



# St Barbara LIMITED

St Barbara Limited ACN 009 165 066  
Level 10, 432 St Kilda Road, Melbourne VIC 3004  
Locked Bag 9, Collins Street East, Melbourne VIC 8003  
Tel +61 3 8660 1900 Fax +61 3 8660 1999  
[www.stbarbara.com.au](http://www.stbarbara.com.au)



## Pacific Operations FY13 Guidance

Following a strategic review of the Pacific Operations acquired by St Barbara from Allied Gold in September 2012, guidance is now provided for the Pacific Operations for the remainder of FY 13. The Pacific Operations comprise the Simberi gold mine in Papua New Guinea, and the Gold Ridge gold mine in the Solomon Islands.

Background to this guidance was provided in the Pacific Operations Update released on 22 November 2012. The production estimate provided at that time of 380,000 ounces attributable to St Barbara in FY13 is maintained.

Key points regarding the acquisition are:

- Integration planning is complete, and implementation is well progressed;
- Since taking control, our view of the long term value and potential of these assets has strengthened;
- Sustainable production and unit cash cost estimates remain unchanged from due diligence, but are delayed by approximately six months, due to our previously reported view of the deterioration in the overall condition of the operations between due diligence at the time of the offer and when we gained control;
- The guidance is underpinned by the deployment of St Barbara management and technical resources to the Pacific Operations, the introduction of detailed mine planning and project management discipline, and the application of St Barbara's disciplined cost management.

Previously reported aspects influencing guidance for the remainder of FY13 are:

- Gold production will take time to reach sustainable levels, particularly at Gold Ridge, where it has been necessary to re-base the mine plans, introduce new operating disciplines and catch-up with waste stripping;
- Simberi's performance is unlikely to show improvement in the December 2012 quarter over that reported for the September 2012 quarter;
- Gold Ridge is expected to have lower gold production in the December 2012 quarter than the September 2012 quarter, but is expected to improve in the third and fourth quarters of FY13; and
- Working capital and cash support for the Pacific Operations is expected to continue in the December 2012 and March 2013 quarters.

FY 13 Guidance <sup>[1]</sup>		Gwalia	King of the Hills	Gold Ridge	Simberi	Total
		Leonora, Western Australia		Solomon Islands	Papua New Guinea	
<b>Gold production</b>	koz	175-190	55-60	55-60	55-60	371-401 <sup>[2]</sup>
<b>Cash operating cost</b>	\$/oz	670-700	840-870	1,450-1,620	1,050-1,200	-
<b>Capital expenditure</b>	\$M	45-50	20-25	10-12	22-25	97-112

[1] Gold production attributable to St Barbara, refer detail below.

[2] Gold production includes 31 koz from Southern Cross, refer detail below.

The above table shows gold production attributable to St Barbara (incorporating production from the Pacific Operations from when St Barbara assumed control on 7 September 2012). For illustration only, production for the full year from 1 July 2012 (prior to St Barbara gaining control) for Gold Ridge is estimated to be 65-70 koz and for Simberi is estimated to be 65-70 koz, giving an aggregate annual production run rate of approximately 400,000 koz.

Production guidance for the Company's Australian Operations was released on 23 August 2012 and is included here for completeness. Southern Cross Operations will cease operations and be placed on care and maintenance in the December 2012 quarter. Southern Cross is estimated to produce 31 koz for FY13 at a cash operating cost of between A\$1,420 and A\$1,450 per ounce, with minimal capital expenditure.

FY13 exploration expenditure is forecast to be \$20-25 million for the whole Company, with further details provided in the attached presentation.



**Tim Lehany**

Managing Director and CEO

20 December 2012



**St Barbara**  
LIMITED

# **Pacific Operations**

## **2H FY13 Guidance**

**Tim Lehany, Managing Director & CEO**

20 December 2012



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The Company estimates its reserves and resources in accordance with the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves 2004 Edition ("JORC Code"), which governs such disclosures by companies listed on the Australian Securities Exchange.

Financial figures are in Australian dollars.  
Financial year is 1 July to 30 June.

# Outline



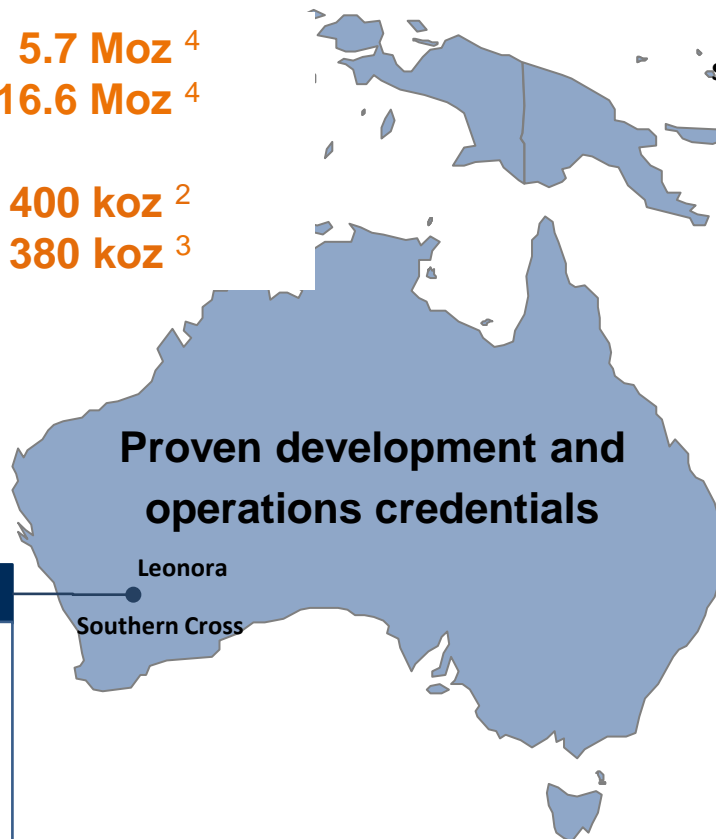
- Overview
- FY 13 guidance
  - Simberi
  - Gold Ridge
  - Consolidated
- Pacific Operations Exploration
- Appendices

# Overview:

## Three gold operations underpinned by long life ore reserves and prospective for growth



**Reserves:** 5.7 Moz <sup>4</sup>  
**Resources:** 16.6 Moz <sup>4</sup>  
**FY13F production:**  
• aggregate 400 koz <sup>2</sup>  
• attributable 380 koz <sup>3</sup>



### Leonora

- High grade underground Gwalia mine
- FY13F production: 175-190 koz
- 9+year mine life
- Ore body open at depth
- King of the Hills underground mine FY13F production 55-60 koz

### Simberi

- Low strip open pit mine
- Expanding production capacity to 100 koz p.a.
- FY13F: 65-70 koz<sup>1</sup>
- 9+ year mine life
- Near mine targets for exploration
- Sulphide expansion potential

### Gold Ridge

- Low strip open pit mine
- Processing plant upgraded
- FY13F: 65-70 koz<sup>1</sup>
- 9+ year mine life
- Near mine targets for exploration

1. Aggregate production for the full financial year. Production attributable to St Barbara approx. 10 koz less.
2. Aggregate production for illustration for the full financial year, inc. Pacific Operations from 1 Jul 12.
3. Production attributable to St Barbara, inc. Pacific Operations from 7 Sep 12.
4. As at 30 June 2012 for Australian assets and as at 31 December 2011 for Pacific assets.

