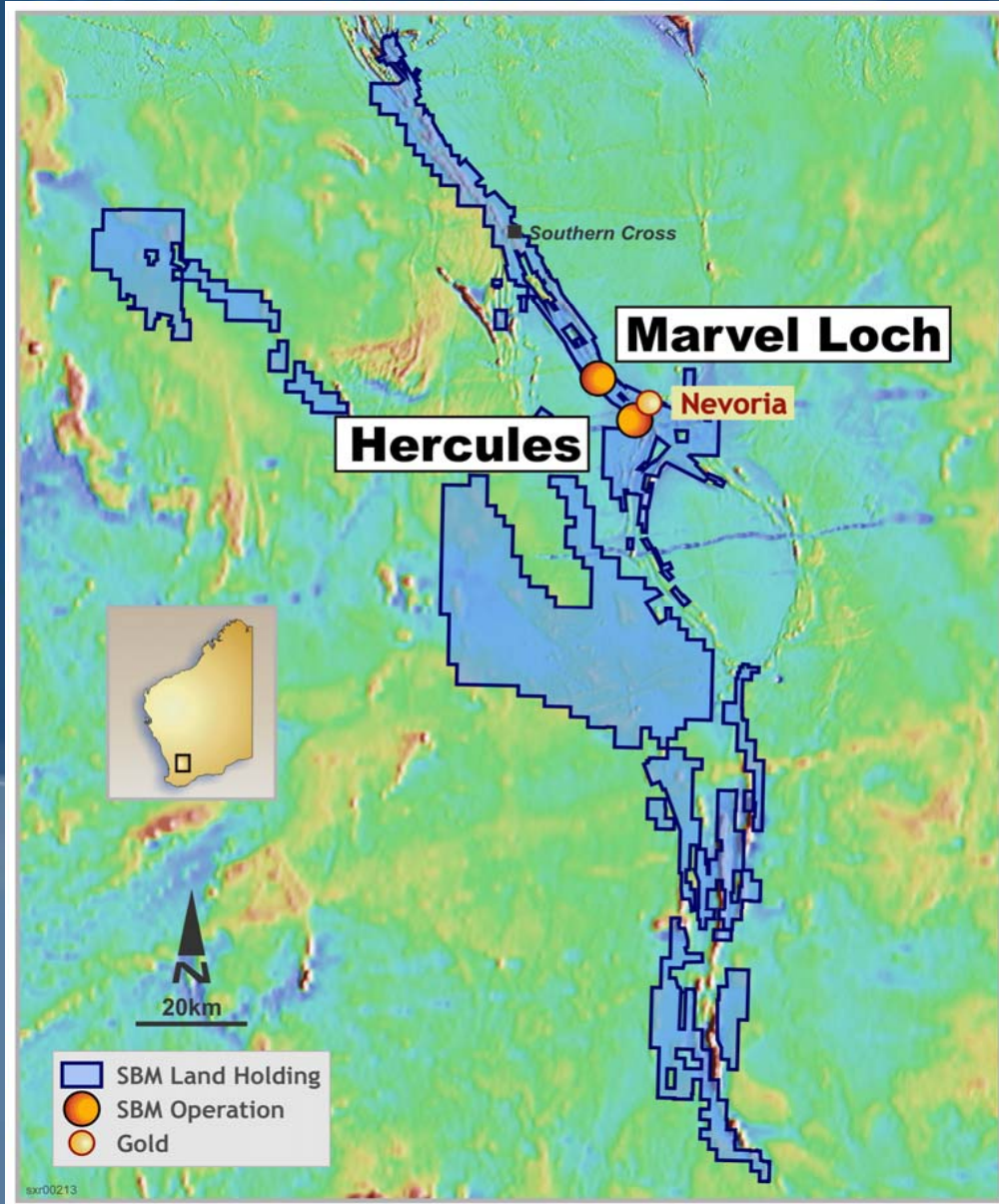
- ❖ Drilling focus on open pit reserves
  - ❖ Outstanding results at Tower Hill - previously not tested at depth
  - ❖ Good results from Southern Cross - revitalizing old areas
- ❖ Nickel and base metal drilling at Leonora - targets at 100m plus depth

# Recent Exploration Success

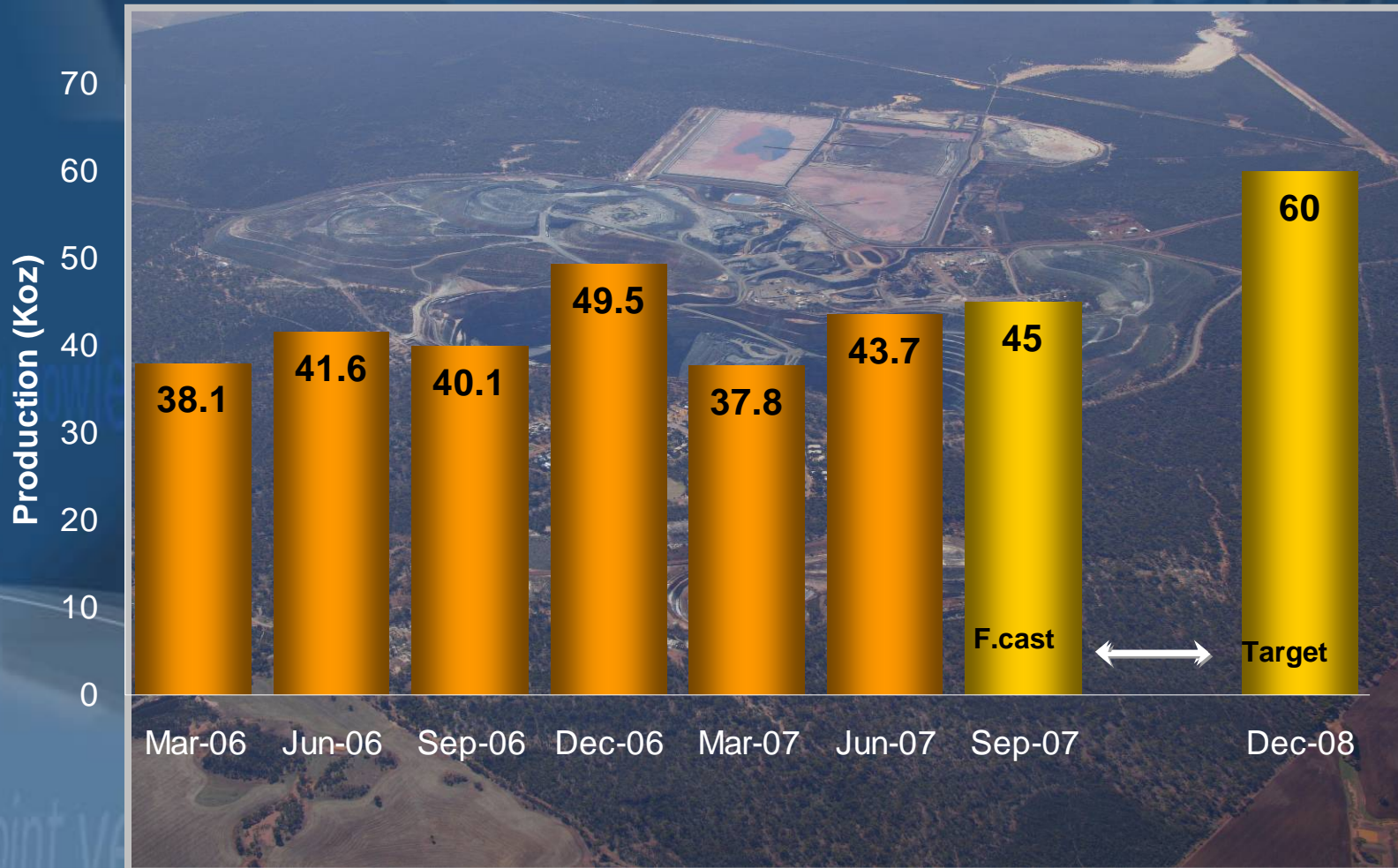


- ❖ Reserves increased from 1 Moz to 2.3 Moz
- ❖ High average grade of reserves at 6g/t
- ❖ Reserve delineation cost A\$22/oz (US\$18)
- ❖ Resources increased from 7.1 Moz to 8.4 Moz

