# St Barbara

# Diggers and Dealers Mining Forum 2009

Attached is a Company handout for an address by Tim Lehany, Managing Director & CEO to the Diggers and Dealers Mining Forum 2009 in Kalgoorlie, Western Australia.

**Ross Kennedy**
Company Secretary

3 August 2009

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# Diggers & Dealers

**Tim Lehany, Managing Director & CEO**

**3 August, 2009**

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References to ore reserves presented in this presentation have been produced in accordance with the Australasian Code for Reporting of Mineral Resources and Ore Reserves, December 2004 (JORC Code) by Mr Peter Fairfield. Mr Peter Fairfield is a Member of the Australasian Institute of Mining and Metallurgy and is a full time employee of the Company. Mr Peter Fairfield has sufficient experience relevant to the style of mineralisation, type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the JORC Code. Mr Peter Fairfield consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.

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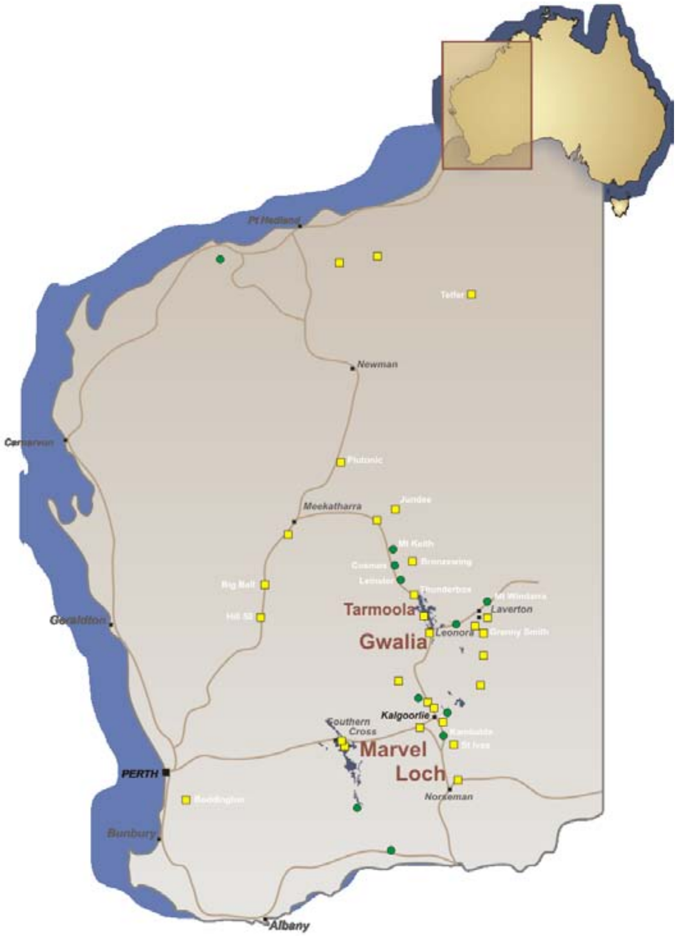
# Outline

- Company Profile
- First 120 Days
- Gwalia Cornerstone
- Southern Cross
- Exploration
- Financing Growth
- Summary

# Company Profile

- **Australian gold company [200,000ozs pa+]**
- **Two gold producing operations**
- **Reserves 3.1M ozs (June 08 )**
- **Resources 10.6M ozs (June 08)**
- **Mkt Cap - A$300M**
- **1,494M ordinary shares**
- **A$77.1M Conv. Notes**
- **June 2009 Cash - A$78M**