# Overview – Pacific Operations



- St Barbara gained control of the Pacific Operations on 7 Sep 2012
- Integration planning is complete, implementation is well progressed
- Since taking control, our view of the long term value and potential of these assets has strengthened
- Sustainable production and unit cash cost estimates remain unchanged from due diligence, but are delayed by approximately six months, due to our previously reported view of the deterioration in the overall condition of the operations between due diligence at the time of the offer and when we gained control
- 2H FY13 guidance is underpinned by:
  - Deployment of St Barbara management and technical resources
  - Detailed mine planning and project management discipline
  - Disciplined cost management
- The FY 13 production estimate of 380,000 oz attributable to St Barbara (advised at the AGM in November) is maintained and is set out on slide 14

# Overview – Pacific Operations



- Investment in Pacific Operations for FY13

  - \$40 M planned per due diligence

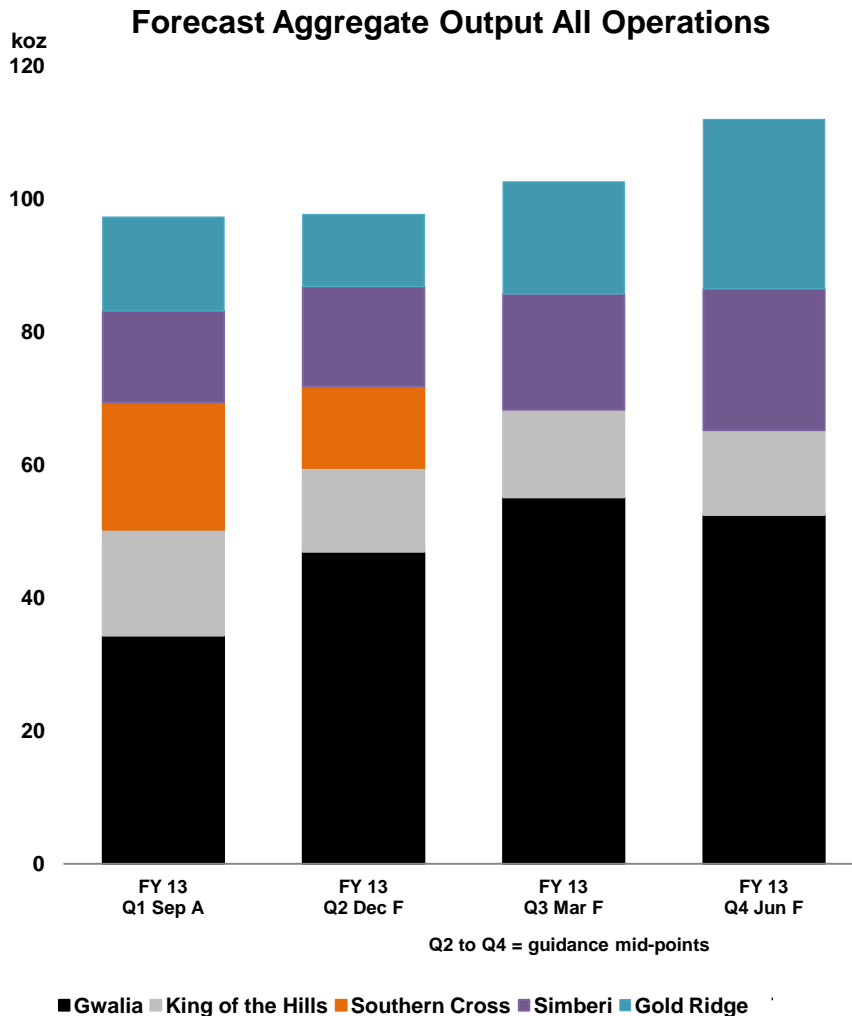
  - \$16 M capex project overruns (inc \$10M at Simberi plant expansion)

  - \$10 M restore cash balance on acquisition

  - \$14-24 M negative contribution from Gold Ridge operation Q2 and Q3

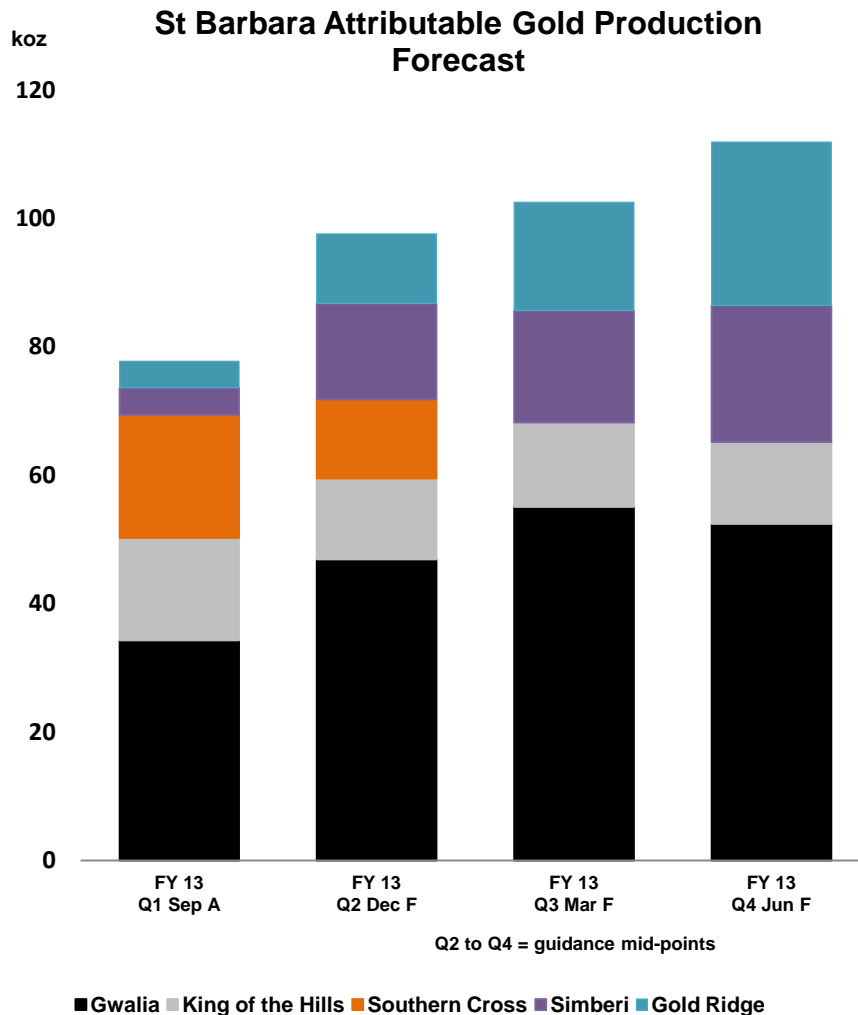
  - \$80-90 M

# Aggregate Quarterly Output



- For illustration only, this chart compares total output on a quarterly basis from 1 July 2012, noting that St Barbara acquired the Pacific Operations on 7 Sep 2012
- St Barbara attributable gold production appears next slide
- Annualised production rate in Q4 Jun 2013 approx 450,000 oz p.a.
- Commentary on each operation follows