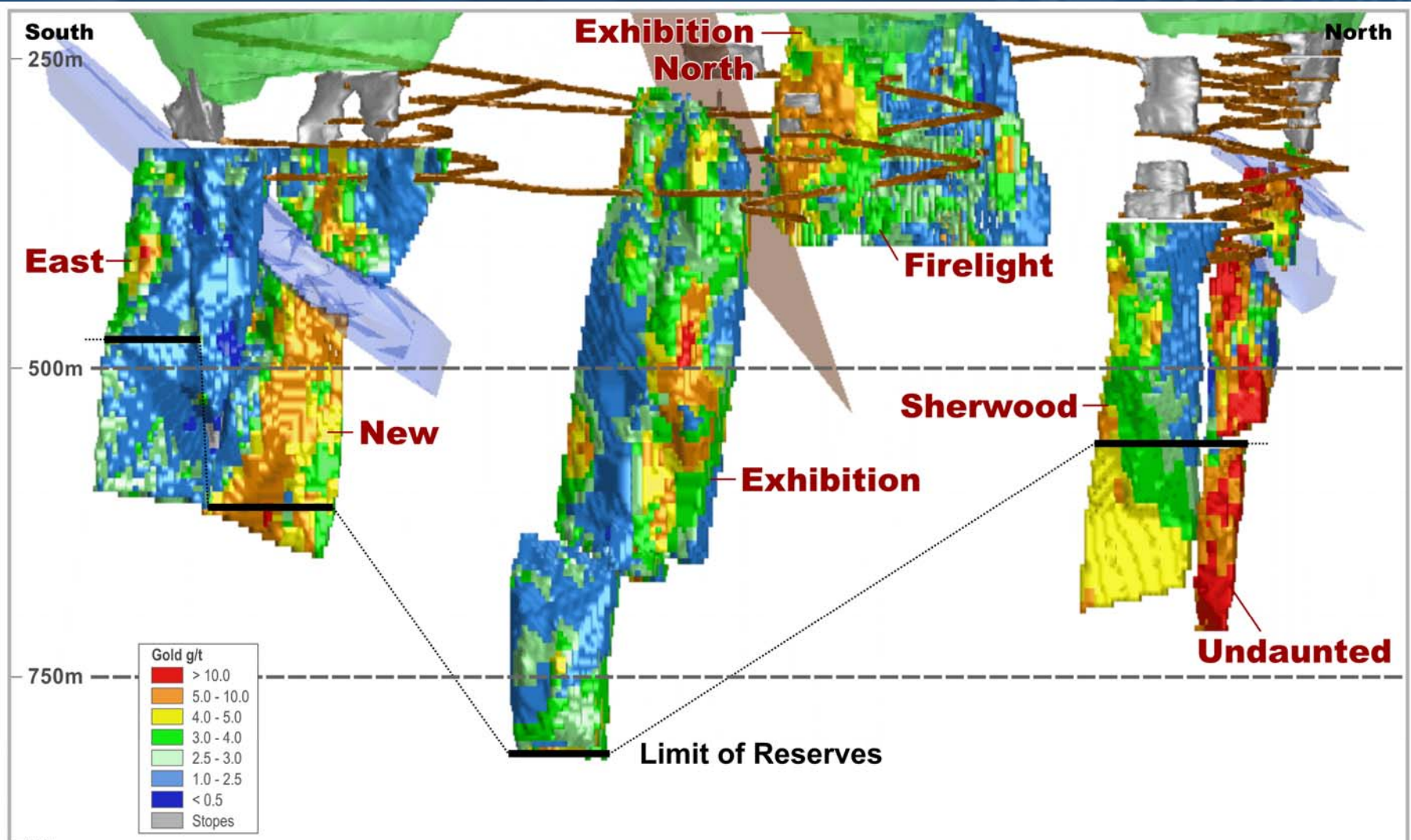
# Southern Cross Operations



# Southern Cross Achieved Production Forecast



# Southern Cross - Marvel Loch the Cornerstone

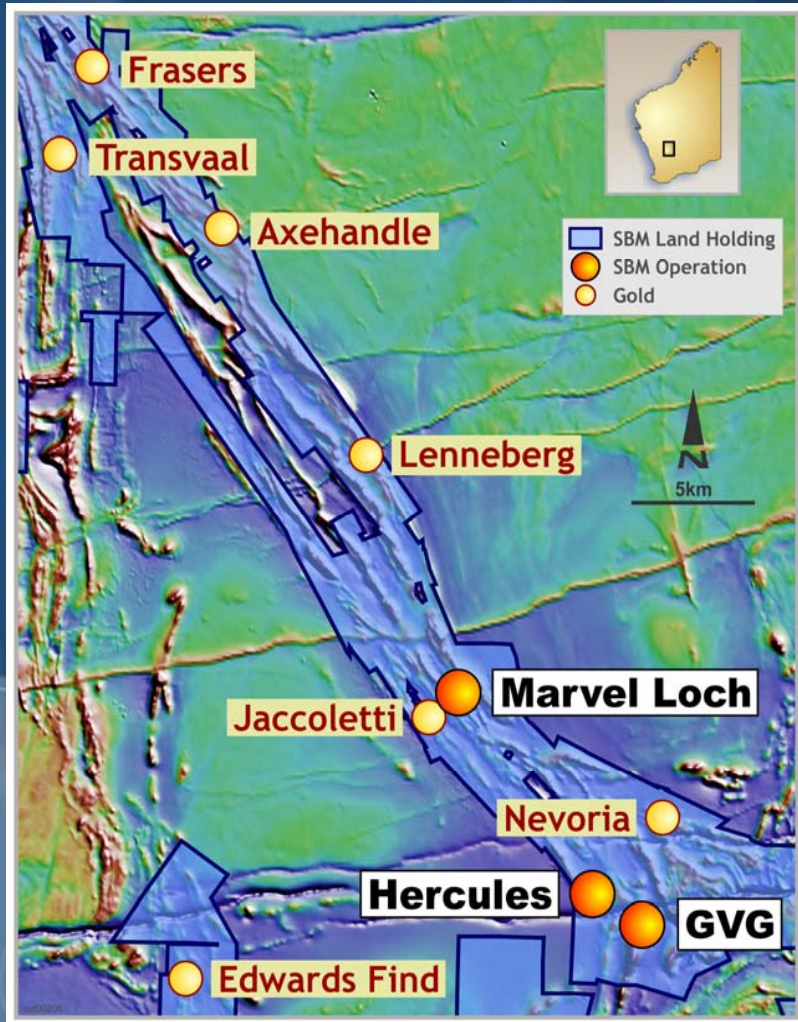


# Southern Cross Operations



- ❖ Marvel Loch underground production at 800,000 tpa
- ❖ Open pit mining at Hercules and GVG
- ❖ Mill capacity 2.5Mtpa
- ❖ Nevorla reserves established
- ❖ Drilling focused on expanding open pit reserves

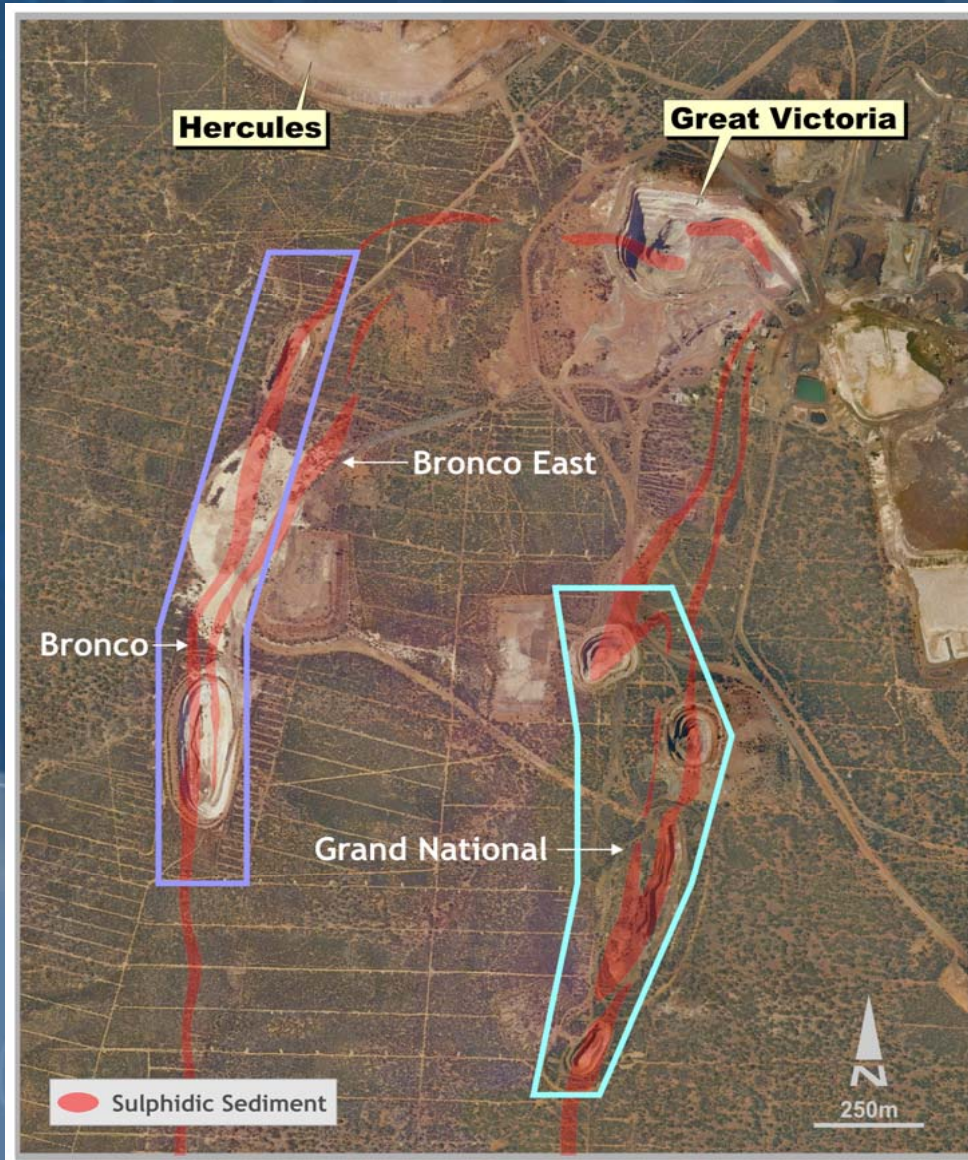
# Southern Cross Open Pits Focus



- ❖ Total endowment of 12Moz
- ❖ 20+ open pit targets
- ❖ Cutback of pits mined at \$400/oz (US\$333) with small scale high cost plants
- ❖ Existing roads and infrastructure

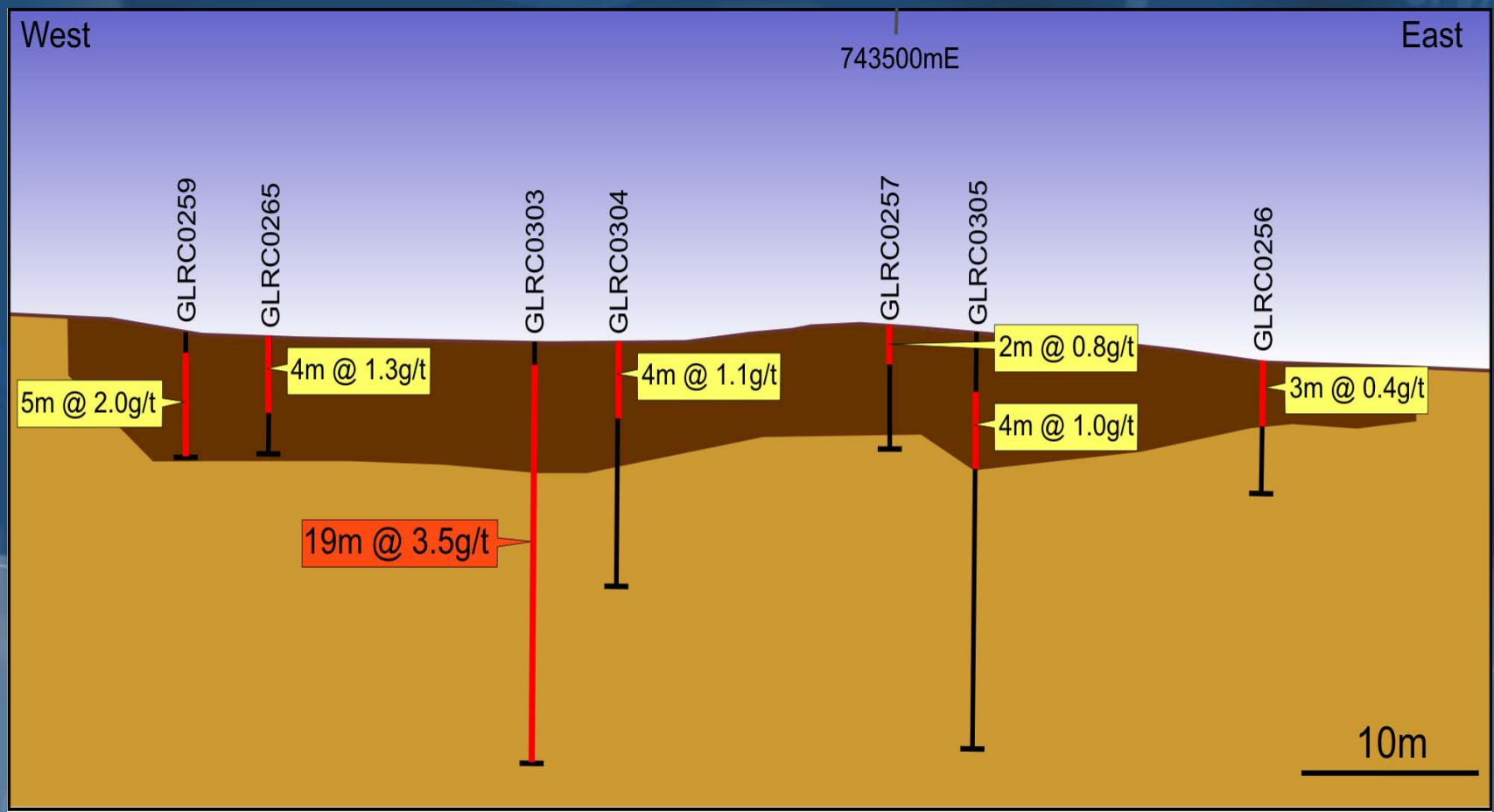
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# Southern Cross - GVG Open Pit Focus