# First 120 days

# First 120 days

**Issue**
- **Reliability**

**Action**
- **Focus on improving performance**

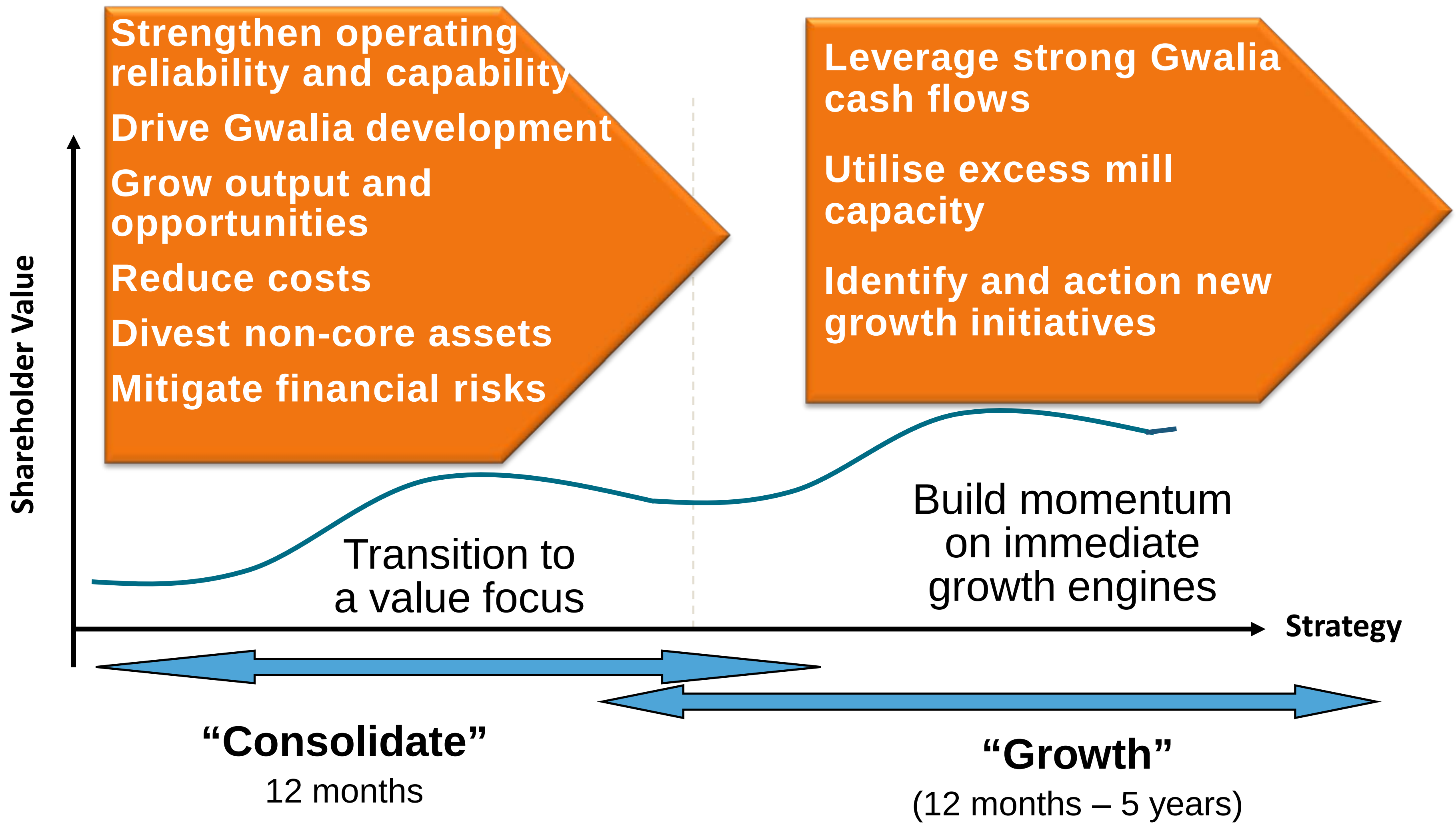
**Result**
- **Met guidance**

**Issue**
- **Low margin open pits**

**Action**
- **Comprehensive review**

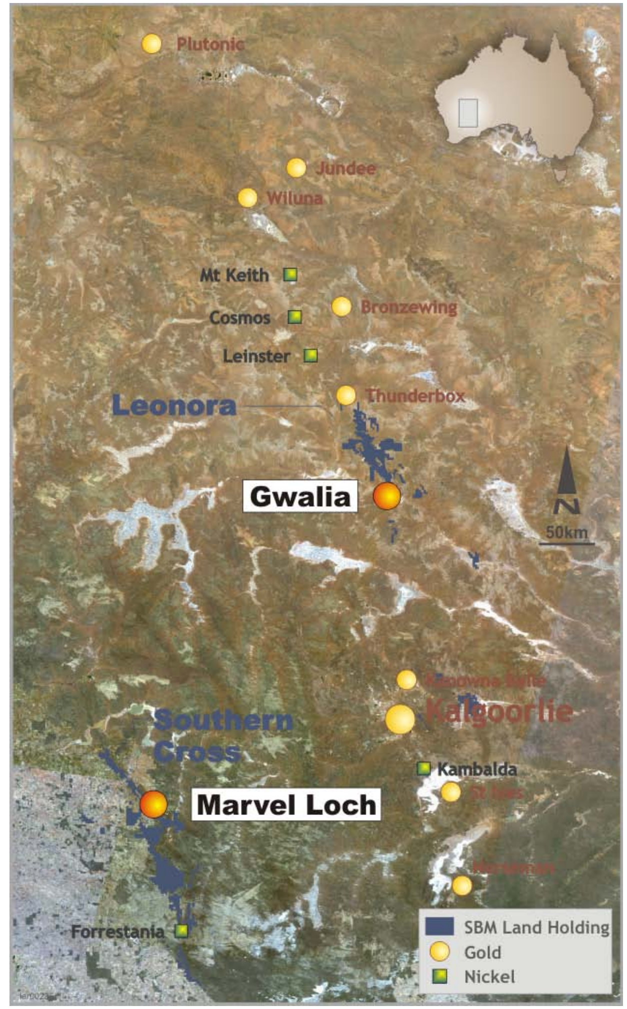
**Result**
- **Three year plan**

# Strategy


Strengthen operating reliability and capability
Drive Gwalia development
Grow output and opportunities
Reduce costs
Divest non-core assets
Mitigate financial risks
Leverage strong Gwalia cash flows
Utilise excess mill capacity
Identify and action new growth initiatives
Shareholder Value
Transition to a value focus
Build momentum on immediate growth engines
Strategy
"Consolidate"
12 months
"Growth"
(12 months – 5 years)

# Core strengths re-affirmed

- **Australian gold producer**
- **Two operating treatment plants with infrastructure**
  - **Leonora and Southern Cross**
- **Several projects under evaluation**
- **Strong reserve position**
- **Large land bank with potential**
- **Mill capacity under-utilised**



# Gwalia Mine – St Barbara Cornerstone Asset

# Refurbished treatment plant



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# New 17 MW power plant



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# Paste fill plant

# Water and energy efficient new camp



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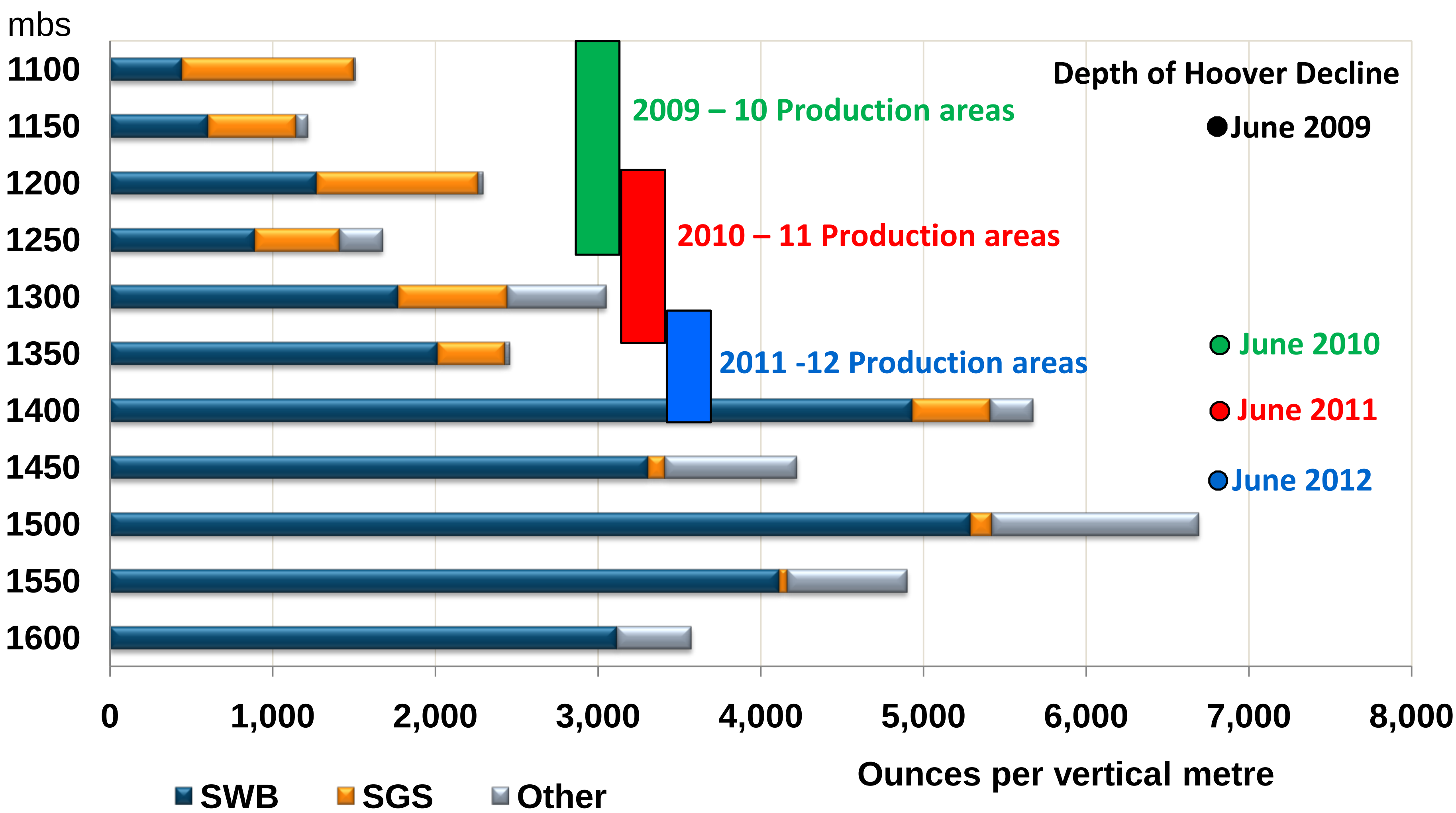
# Gwalia value increases with depth