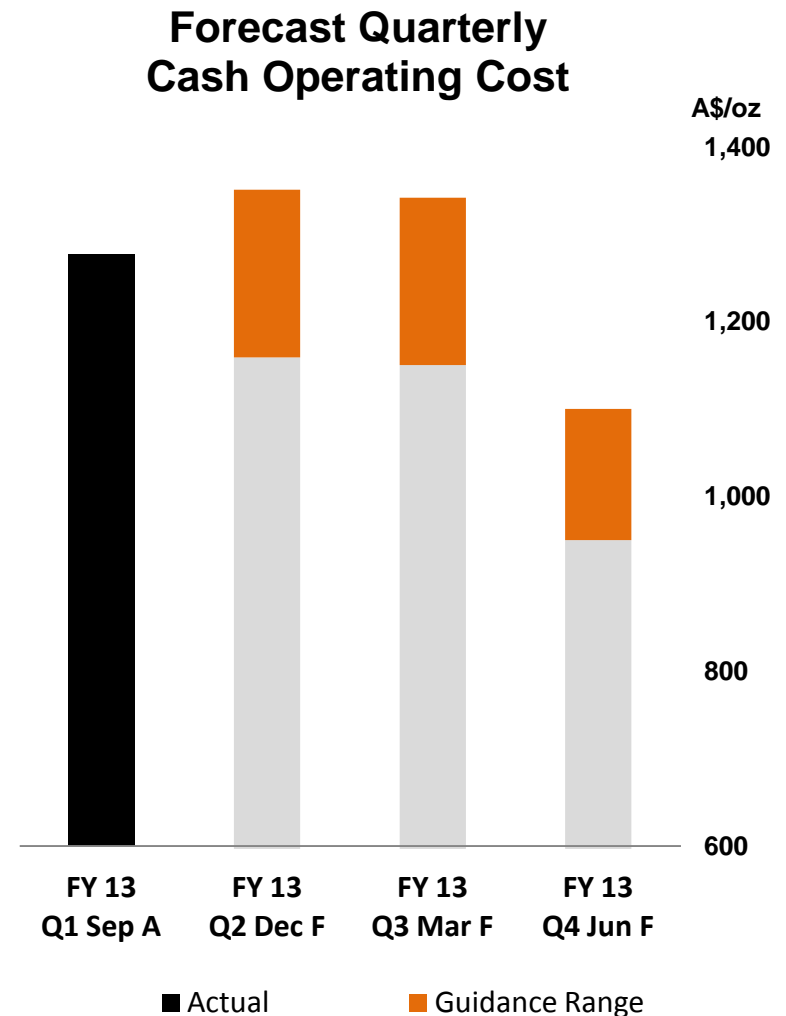
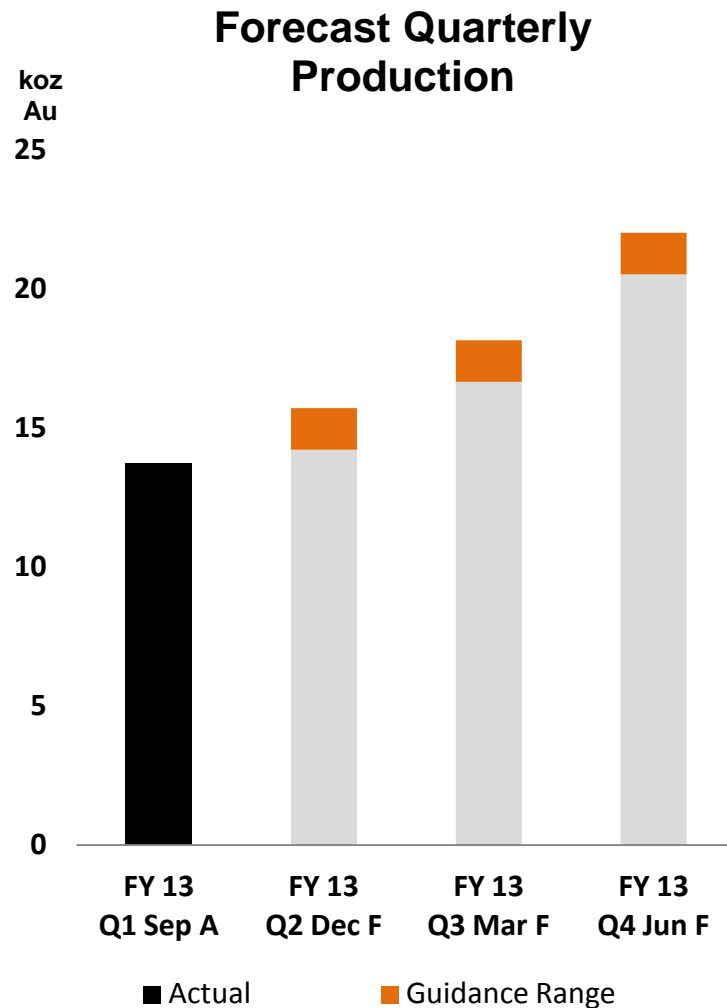
# St Barbara Attributable Gold Production



- This chart includes only production attributable to St Barbara, incorporating production from the Pacific Operations from the date of acquisition, 7 Sep 2012
- Q1 excludes 20 koz pre-acquisition gold production
- FY13 guidance for Australian Operations maintained