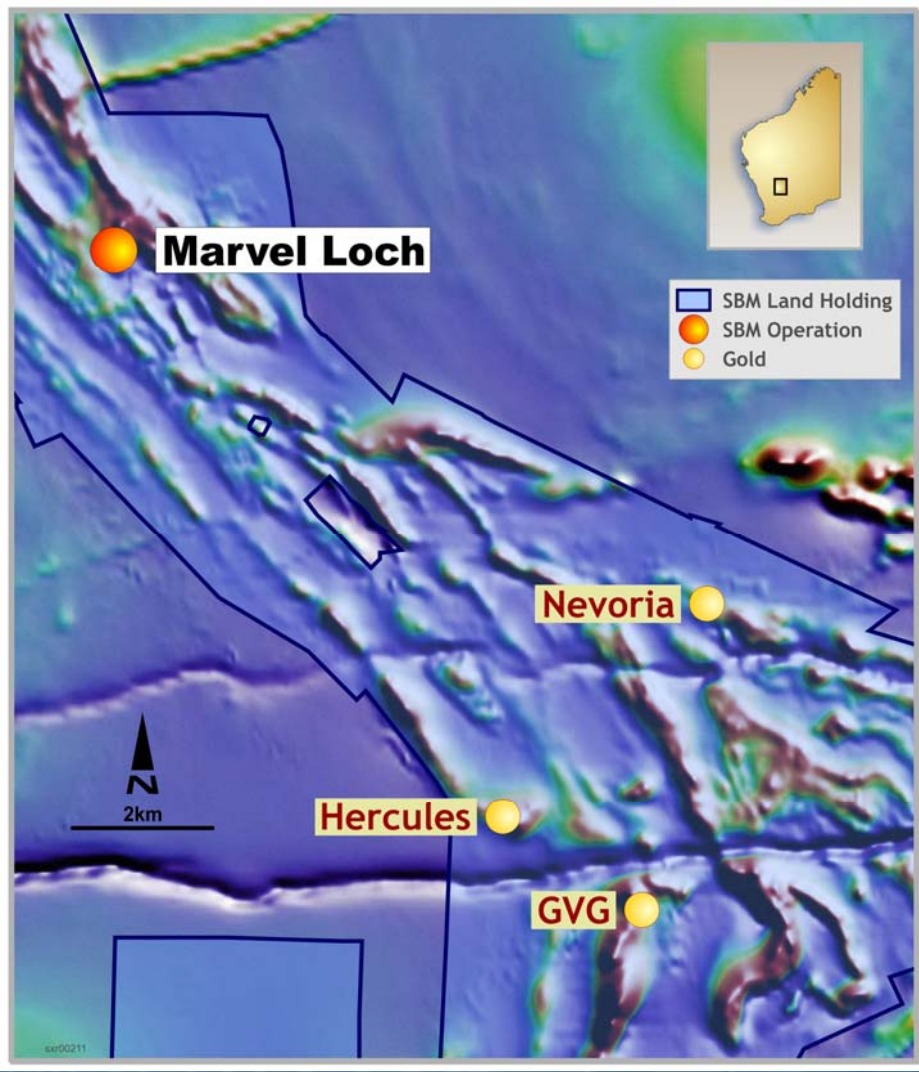
- ❖ Mining at Great Victoria
- ❖ Bronco East new discovery
- ❖ Reserves and mining at other targets by Jan 2008
- ❖ Mineralised strike length 7km

# Bronco East Cross Section



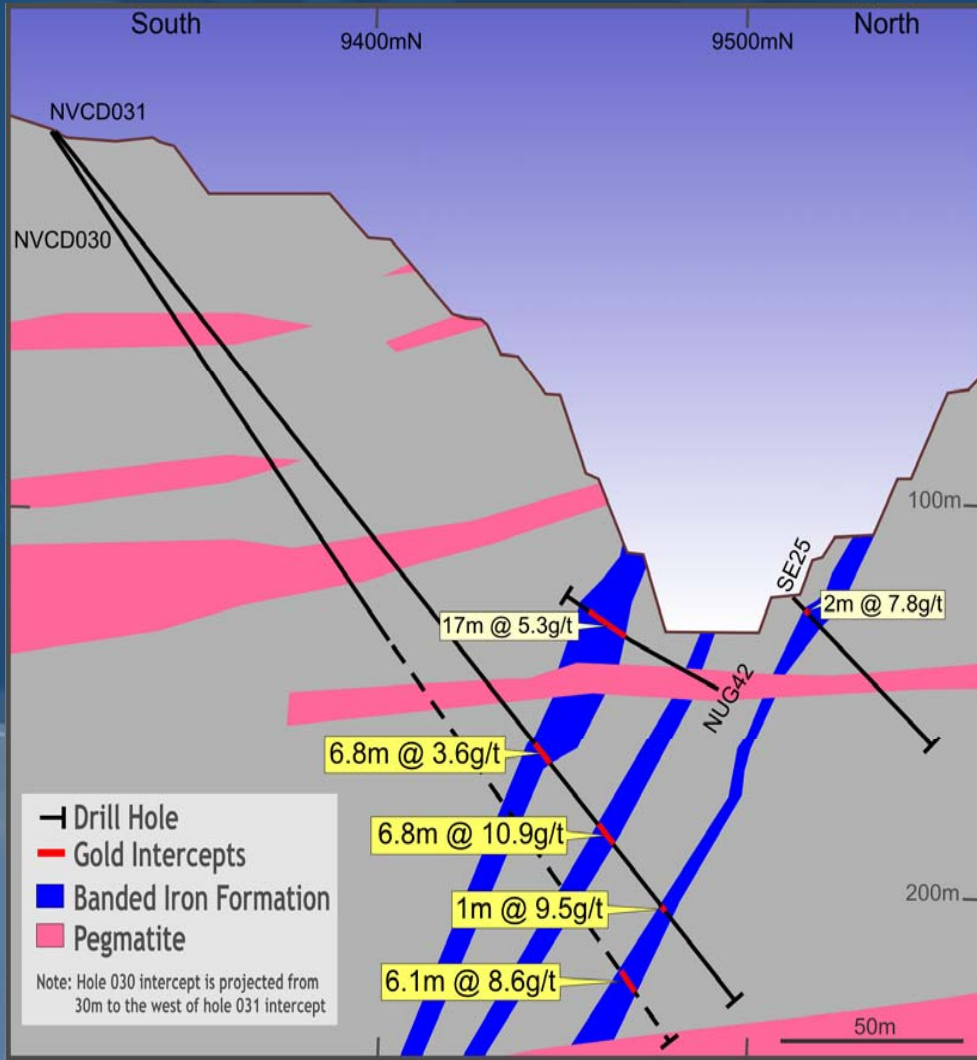
Bronco East Cross Section 6506620mN

# Nevoria



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# Nevoria Cross Section - Western End



**Nevoria Cross Section 6160mE**

- ❖ Pits previously mined to 100-120 metres
- ❖ Reserves already defined at Eastern End
- ❖ Western End reporting encouraging results
- ❖ Focus now on open pit mining in 2008
- ❖ Target grade 4g/t