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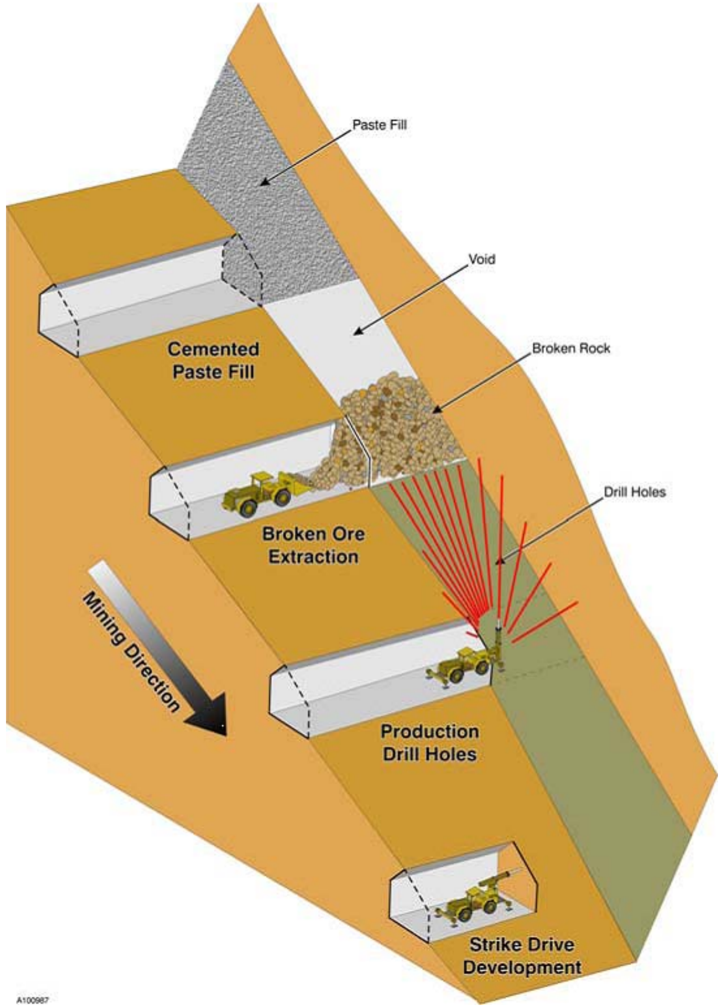
# Gwalia Mining

- **Industry standard mining technique and process**
- **Multiple production points needed to achieve potential**
- **Ground conditions are in line with expectations**
- **Mine is well behaved**



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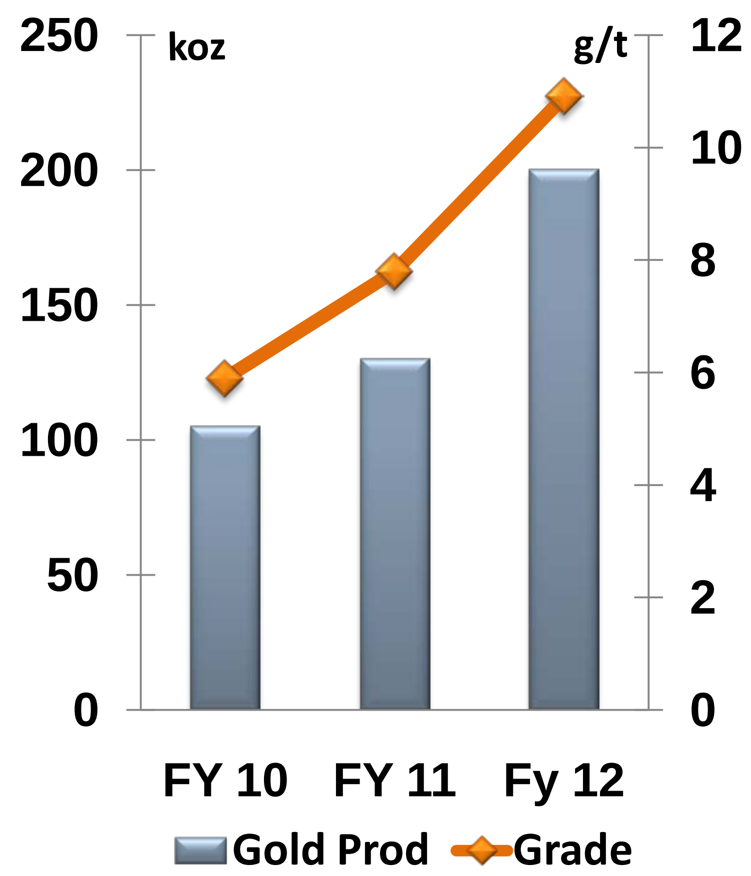
# Gwalia

- Priority for FY10 is driving the Hoover decline and level accesses
- Development rates now achievable
- Operational cash flow re-invested in development in FY10
- Substantial growth deferred a year, potential of mine unchanged