# Simberi FY 13 Outlook

## Papua New Guinea

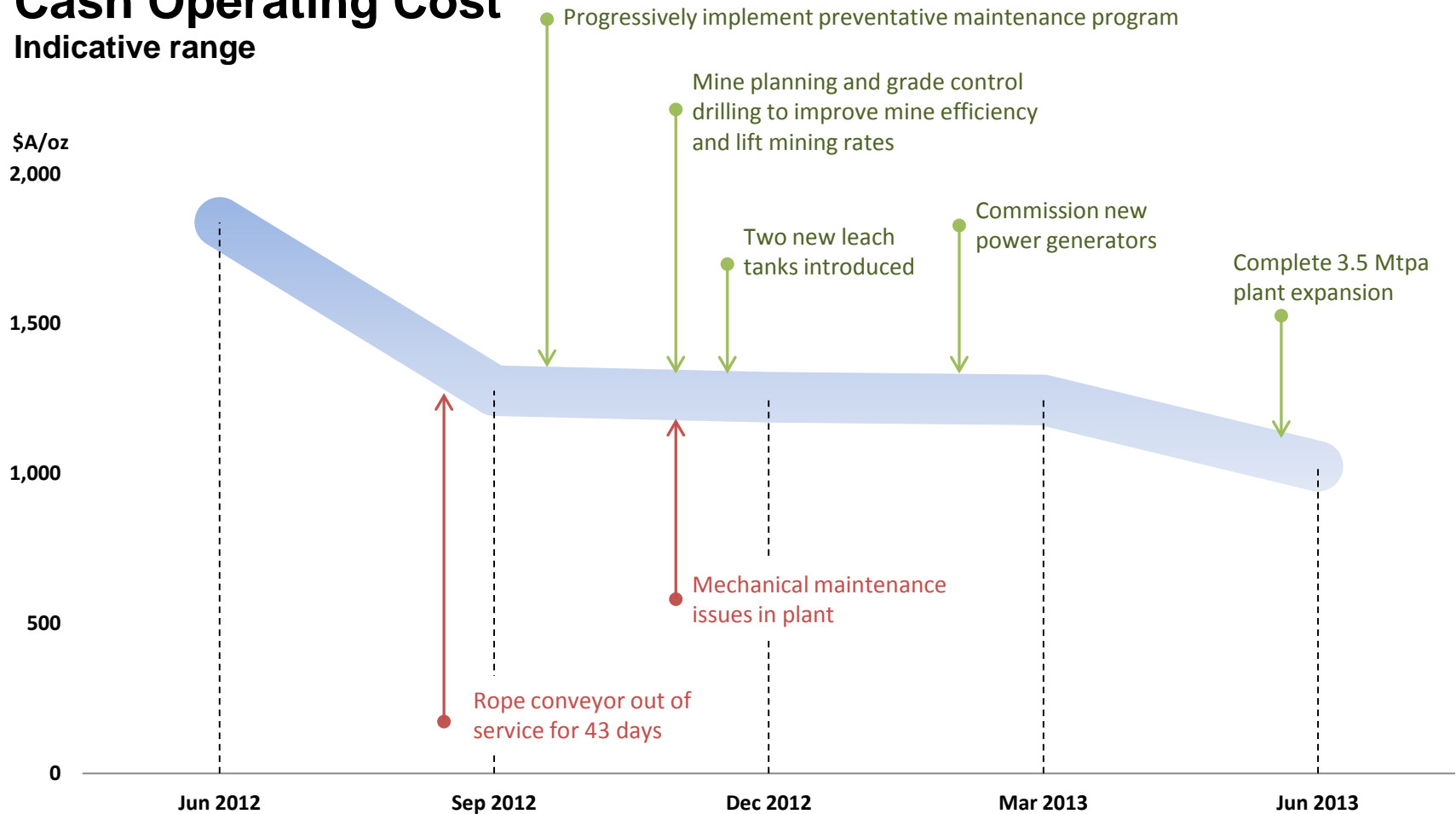


# Simberi FY 13 Cost Drivers

Papua New Guinea

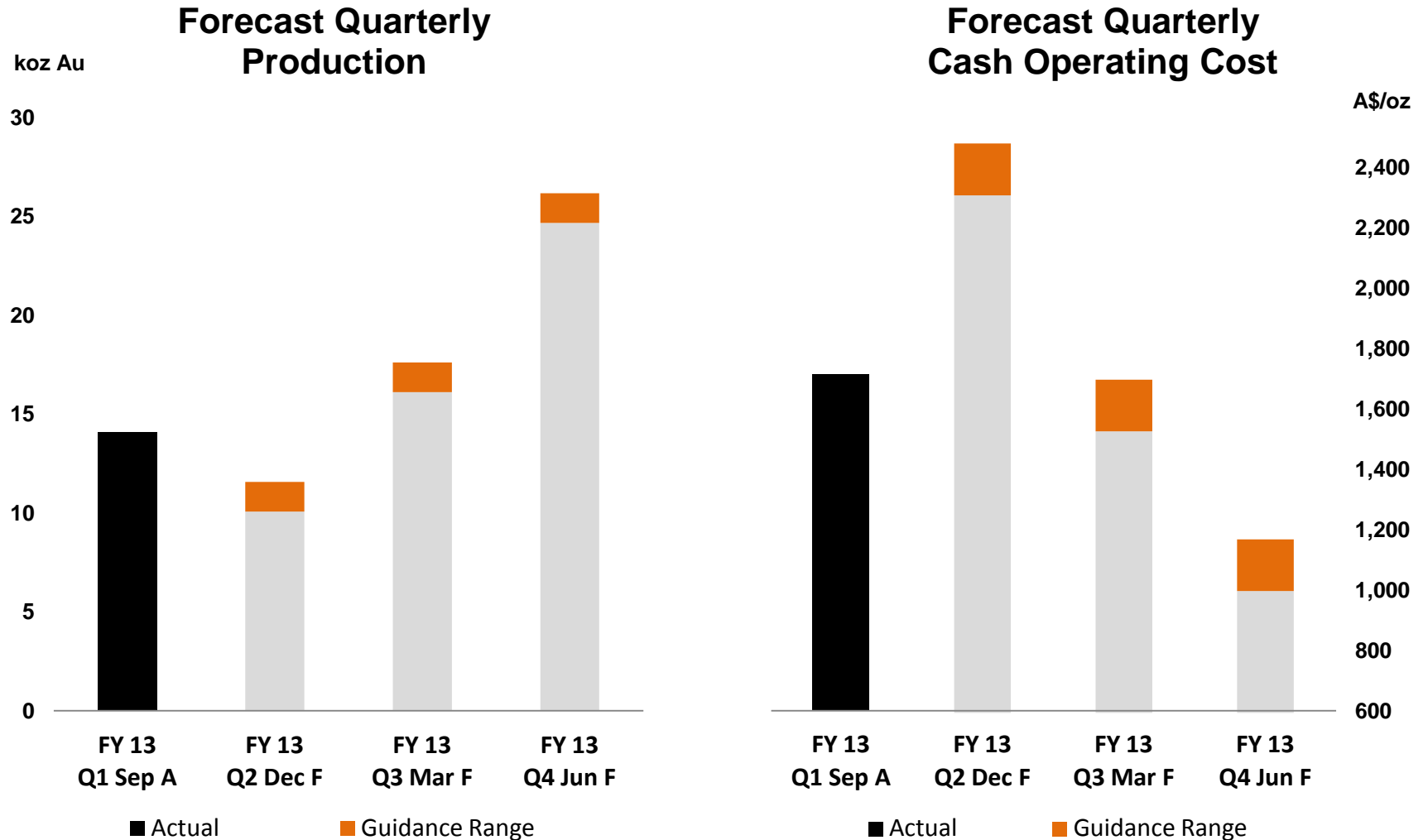


## Cash Operating Cost Indicative range



# Gold Ridge FY 13 Outlook

## Solomon Islands

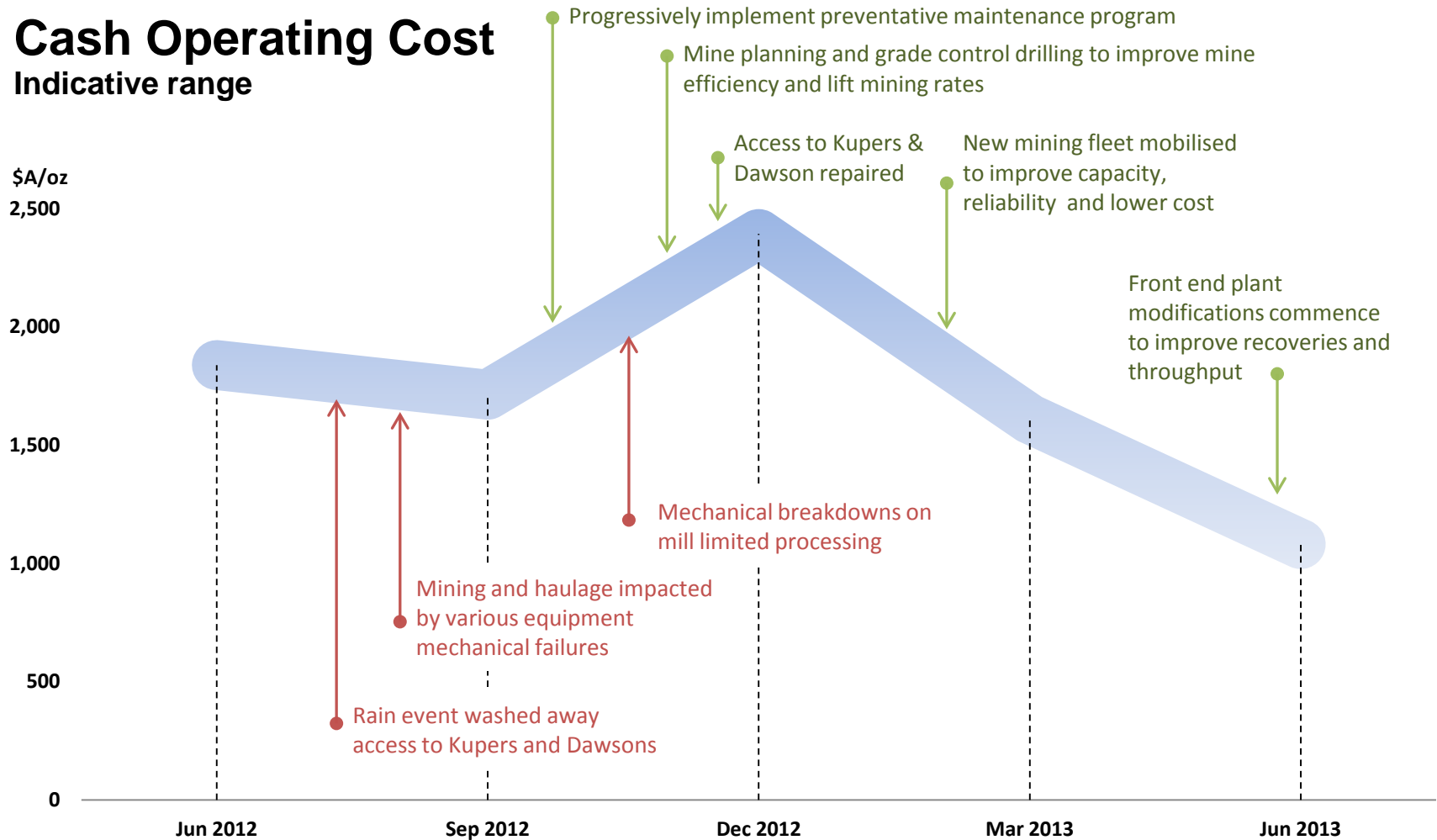


# Gold Ridge FY 13 Cost Drivers

## Solomon Islands



### Cash Operating Cost Indicative range



# Consolidated Guidance

Gold production attributable to St Barbara <sup>[1]</sup>



		Q3 FY13	Q4 FY13	FY13
<b>Gold Production</b>	koz			<b><u>371-401</u></b>
• Leonora				230-250
• Southern Cross				31
• Gold Ridge		16-18	23-25	55-60
• Simberi <sup>[2]</sup>		16-18	20-22	55-60
<b>Cash Operating Costs</b>	A\$/oz			
• Leonora				710-745
• Southern Cross				1,420-1,450
• Gold Ridge		1,500-1,650	980-1,100	1,450-1,620
• Simberi <sup>[2]</sup>		1,100-1,250	950-1,100	1,050-1,200
<b>Capex</b>	\$M			
• Leonora				65-75
• Southern Cross				0
• Gold Ridge				(Q2-Q4) 10-12
• Simberi				(Q2-Q4) 22-25
<b>Exploration Expenditure</b>	\$M			20-25

[1] Incorporates production from the Pacific Operations from the date of acquisition, 7 Sep 2012

[2] Subject to completion of plant expansion in April 2013

# Simberi

# Simberi



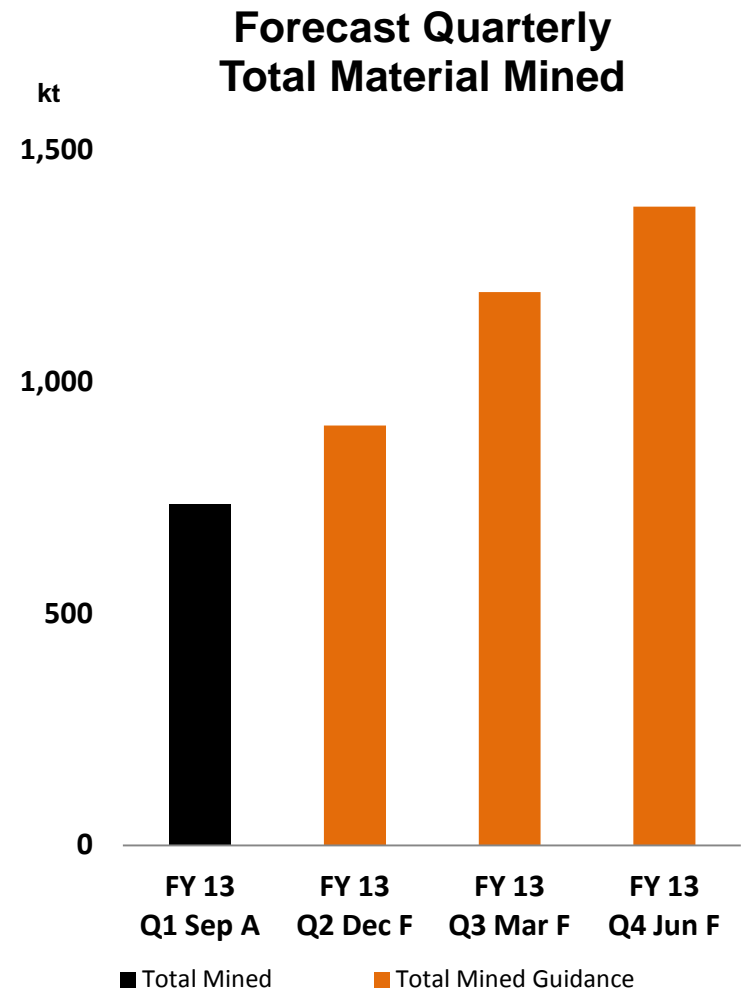