# Gwalia



# Gwalia and Tower Hill



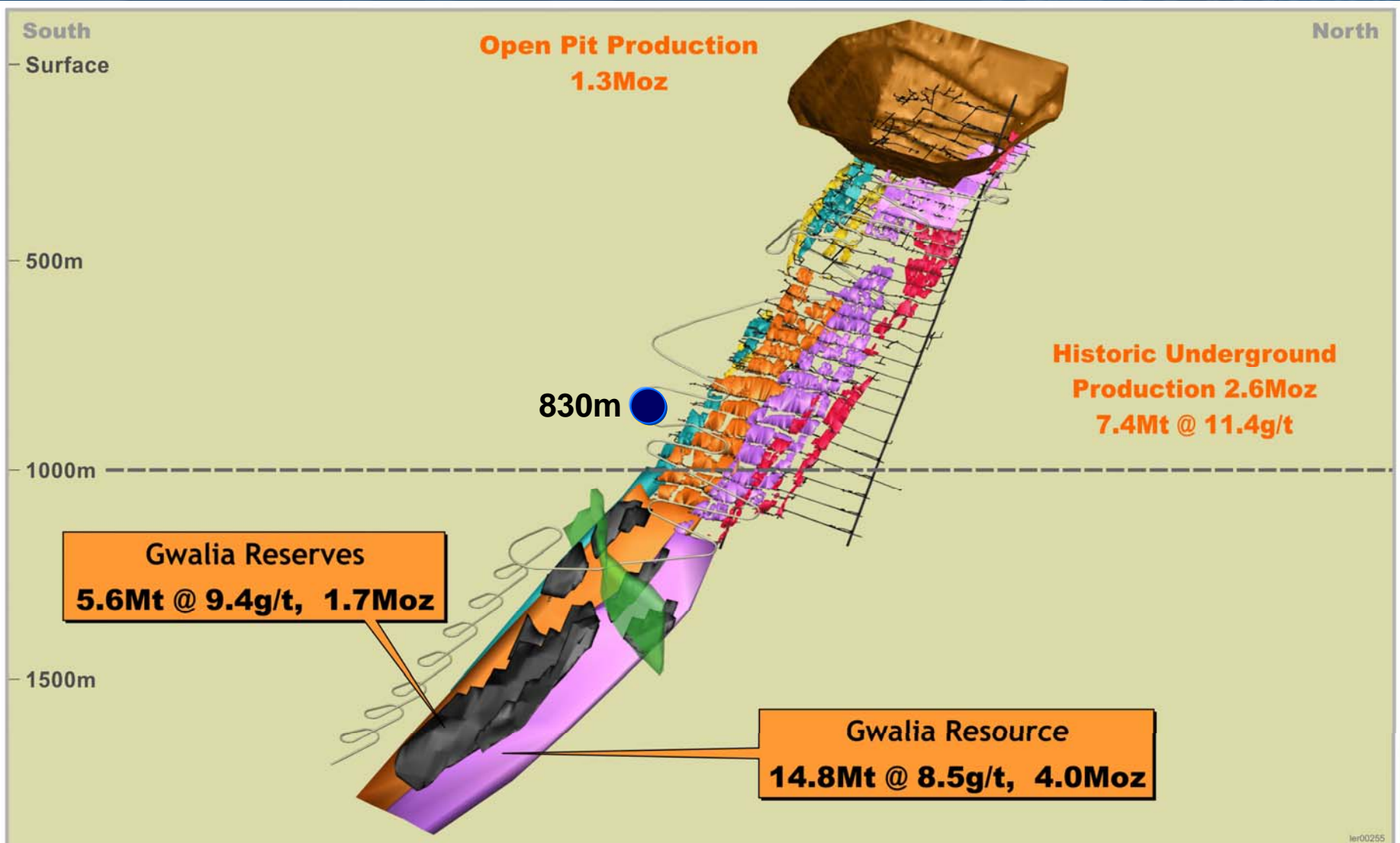
# Gwalia Hoover Decline - 80%+ complete



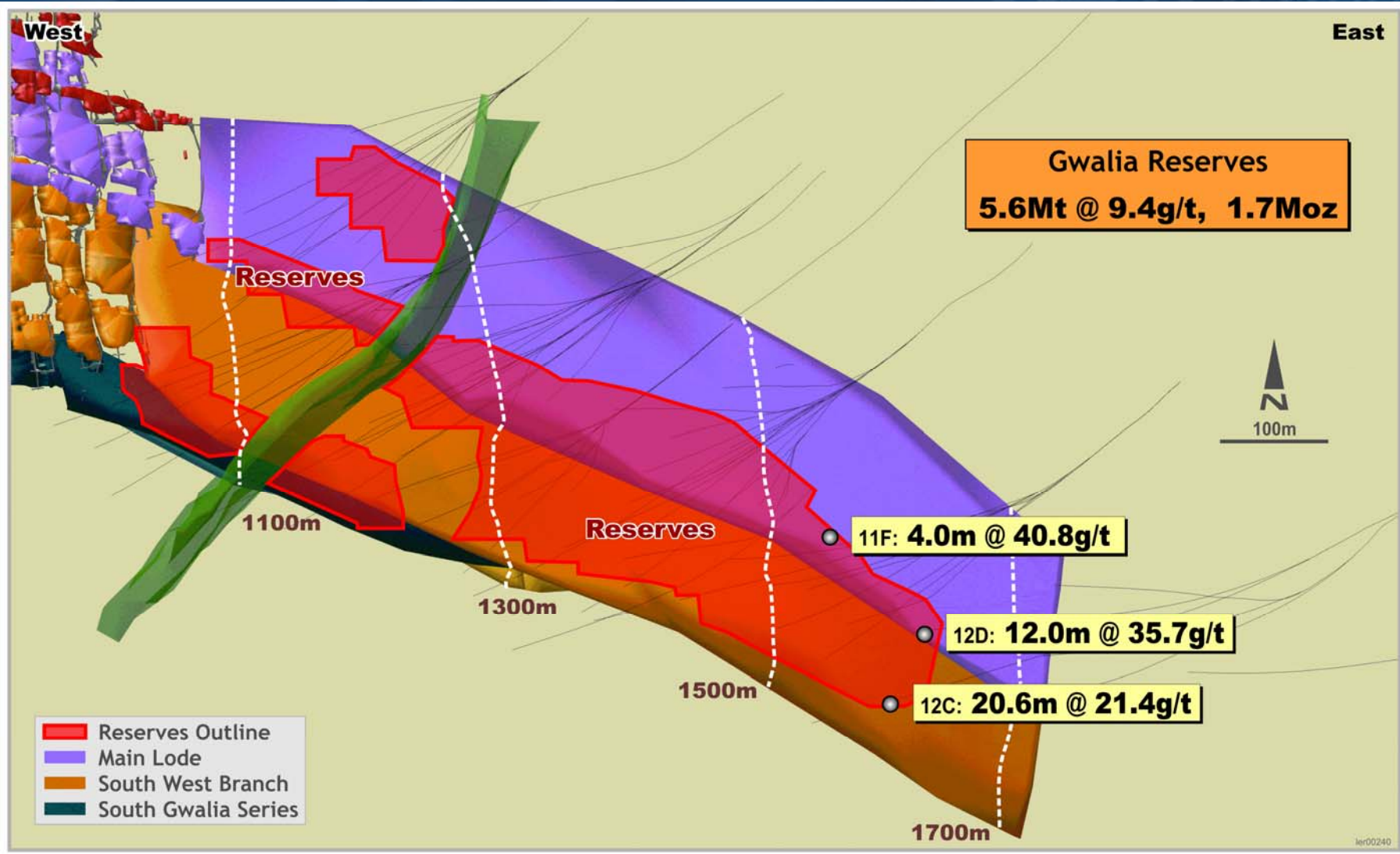
- ❖ Hoover Decline at 830 metres below surface
- ❖ Underground stress levels remain with-in plan
- ❖ Gwalia gold production Sept Quarter 2008
- ❖ Initial rate of 100,000 oz pa
- ❖ Building to 200,000 oz pa
- ❖ Current reserve life 9+ years