## Three year forecast



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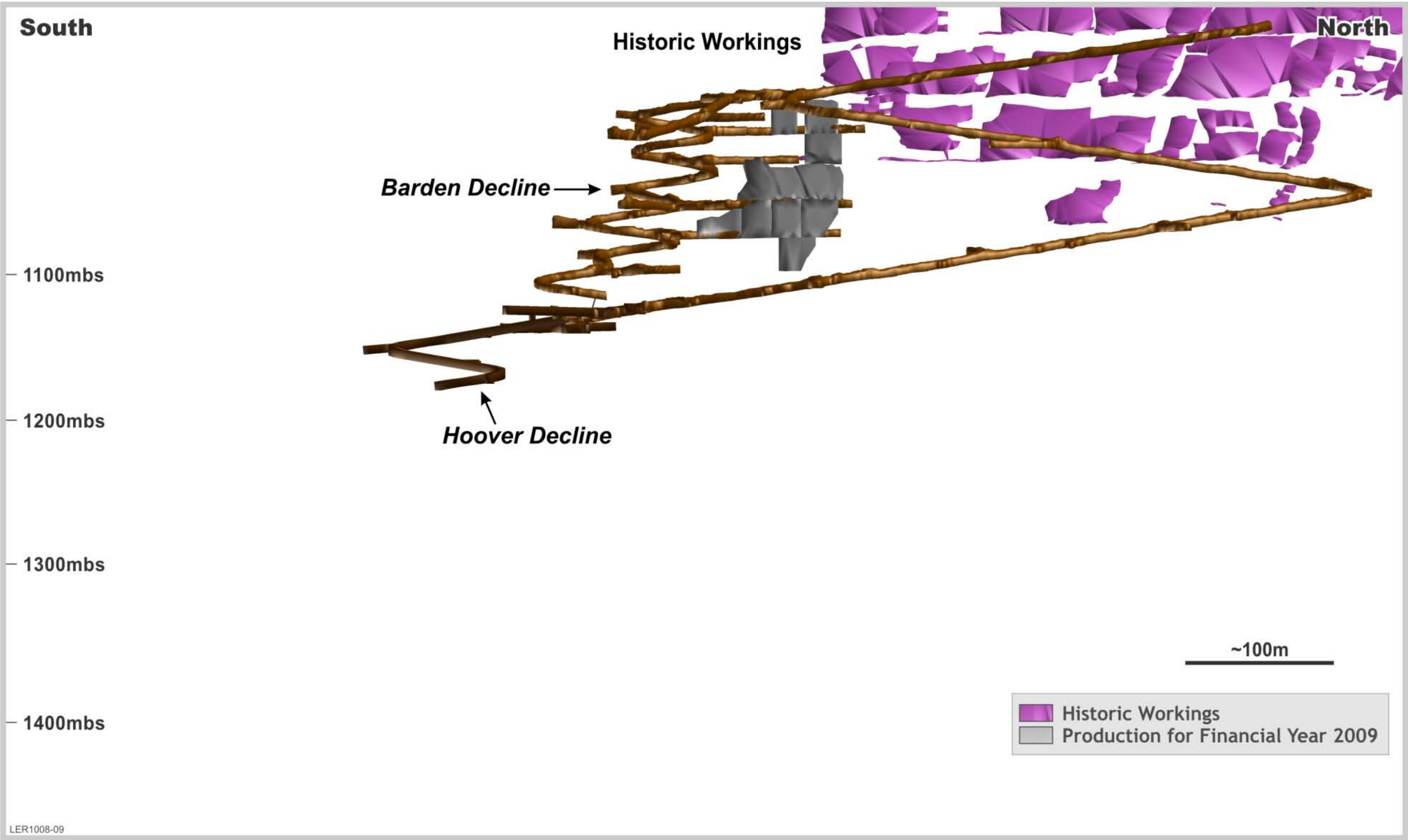
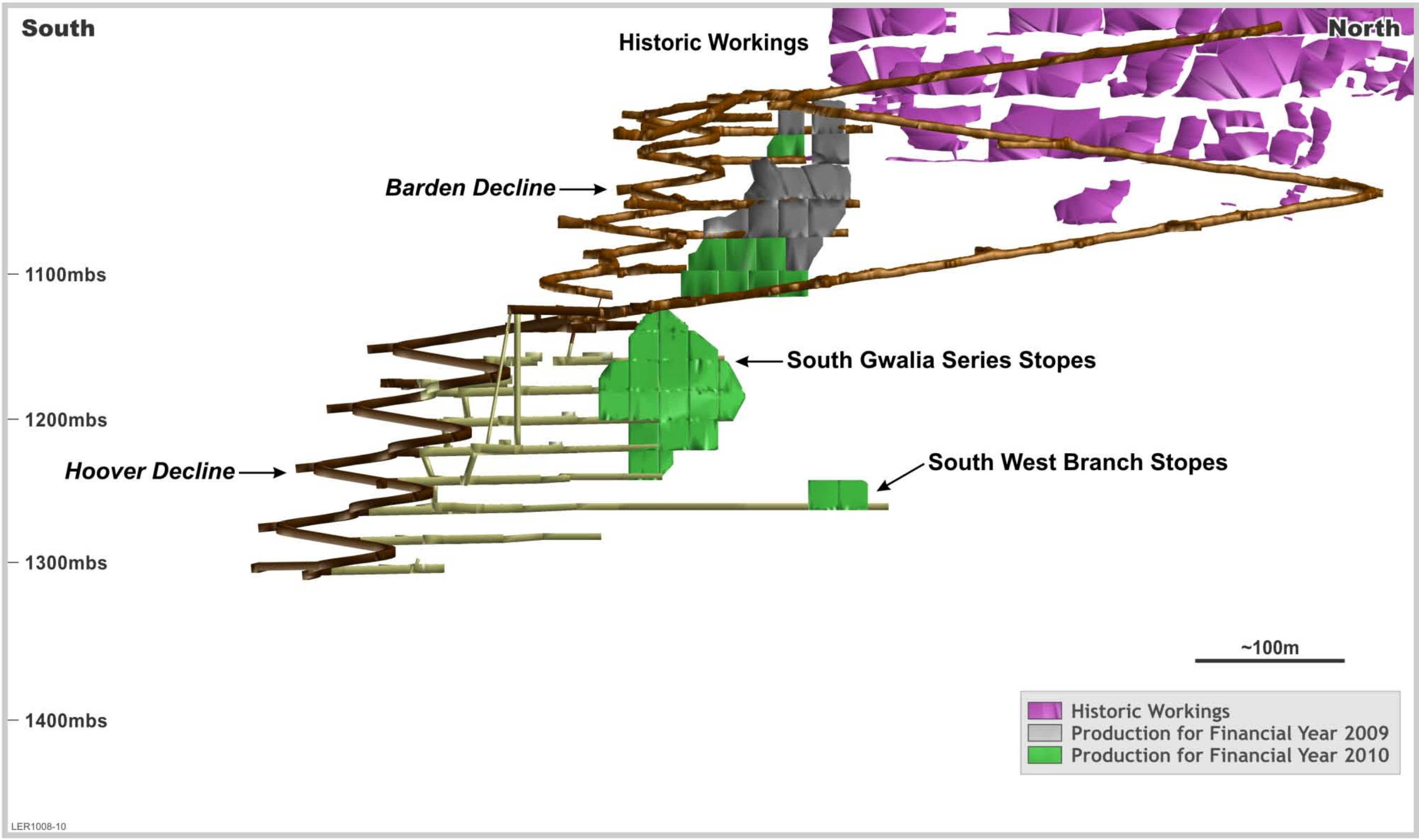
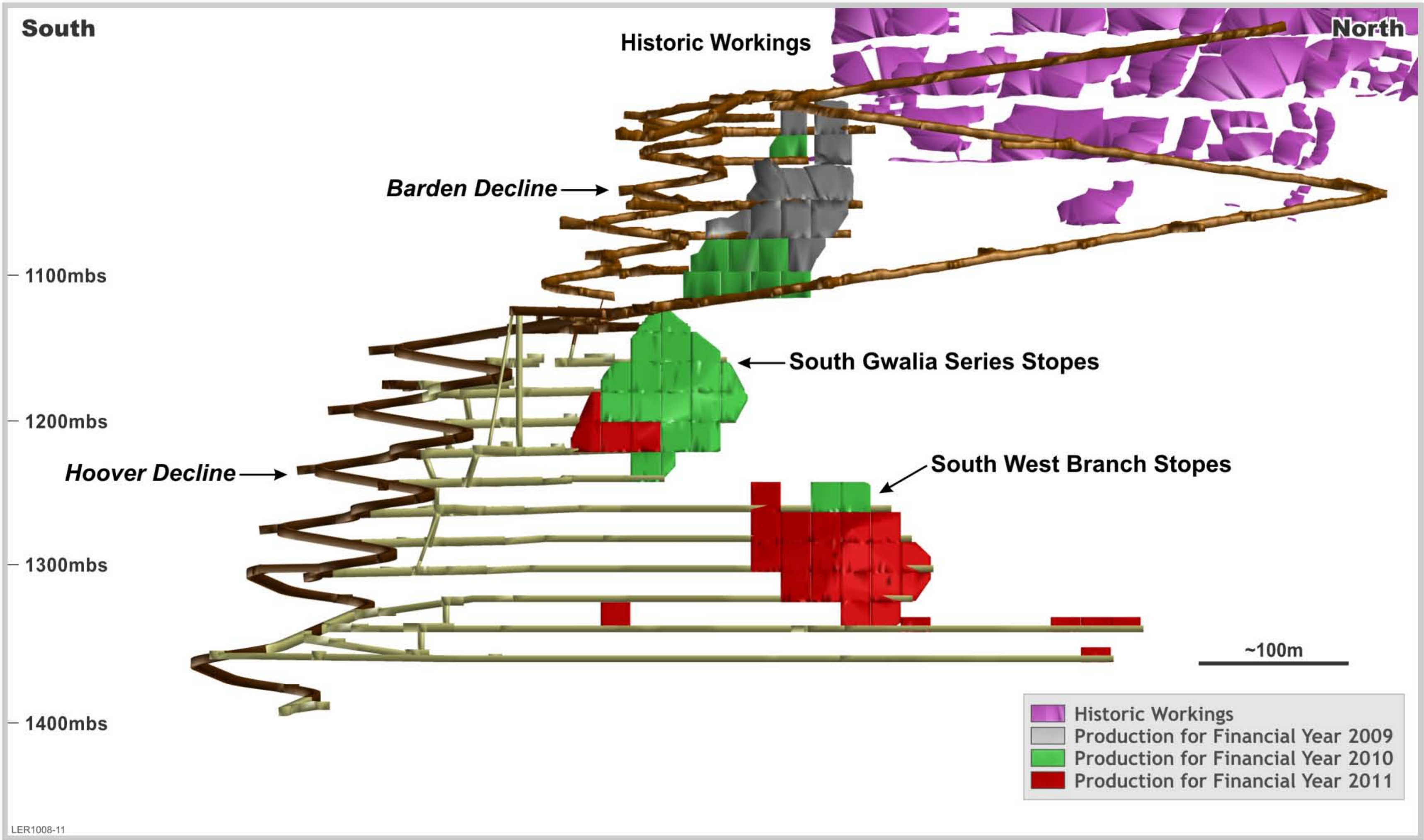
# Gwalia production sequence FY 09