- Completion of the Simberi Oxide Expansion designed to increase processing capacity from 2.0 Mtpa to 3.5 Mtpa
- Simberi Oxide Expansion due to be completed in April 2013. All key components are now on site
- Increasing production volumes is the key to reducing cash operating costs per ounce – production expected to increase after expansion commissioned in May 2013
- Cash operating costs per ounce expected to further reduce during FY14 to below A\$900/oz

# Simberi

## Pathways to improvement



- Improved haulage capacity following transfer of some mining equipment from Gold Ridge from Q3
- Plant expansion to 3.5 Mtpa underpins throughput increase from 160 ktpm to estimated 260 ktpm from May 2013
- Recovery improved from extra leach tanks (December 2012) from 86-88% up to 91%
- Costs controlled despite increasing volumes



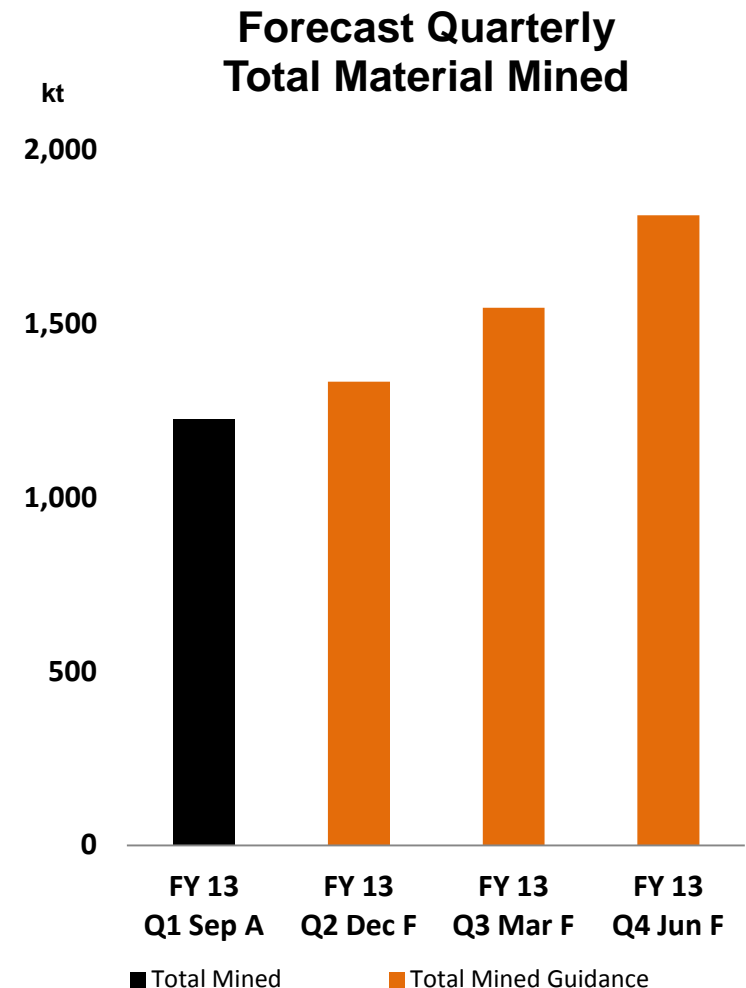
# Gold Ridge

# Gold Ridge Operations

## Pathways to lift mining rates



- Significant backlog of maintenance issues with fixed and mobile plant is being addressed
- Access to all open pits restored in Q2 (following rain damage and lost access in Q1)
- Increased haulage capacity with improved fleet from Q3 and upgrade of current fleet
- Significant volumes of waste are required to be mined in Q2 and Q3 to clear waste backlog before life of mine strip ratios restored