*Cash costs A\$405/oz (US\$337) for life of mine*

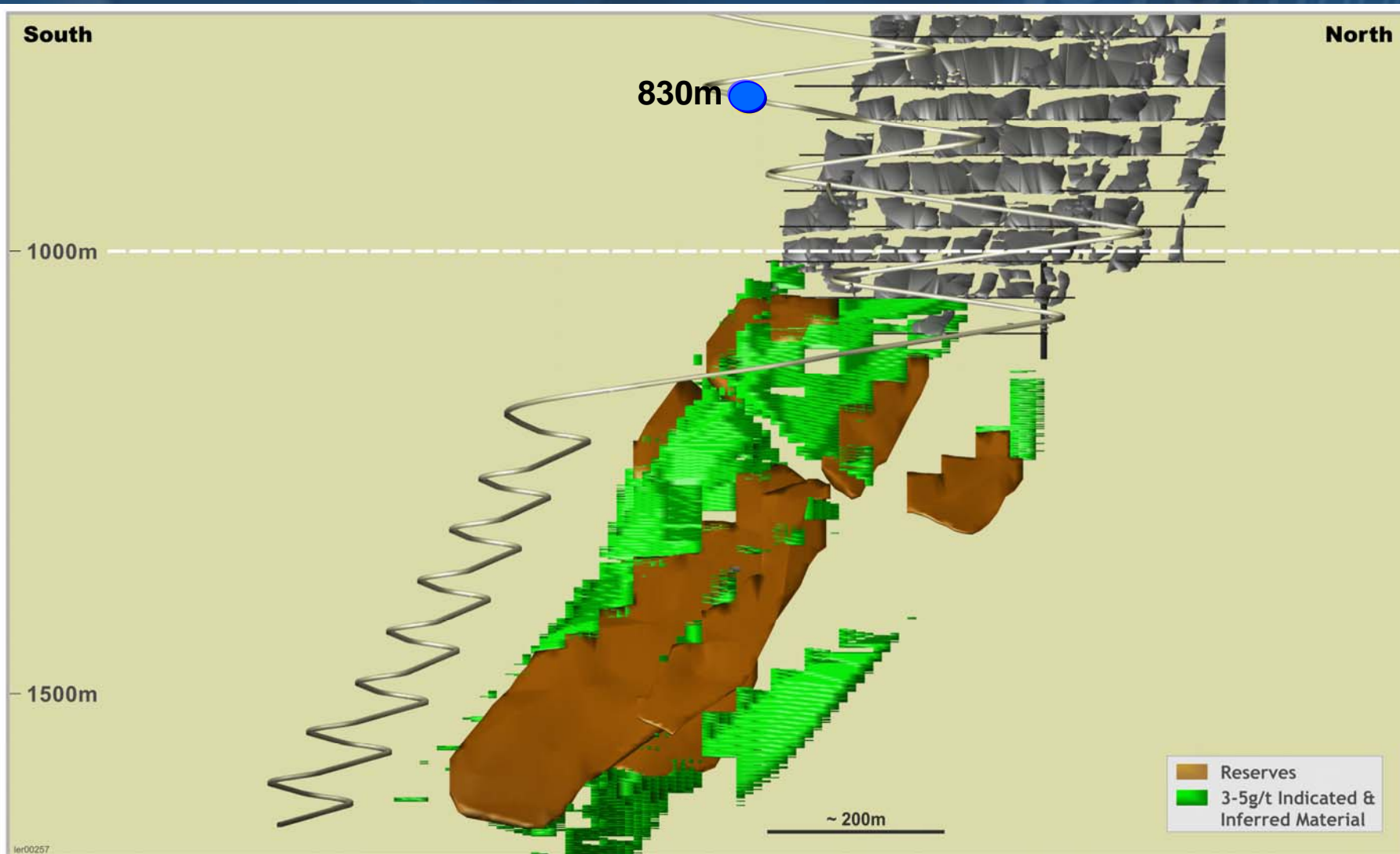
# Gwalia Hoover Decline at 830m



# Gwalia Reserves & the Future



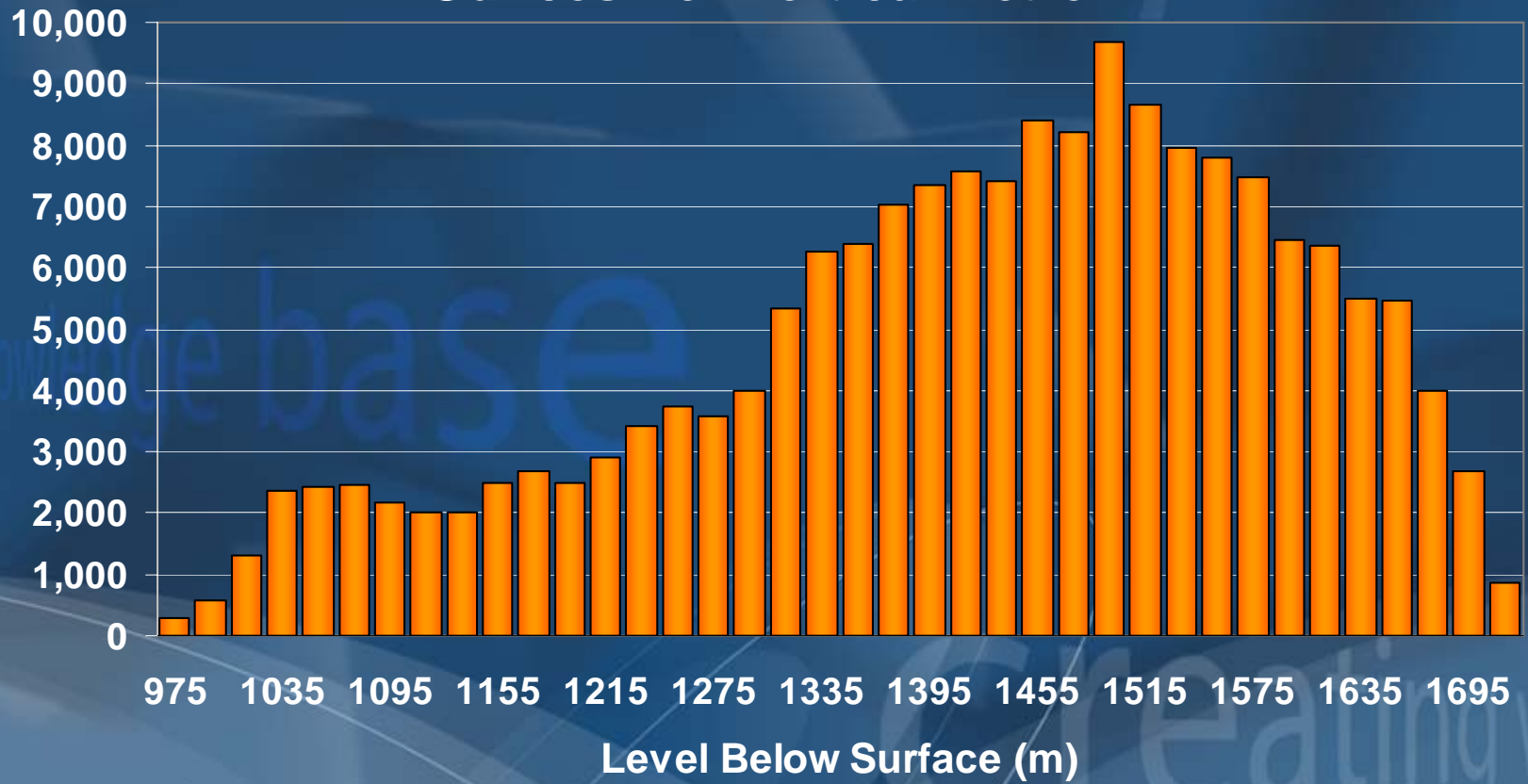
# Gwalia Upside



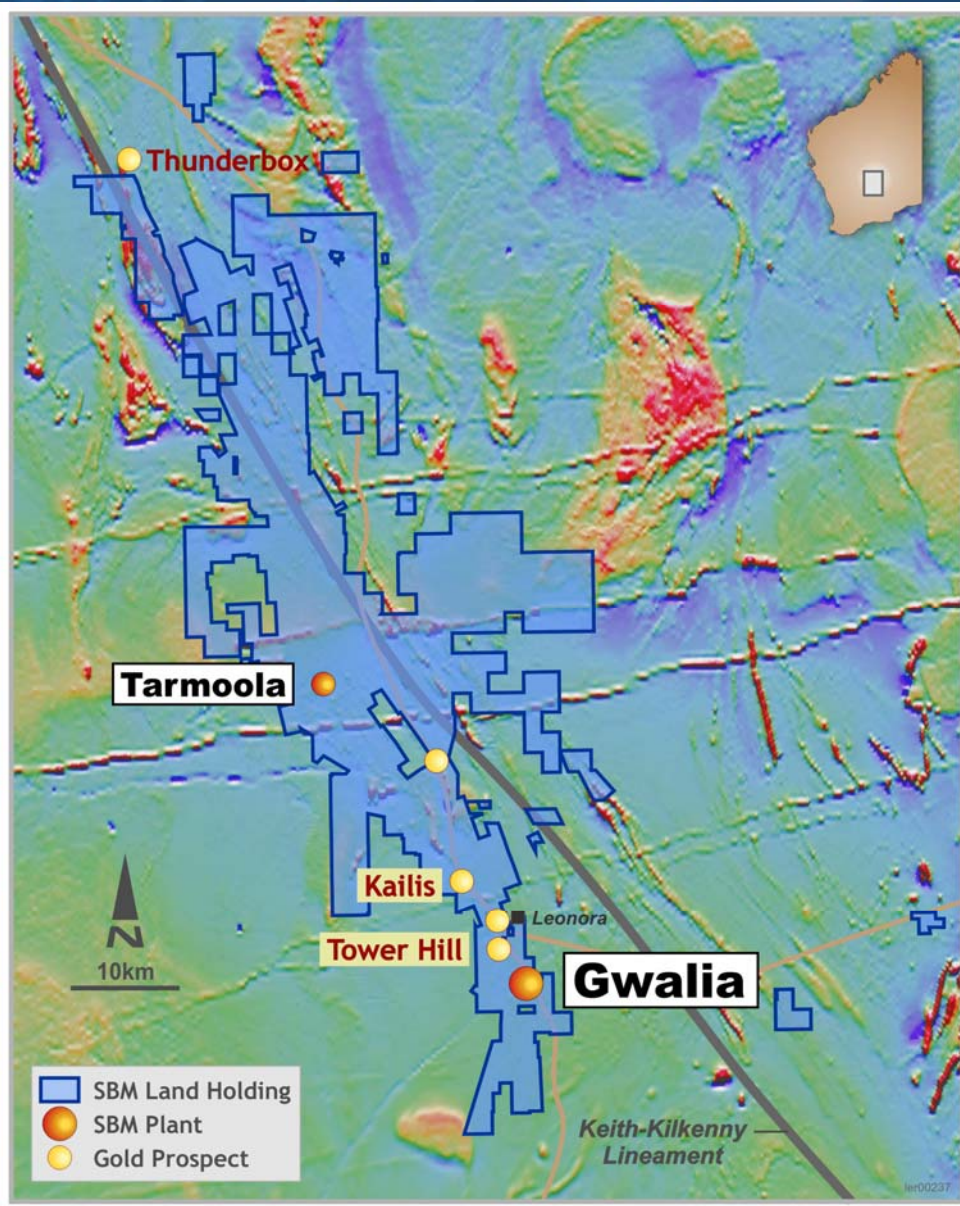
# Gwalia - the High Grades



## Ounces Per Vertical Metre



# Leonora Open Pits



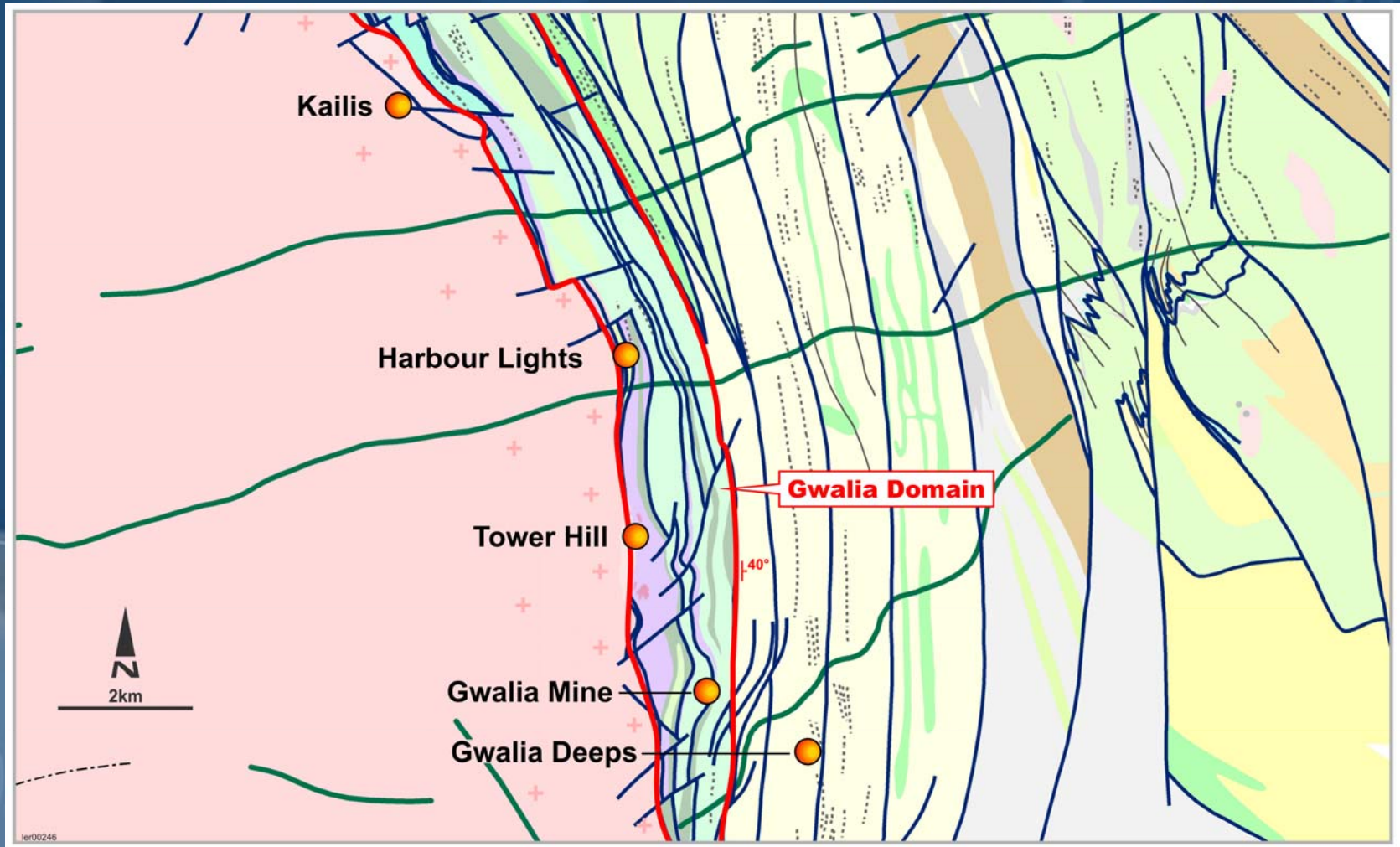
- ❖ Gwalia mill <50% utilised by Gwalia production
- ❖ Tower Hill past production 200 koz, Kailis 50 koz
- ❖ Resources of 600koz
- ❖ Evaluating cut backs at Tower Hill and Kailis
- ❖ Other targets to be drilled