# Gwalia production sequence FY 10



# Gwalia production sequence FY 11



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# Gwalia production sequence FY 12




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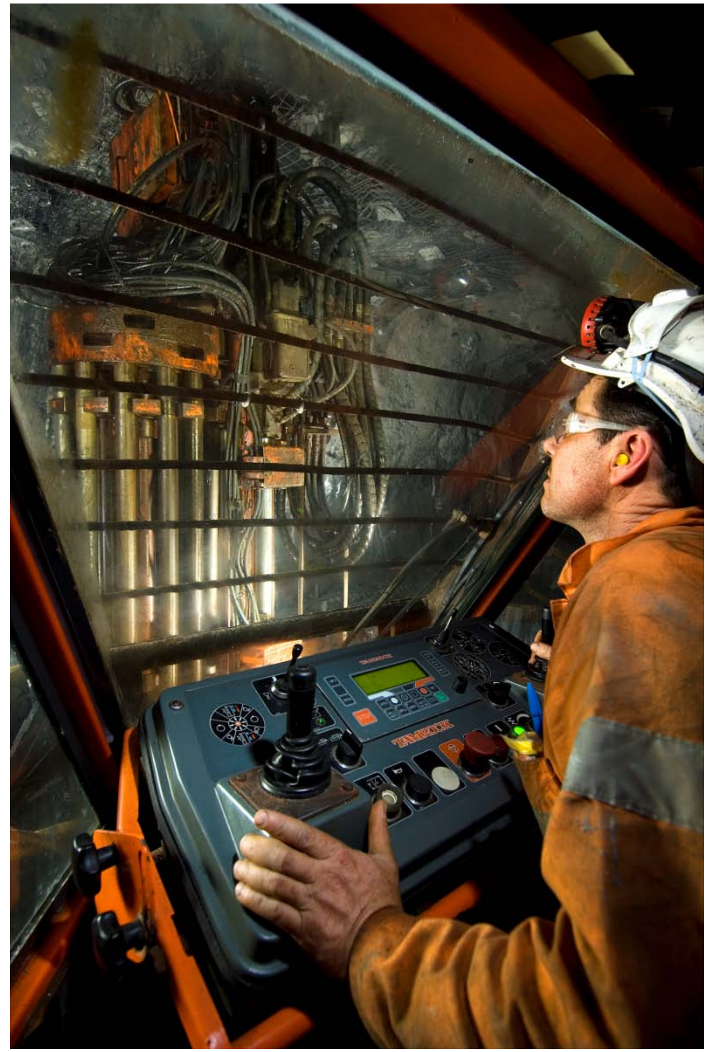
# Delivering Gwalia production

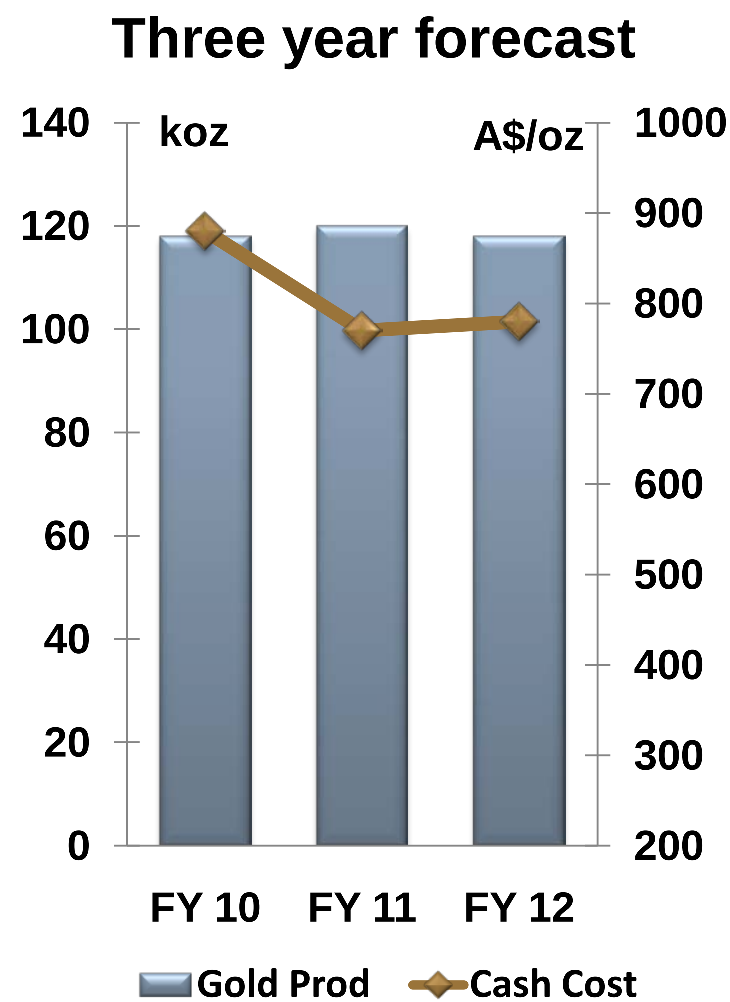
- **Operational effectiveness improved**
- **Mine development will deliver production growth**
- **Cash operating costs to reduce to 1st quartile by FY 12**
- **Capital expenditure forecast to reduce post FY10**
- **Strong forecast cash flows in FY 11 and beyond**
- **Capacity to increase mill utilisation and reduce unit costs**