# Gold Ridge

## Pathways to lift production & recovery



- RoM ore blending and plant improvements will see initial mill throughput increase from 150 ktpm to 180 ktpm from Q3
- Front end plant modifications designed to increase tonnage to 200 ktpm are in the design phase and expected to be complete in Q2 FY14
- Recovery improving due to improved blending from 68-70% in Q3 to 72-78% in Q4
- Costs controlled despite increasing volumes
- On ground technical and management capabilities are being lifted
- Cash operating costs per ounce expected to further reduce during FY14 to below A\$900/oz

# **Exploration underway in Pacific Operations**

# FY13 focus on extending near mine reserves and targeting new discoveries

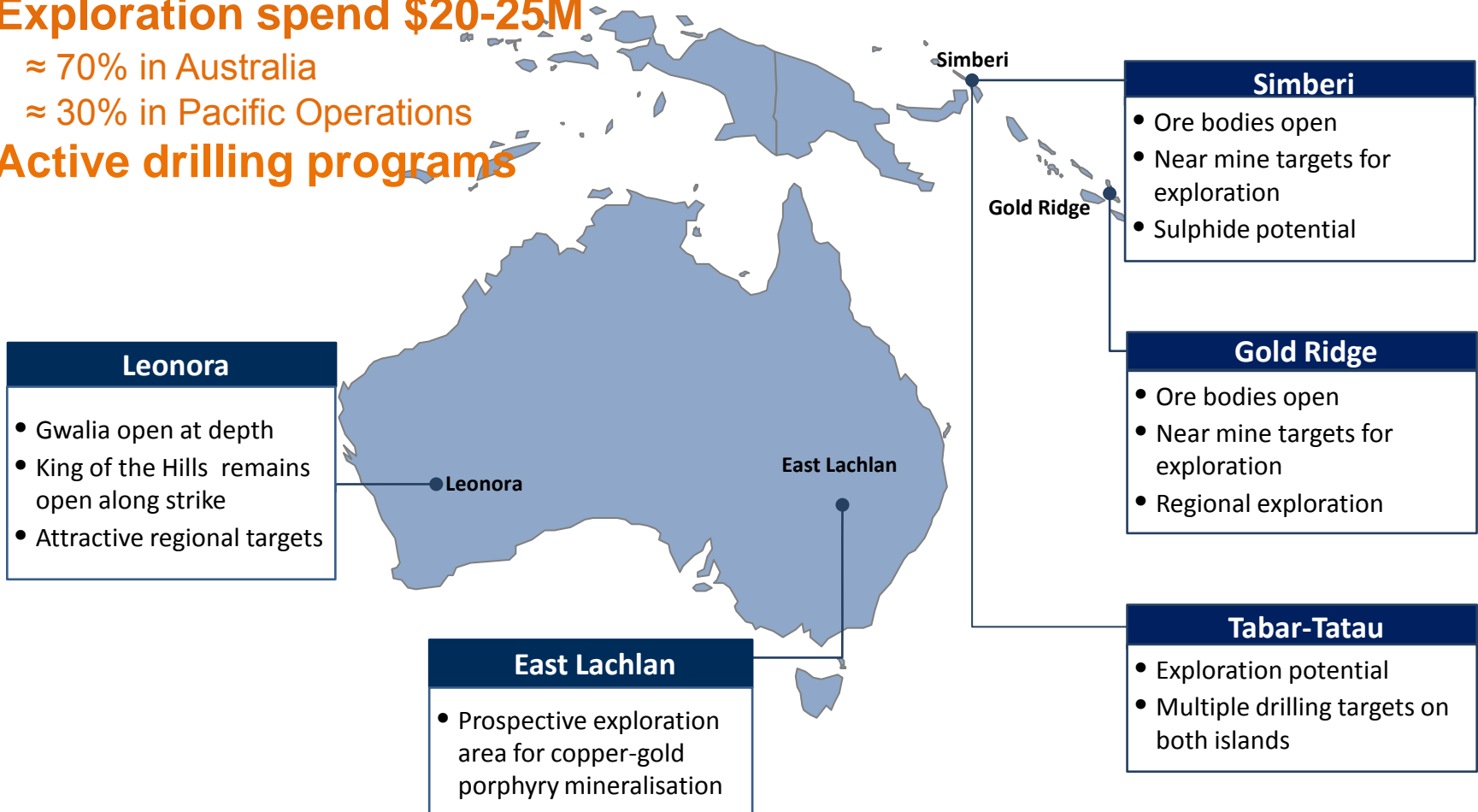


## Exploration spend \$20-25M

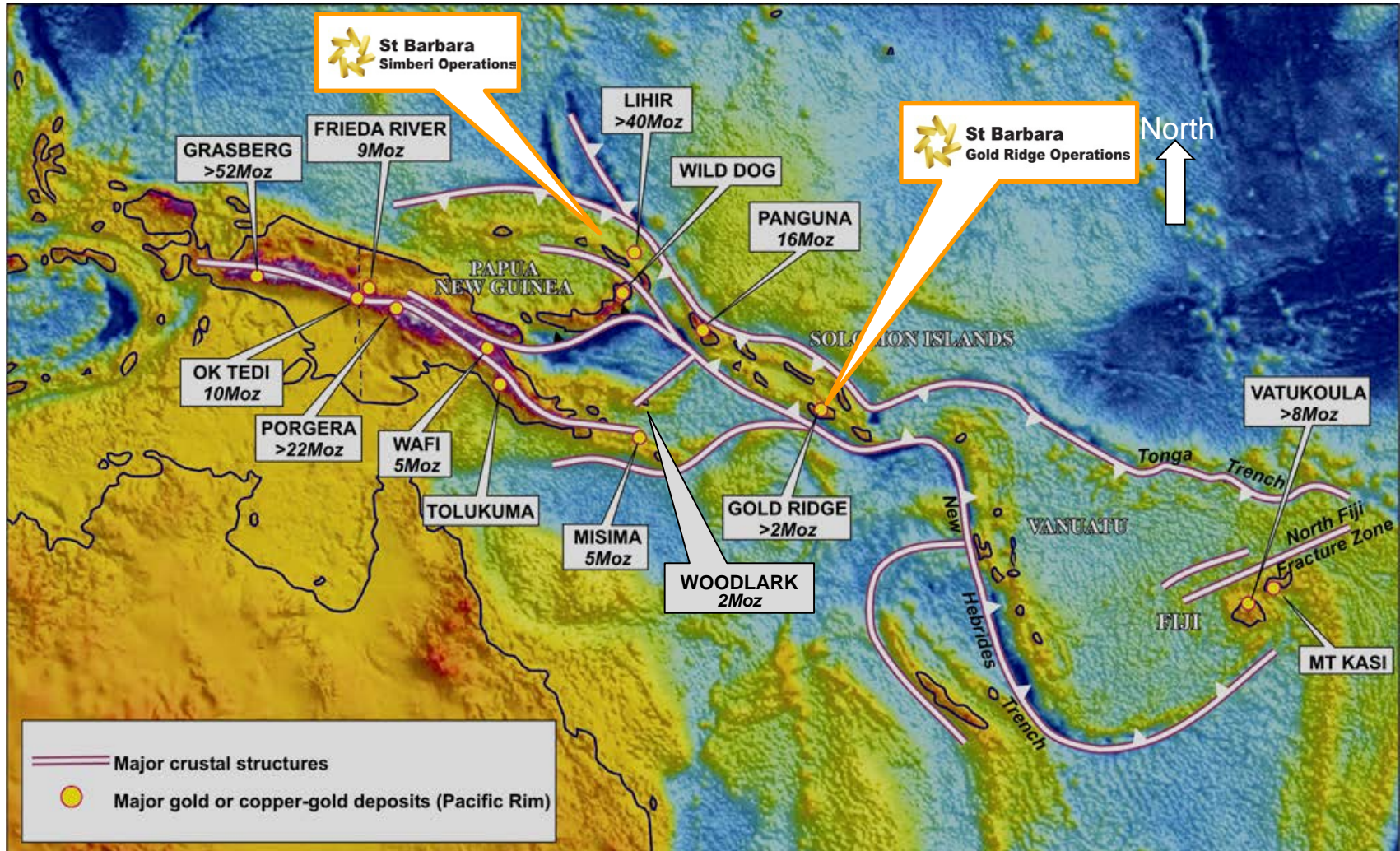
≈ 70% in Australia

≈ 30% in Pacific Operations