# Tower Hill

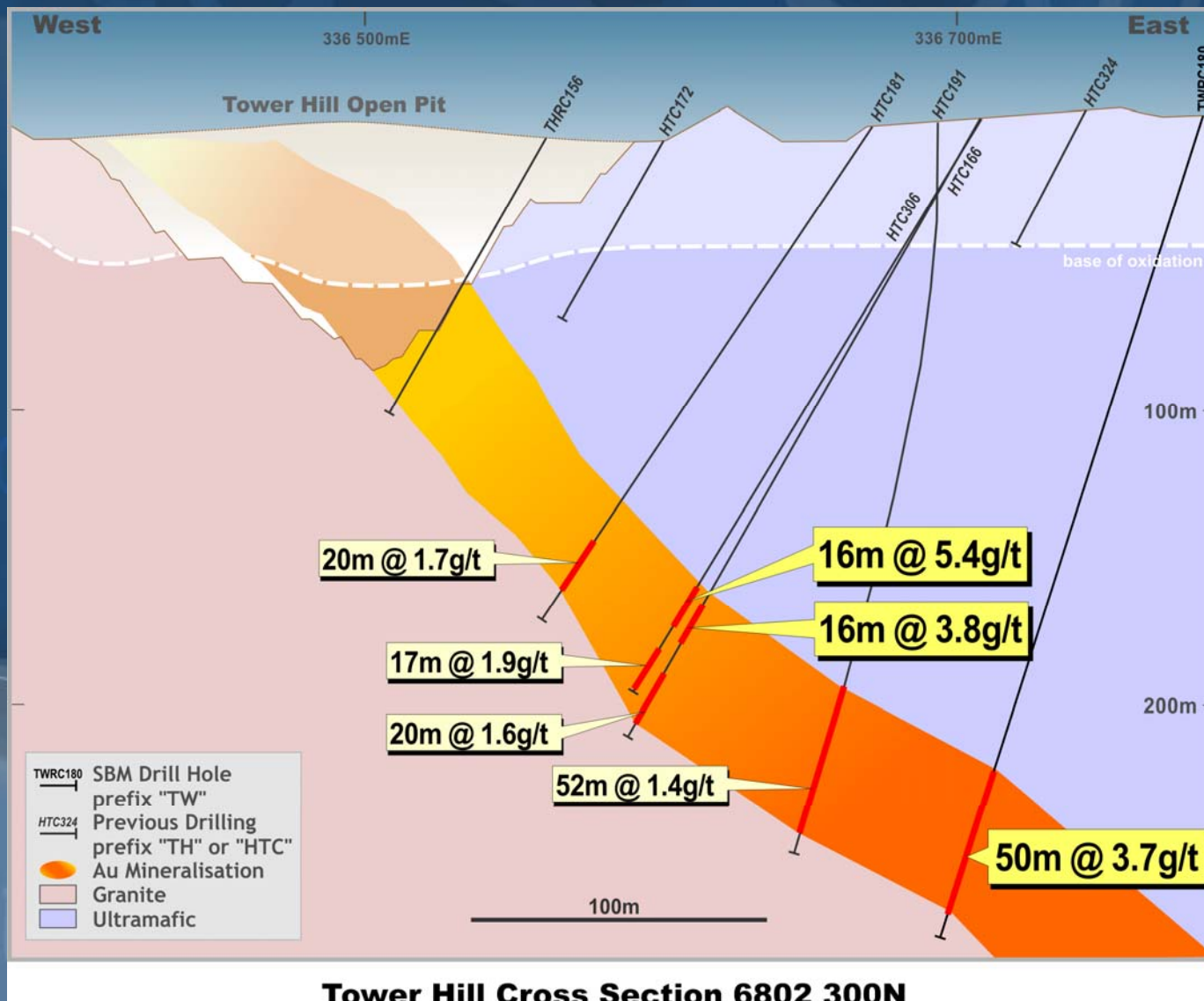


- ❖ 2 km from Gwalia mill
- ❖ Gwalia mill has 600-800ktpa spare capacity
- ❖ Benefit from nearby existing infrastructure
- ❖ 6 drill rigs on site
- ❖ Initial reserves expected in Jan 2008
- ❖ Development options - fast track review