# Southern Cross

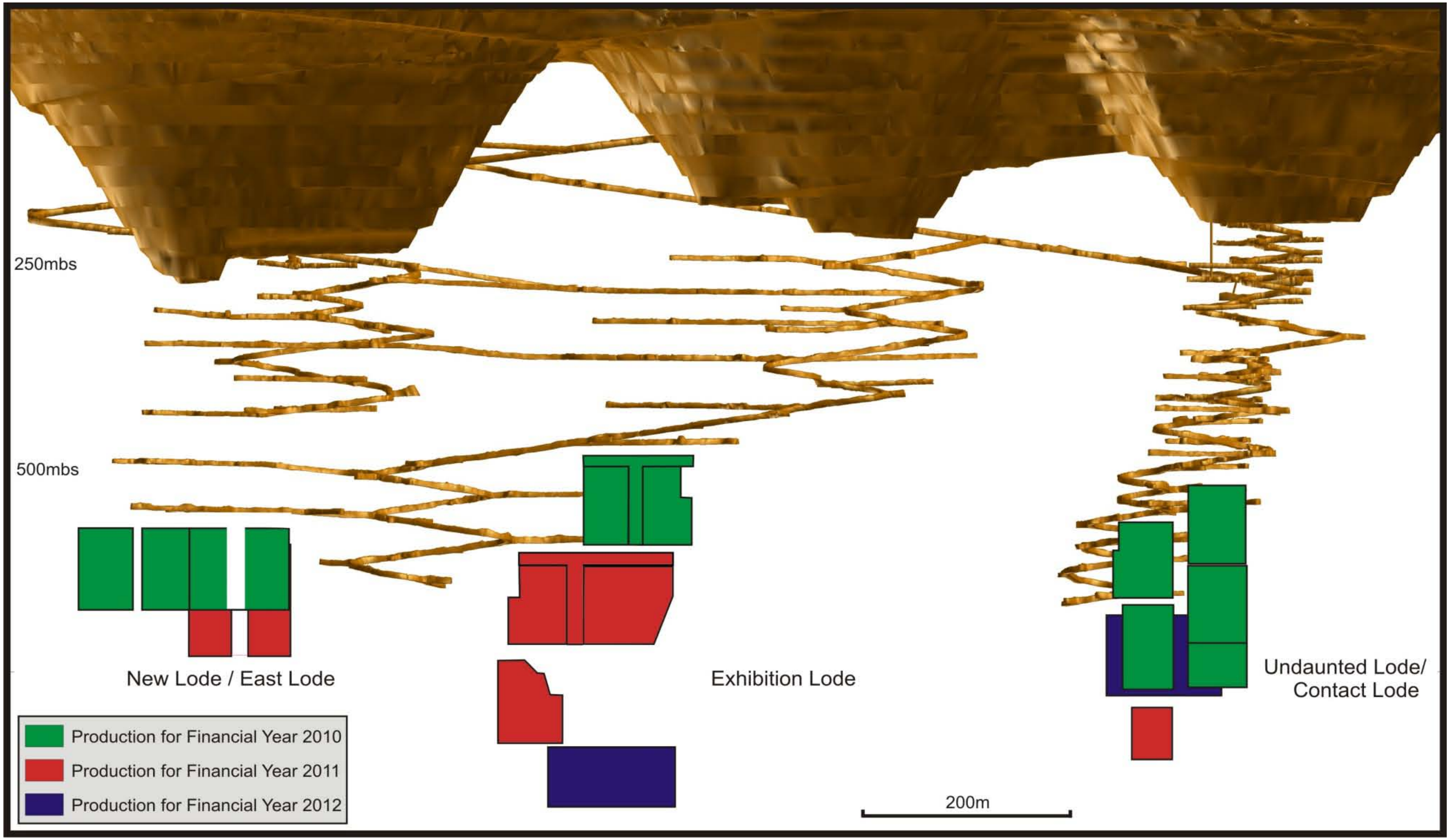


# Southern Cross

- **Marvel Loch Underground generates positive cash flows**
- **Overall operation de-risked**
- **Improved plant performance**
- **Opportunities for third party ore**

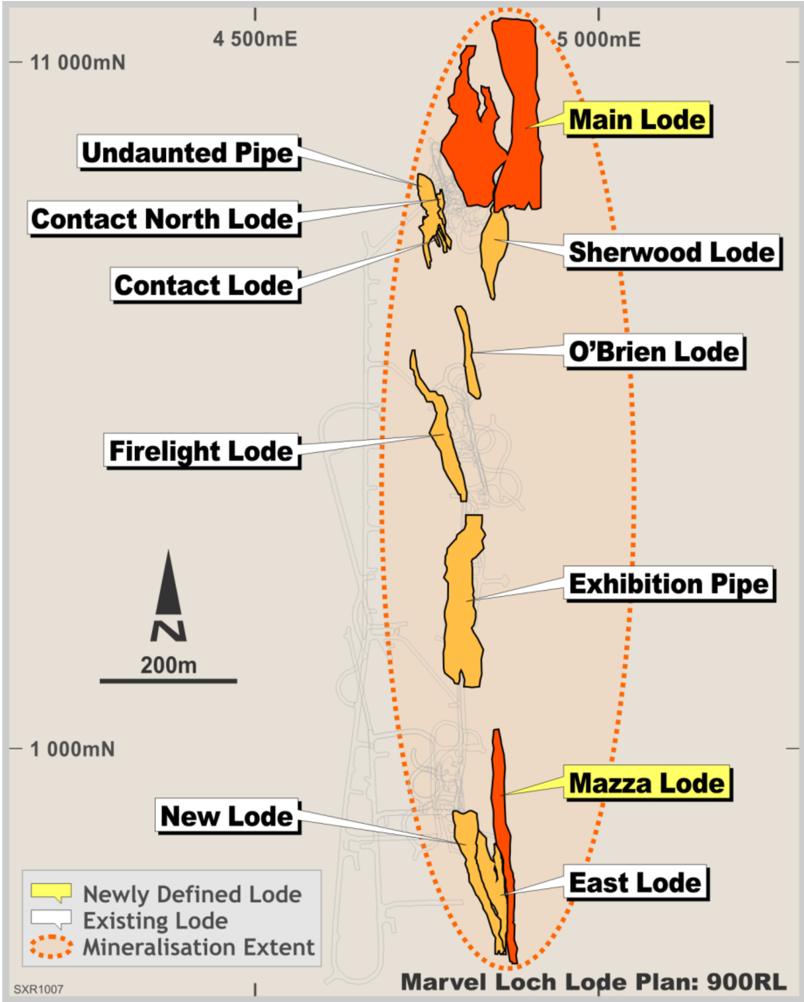


# Three year mining plan Marvel Loch



# Potential extensions at Marvel Loch

- Resource extensions at Marvel Loch demonstrated by history
- Some lodes are under explored
- Depth extensions of existing lodes anticipated
- Funding $3.6M to convert resources to reserves

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# Exploration




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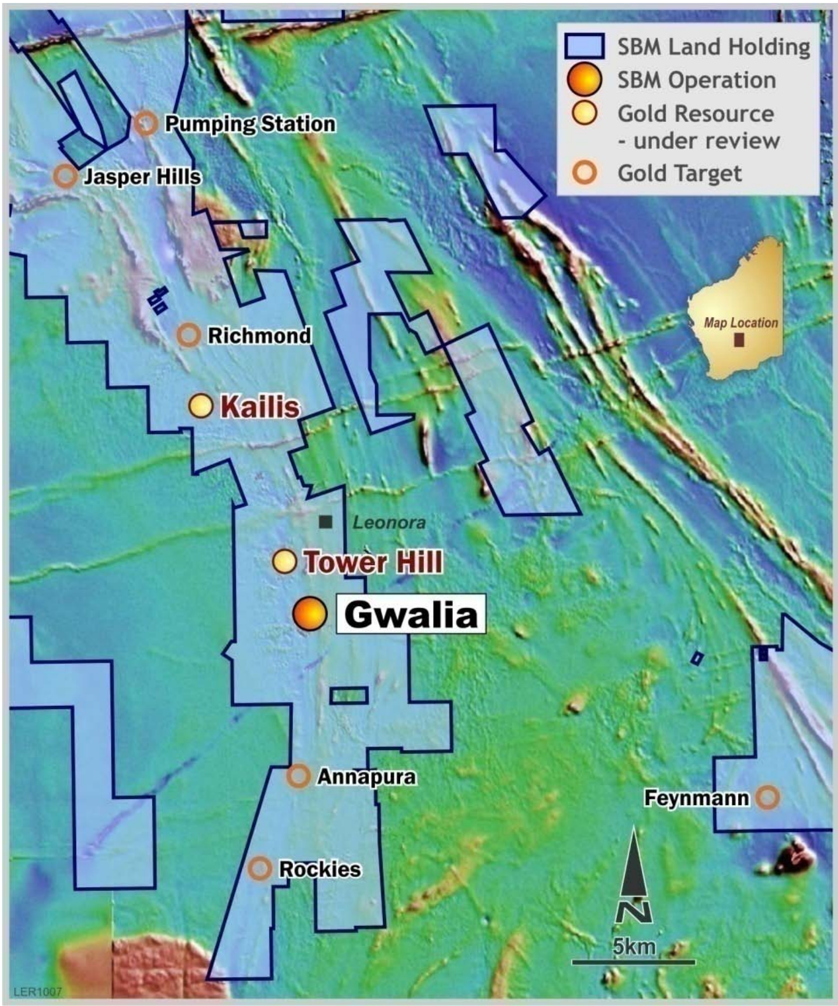
# Exploration targets Leonora