## Active drilling programs



# Simberi and Gold Ridge, located in the world class Western Pacific Rim, have significant exploration value



# Simberi Island

## Prospective for mineral resource extensions and discoveries



Priority targets identified for testing include:

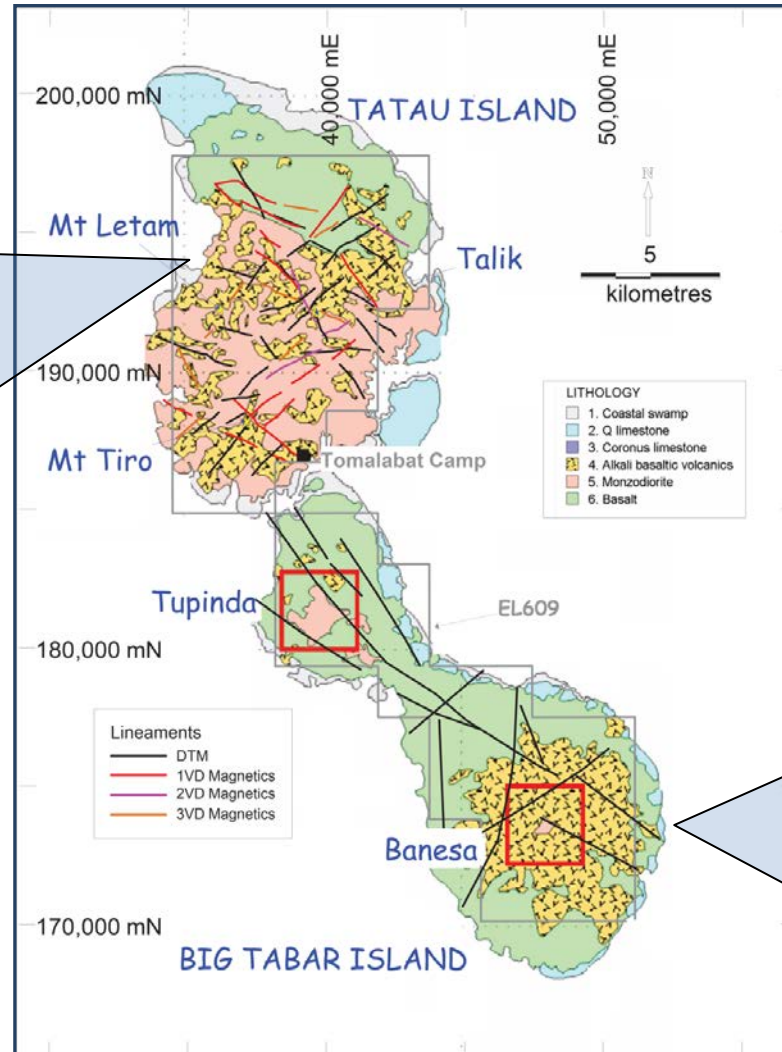
- Oxide mineralisation potential at S.W. Botlu
- Sulphide mineralisation potential at Sorowar East
- Greenfield targets on both ML136 and EL 609

# Tatau and Big Tabar Islands

## Prospective for discoveries

**Tatau Island**

- High grade epithermal deposits
- Drilling planned to follow up previous intercepts
- Geochemical and geophysical surveys to extend mineralisation

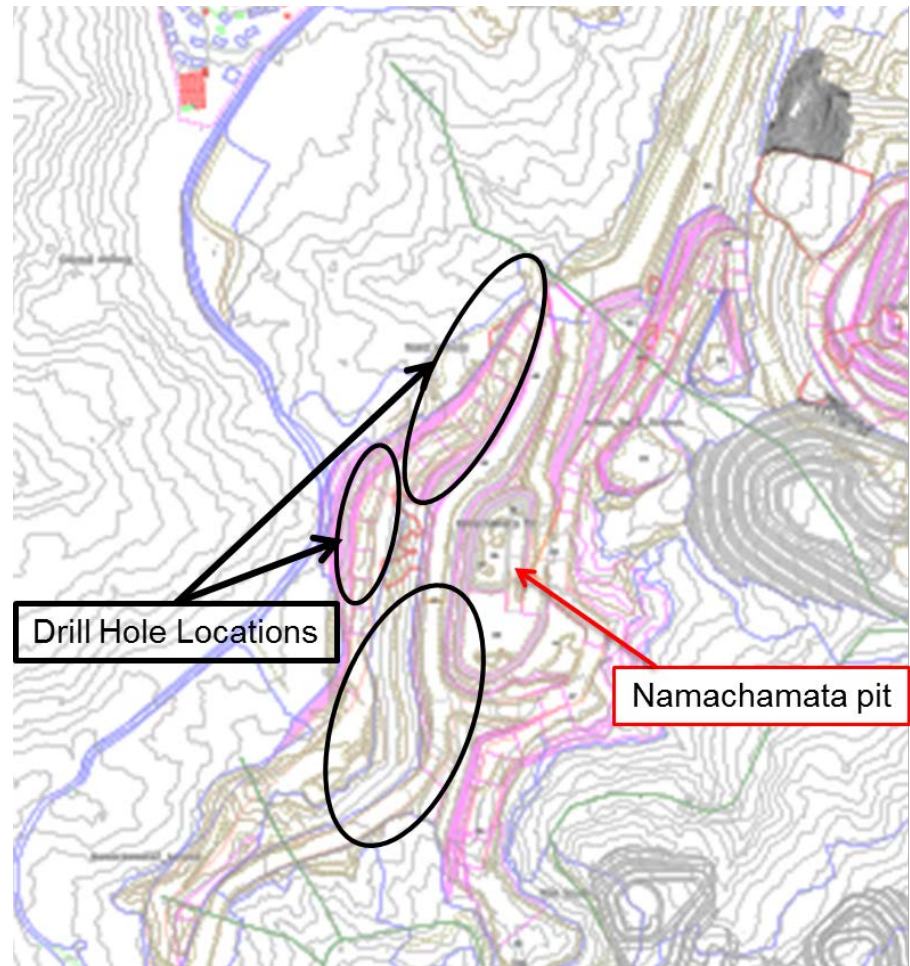


**Big Tabar Island**

- Copper gold porphyry deposits
- Geochemical and geophysical testing underway
- Potential follow up drilling 1H FY14