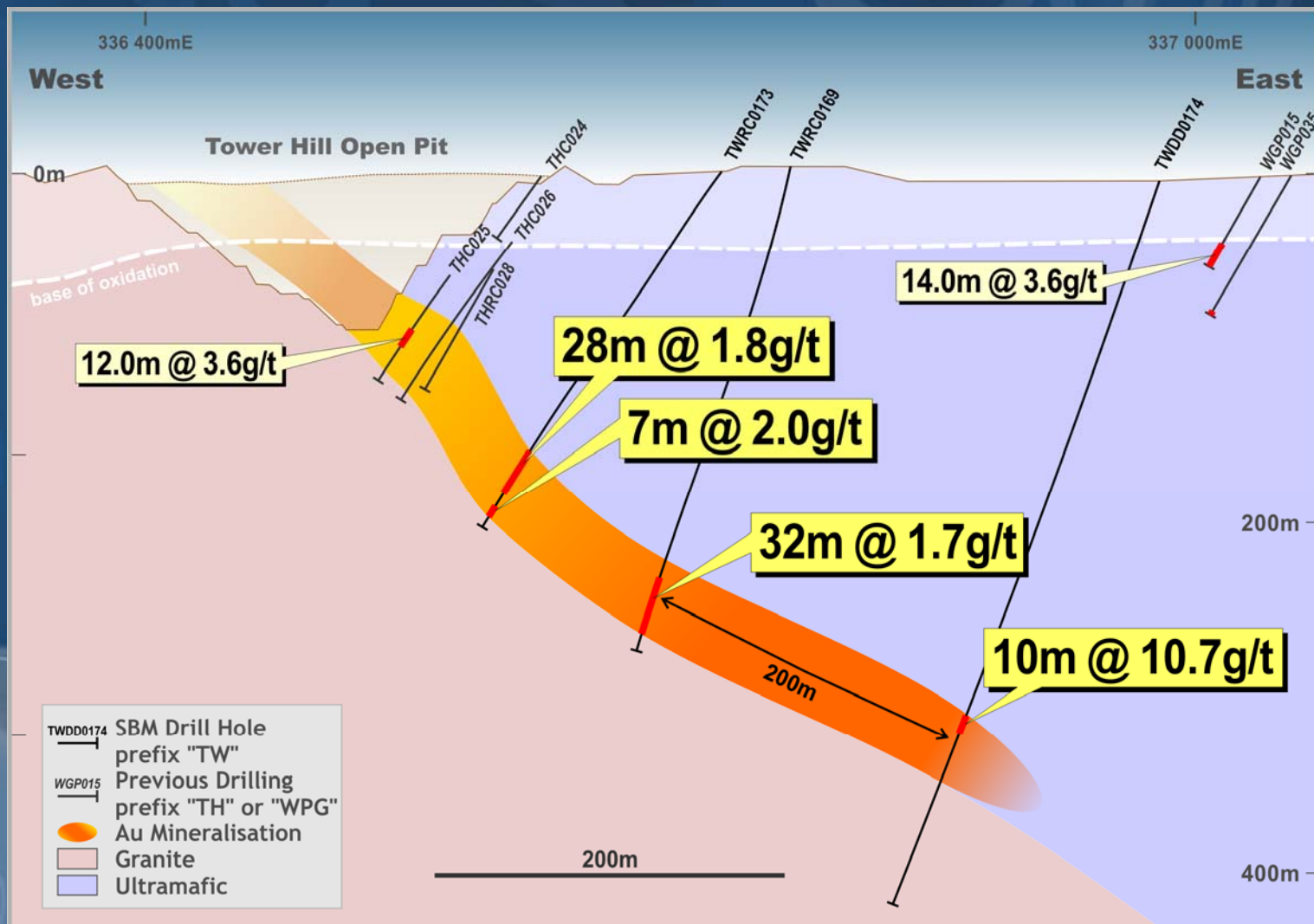
# Tower Hill & Gwalia-Regional Geology



# Tower Hill - Cross Section

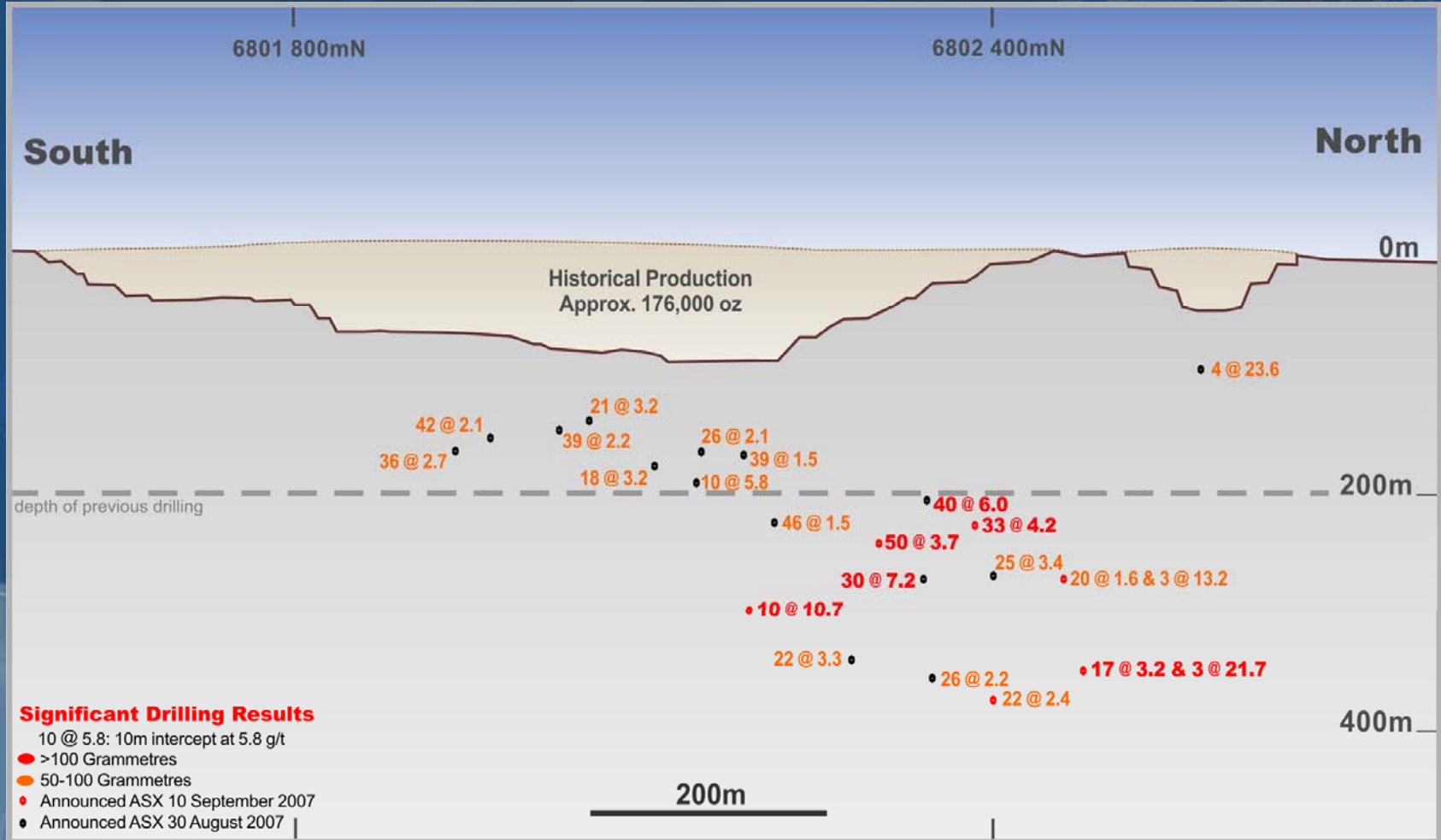


# Tower Hill - Cross Section



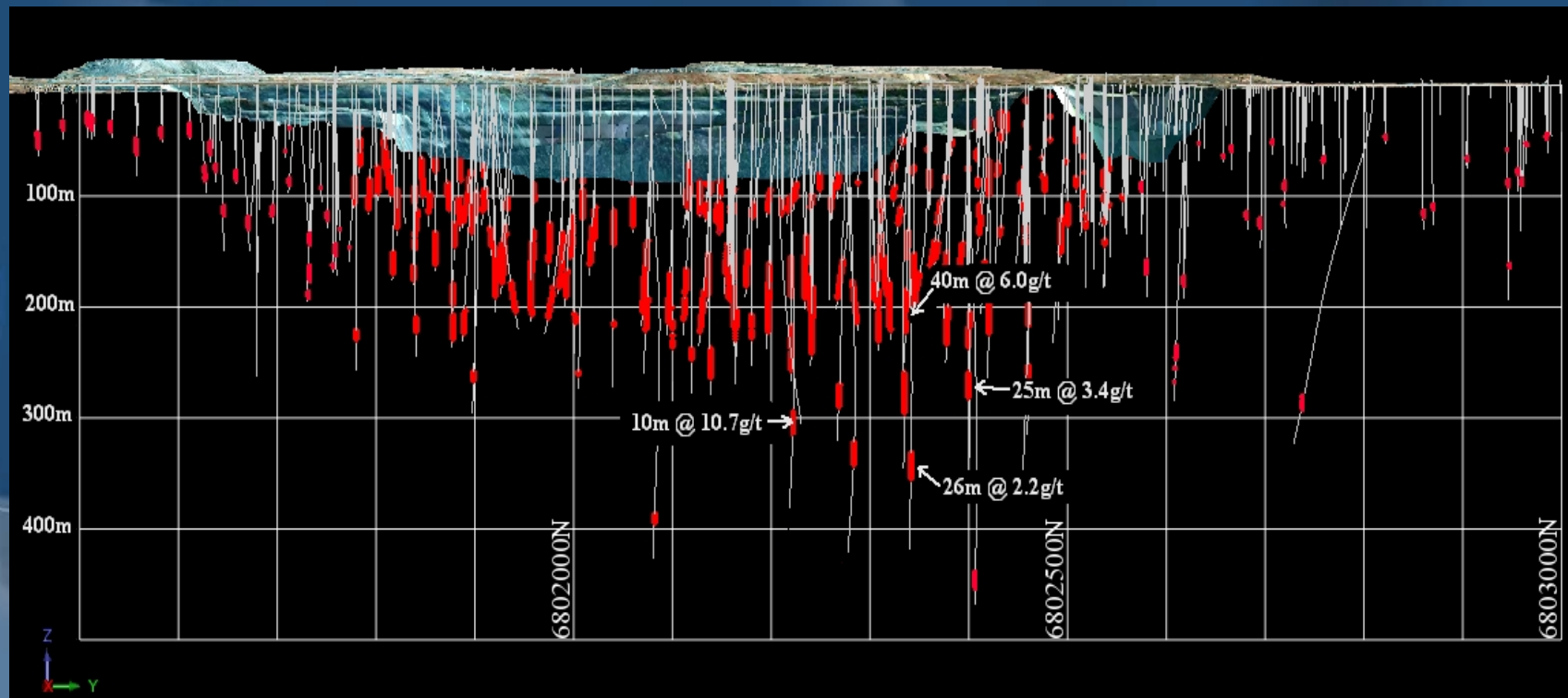
**Tower Hill Cross Section 6802 220N**

# Tower Hill - Drilling Results

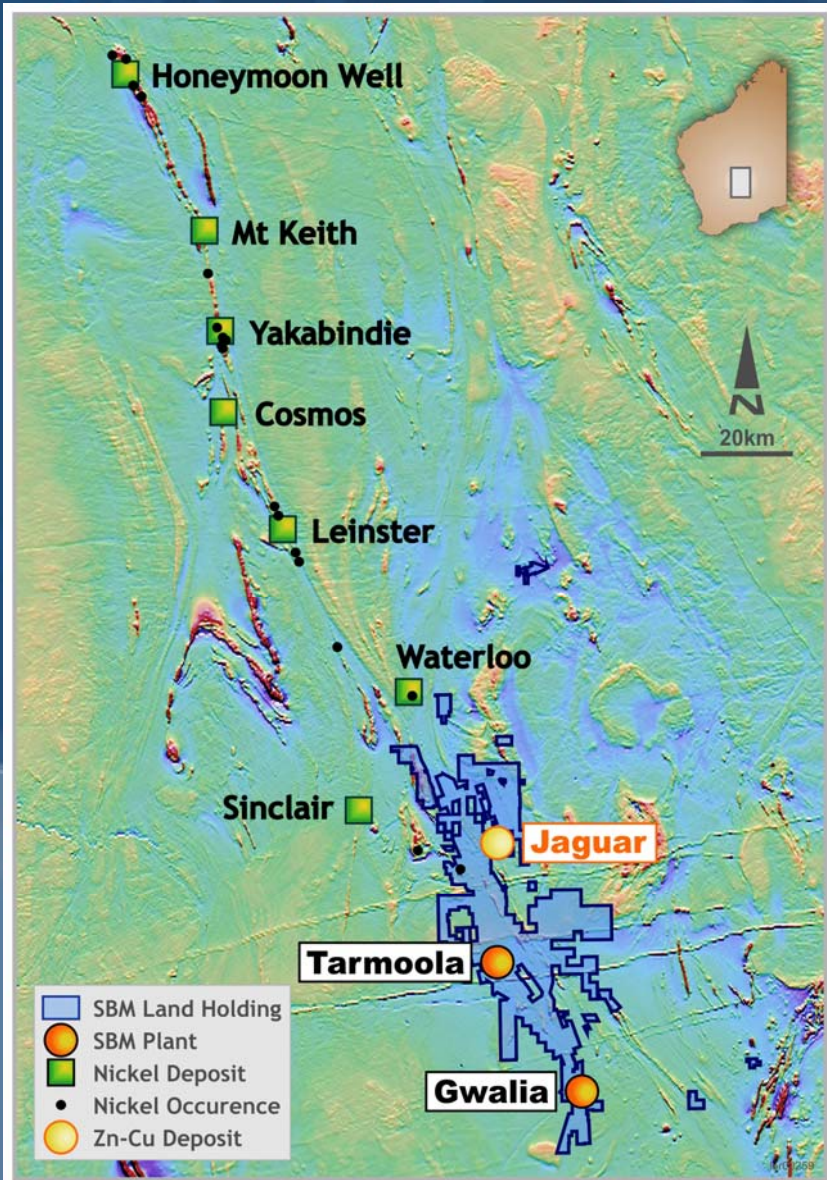


## Tower Hill Long Section - SBM Drilling Results

# Tower Hill - Long Section



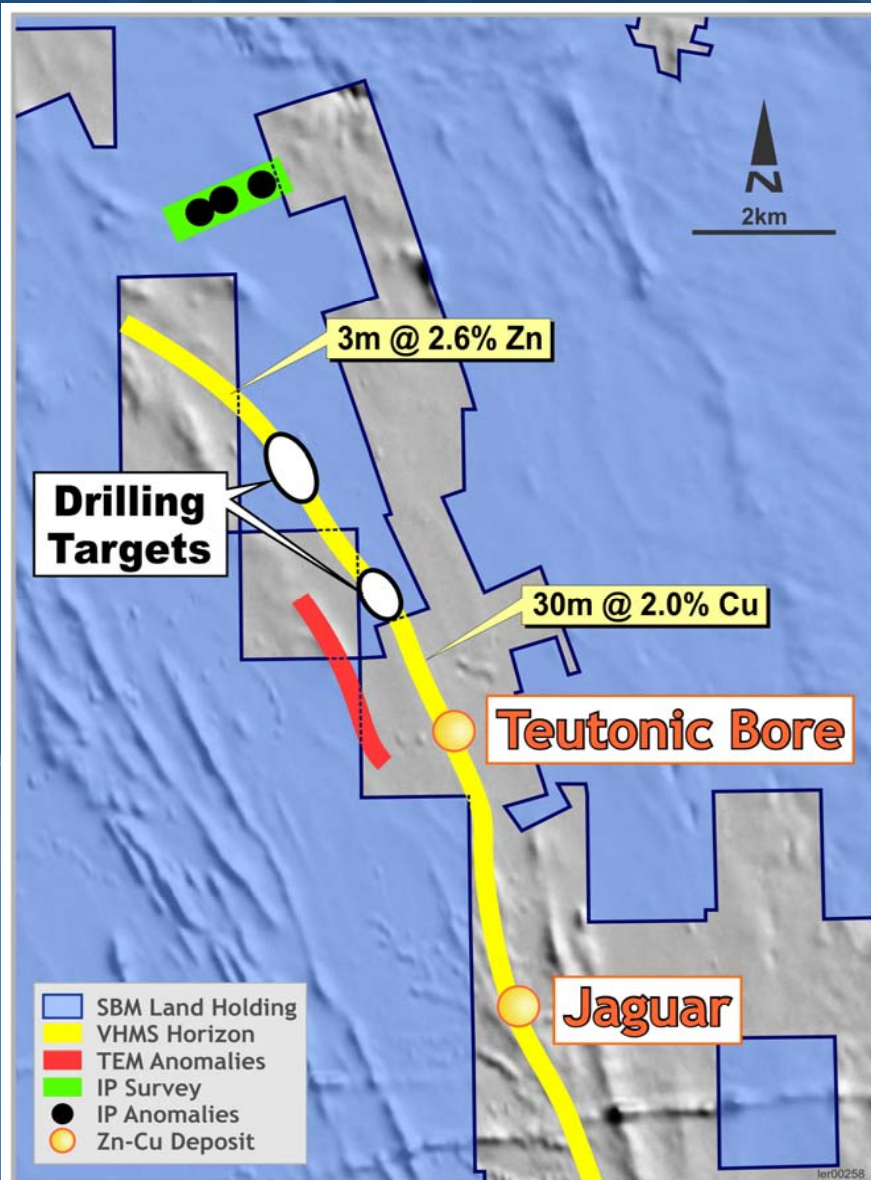
# World Class Nickel Province



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

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# Leonora Base Metal Targets



- ❖ Jaguar highlights the prospectivity
- ❖ Jaguar mineralisation starts at 250mbs
- ❖ Drilling within St Barbara's tenements less than 50m
- ❖ Drilling to commence early 2008