- **Land bank opportunities**
- **Tower Hill under evaluation**
- **Opportunities for concealed ore positions in belt**
- **Targets prioritised following new alteration studies**
- **WA Govt grant to co-fund drilling program**
- **Third party ore processing evaluation**



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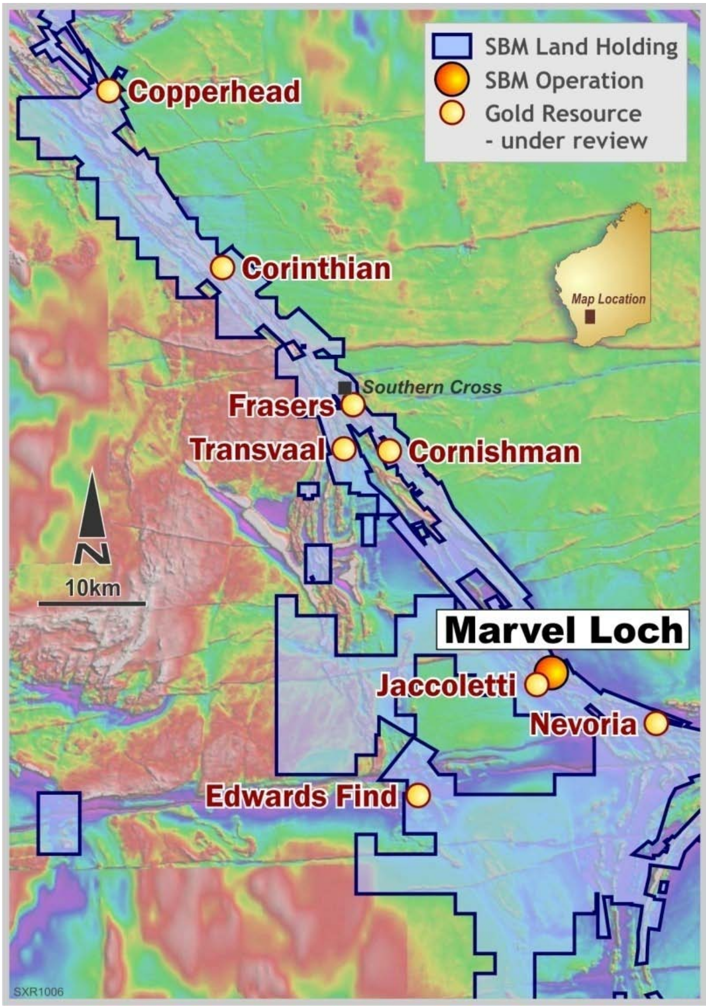
# Exploration targets Southern Cross

- **Nevoria and Edward's Find under evaluation**
- **Studies to examine potential re-commissioning of sources of past high grade production**
- **Assess metallurgical options for Transvaal**
- **Capacity to lift exploration as cash flows improve**



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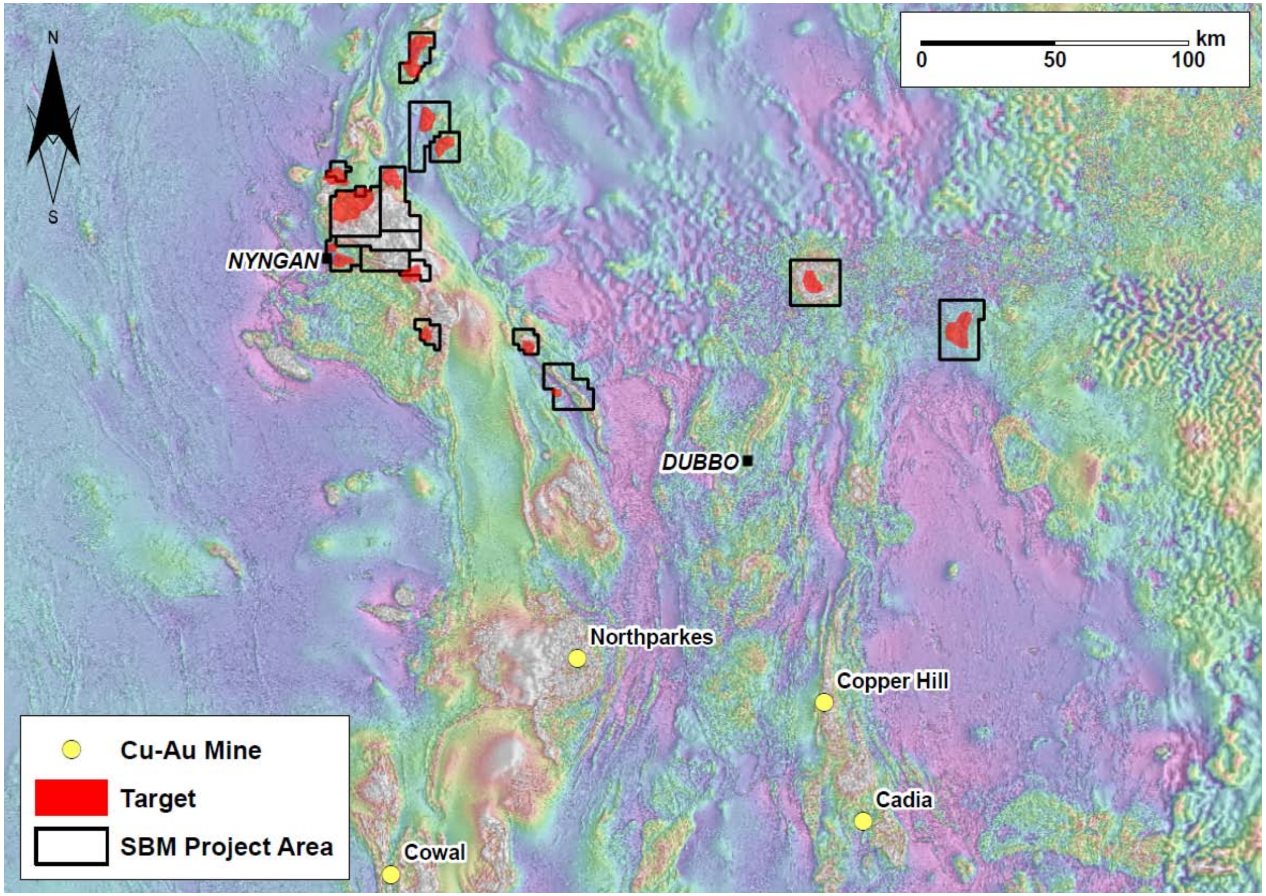
# NSW green field gold targets