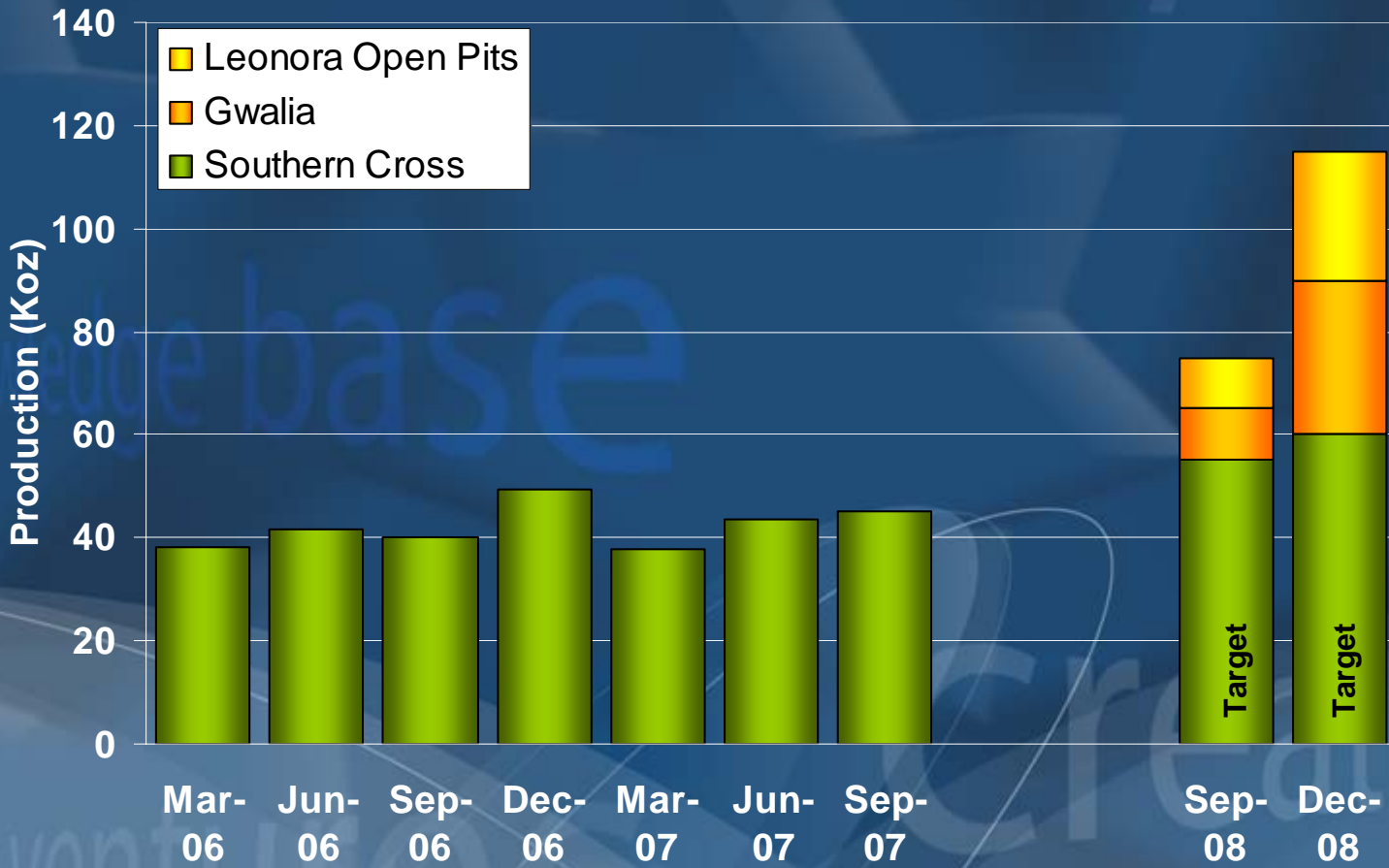
# Objectives for Next 12 Months



- ❖ Produce 175k oz pa @ A\$505/oz (US\$424) cash cost at Southern Cross
- ❖ Commence Gwalia gold production by Sept 08
- ❖ Establish reserves at Tower Hill and start mining
- ❖ Expand open pit reserves at Southern Cross

*In preparation for 450,000 oz annual production*

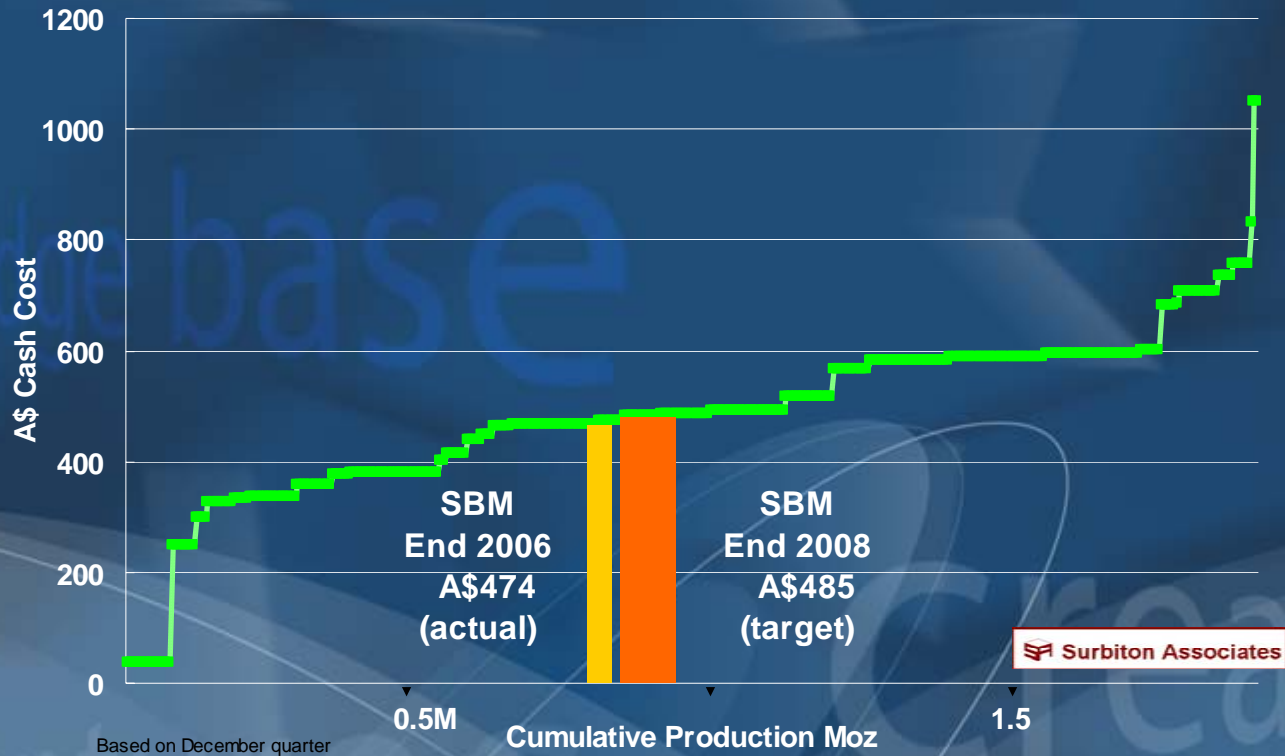
# Expanding Production to 120koz/qtr



# St Barbara's Cost Position



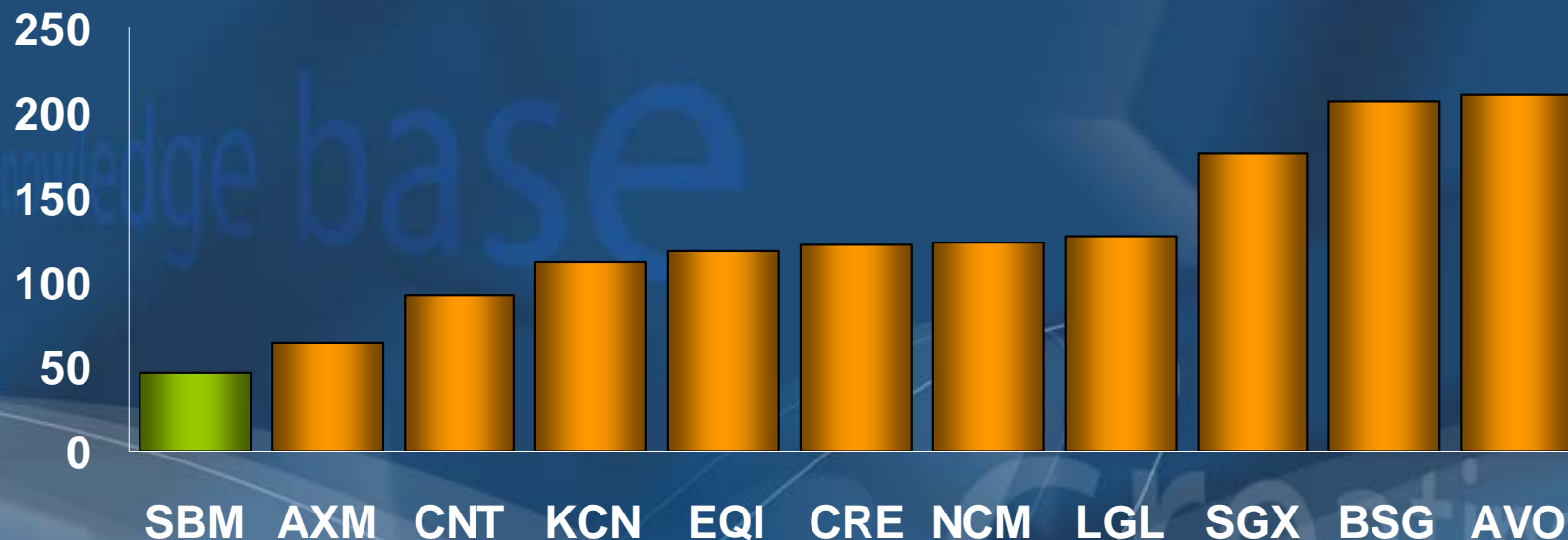
## Australian Gold Cost Curve



# St Barbara's Value per Resource Ounce against Australian Companies



## A\$ Market Cap / Resource Ounce

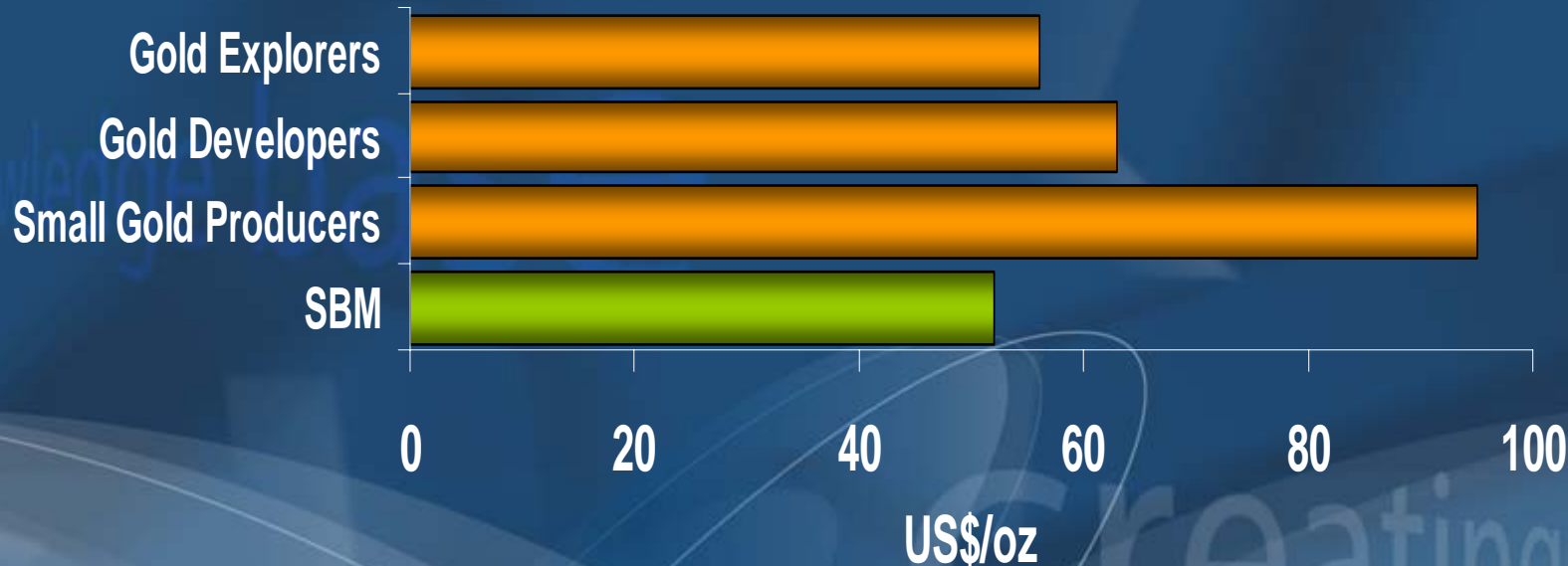


Current Comparison - Source Southern Cross Equities July 07

# St Barbara's Value Compared to Canadian Gold Company Averages



## Enterprise Value / Resource Ounce



Source data on Canadian averages – Haywood Securities June 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 and/or discovery
- ❖ Convert exploration successes into shareholder wealth

# St Barbara's targets of 2010



Production of 1Moz gold pa

Reserves of 10Moz gold





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...thank you