- **Significant land position in the Lachlan Fold Belt**
- **Well-endowed porphyry Cu-Au belts**
- **First phase of geophysical surveys completed**
- **Follow-up gravity and aeromagnetic surveys planned**



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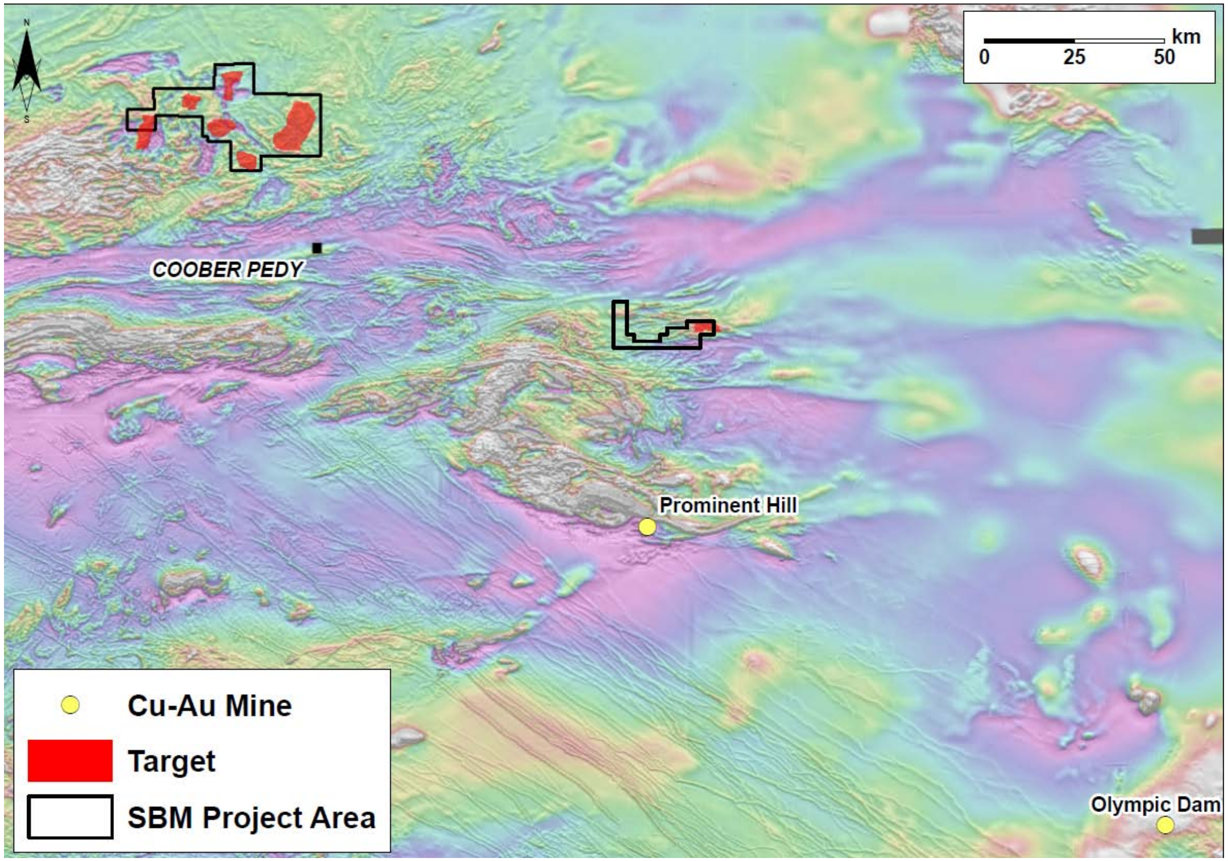
# South Australian green field gold targets




- **Located in prospective Gawler Craton**
- **Gravity survey planned to refine and prioritise targets for drill testing**
- **Target Style:**
  - Olympic Dam
  - Prominent Hill

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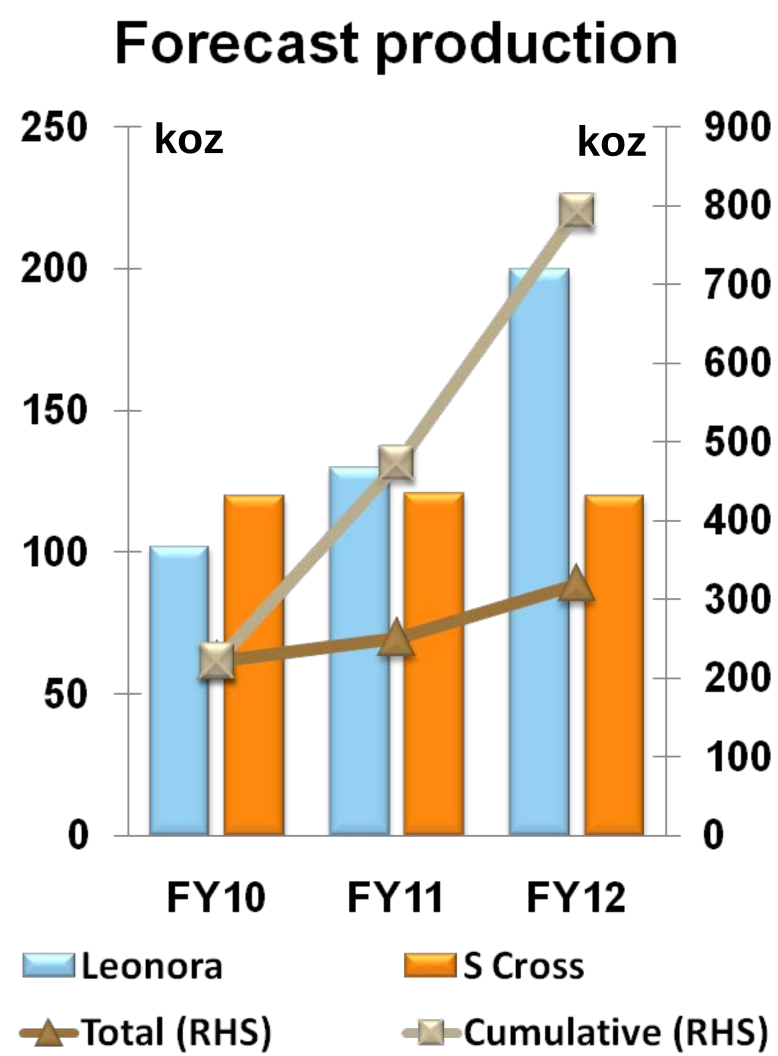
# Financing Growth

# Financing Growth

- **Cash at 30 June 2009 $78m** (includes $24m cash for bank guarantee)
- **FY 10 cash flow directed to Gwalia development**
- **FY10 capital & operating expenditure fully funded**
- **Forecast cash may not be sufficient for potential full redemption of Convertible Notes on 4 June 2010 (currently A$77.1m)**
- **Combination of funding options provides confidence.**
- **WA government commended for environmental bond moratorium**
  - **Encouraged to continue**
- **Strong cash flows forecast from FY11 onwards**

# Summary

- New strategy & Three Year Plan
- Gwalia key to long term value
- FY 10 cash flow directed to Gwalia u/g development
- Strong cash flows FY11+
- Southern Cross to generate positive net cash in each year
- Managing financial constraints
- Positioning to capture growth opportunities

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….thank you