# Gold Ridge - Namachamata

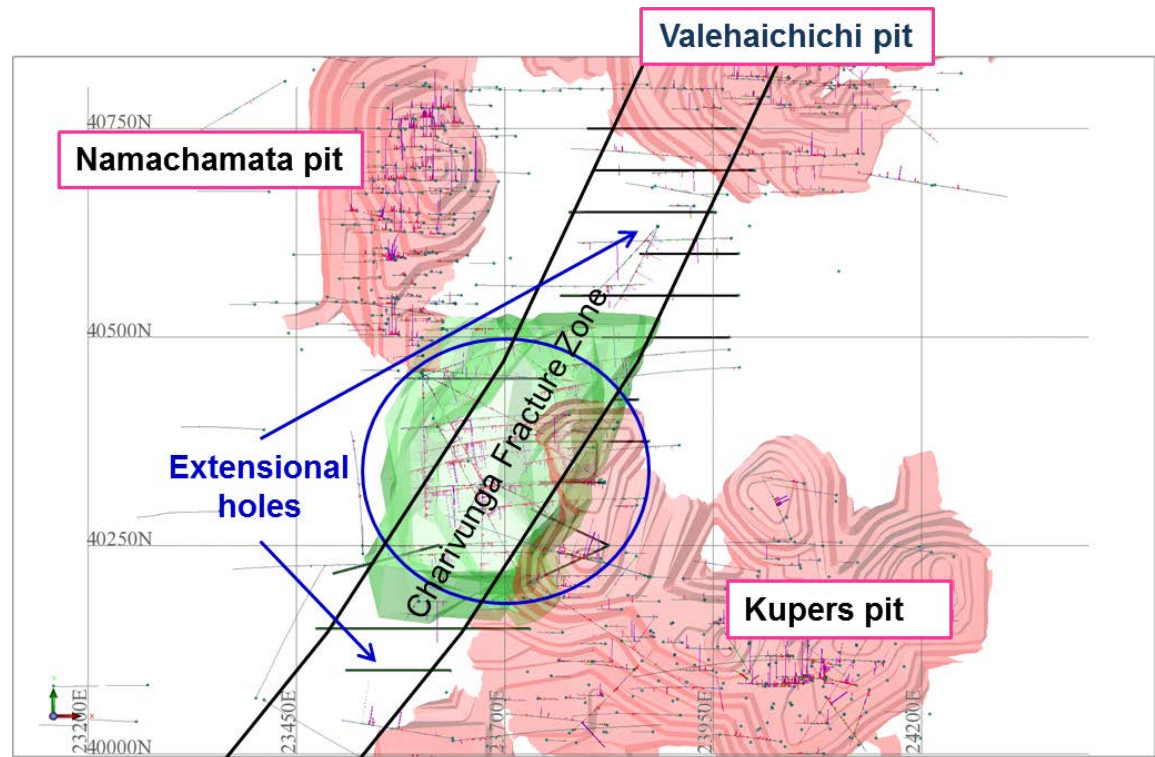
- Testing extensions outside current pit design
- 1,500m of drilling planned to confirm potential extensions to the ore body and to define the cut-back
- Results from recent drilling include:
  - 8m @ 3.3 g/t Au from 119m, and 9m @ 7.1 g/t Au from 158 m, inc. 1m @ 56.1 g/t Au (GDC049)



# Gold Ridge Potential Charivunga Pit

Work is planned to test the concept of a much larger open pit:

- Structural mapping and logging to confirm mineralisation controls
- Review target and resource model
- Extensional diamond drilling 2,550m to identify continuity and test proposed waste dump sites

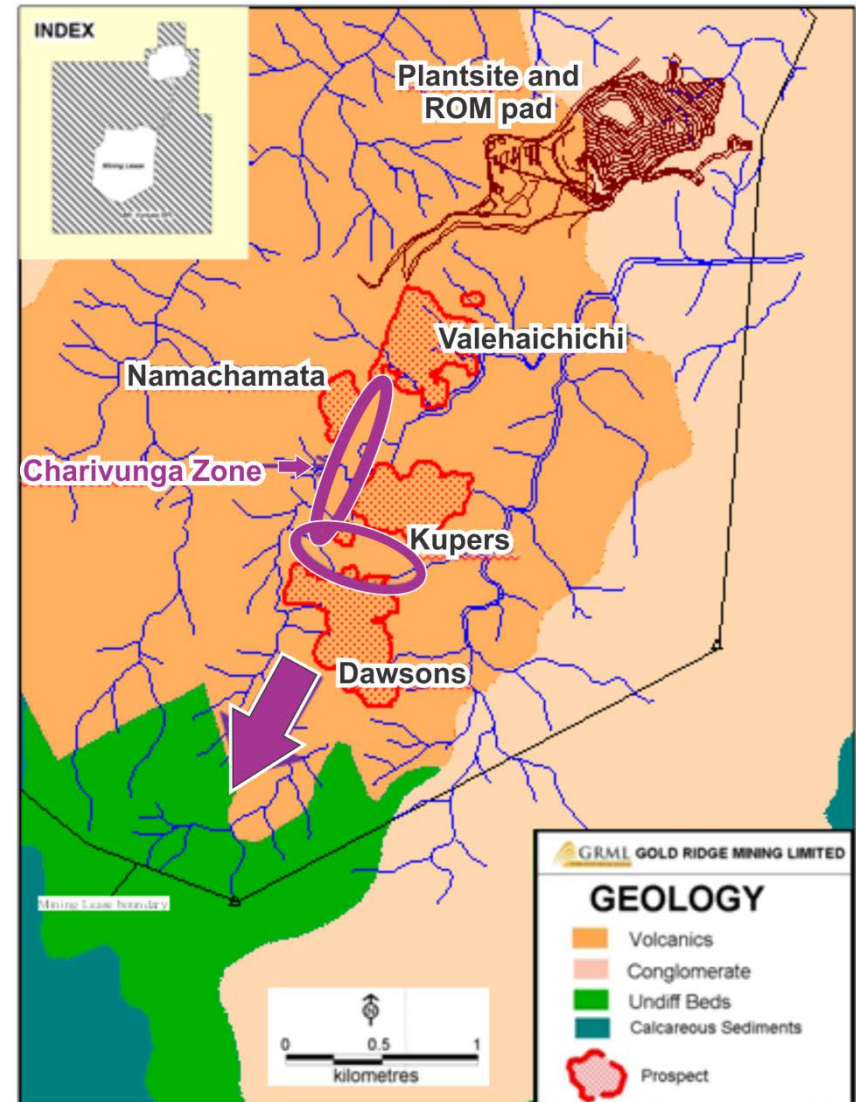


# Gold Ridge

## New target generation



- Exploration work underway within the immediate mine area to extend known mineralisation and identify new targets
- Mapping between Kupers and Dawson planned
- Recent intersections from the Dawsons Western Flank include:
  - 67m @ 1.5 g/t Au from 125m, inc. 9m @ 4.2 g/t Au (GDC044)
  - 39m @ 2.2 g/t Au from surface, inc. 1m @ 29.6 g/t Au (GDC045)



# Appendices

# Gold Ridge

## Solomon Islands



### Capital Expenditure Estimates

(to nearest \$M)

Q2-Q4  
FY 13  
\$M

New mining fleet

10

Sustaining capital

2

12

# Simberi Operations

## Papua New Guinea



### Capital Expenditure Estimates

(to nearest \$M)

Q2-Q4  
FY 13  
\$M

Sustaining capital	5
Integration initiatives	2
	<hr/> 7 <hr/>

### Changes in CAPEX expectations for major projects

Completion of Simberi Oxide Expansion	10
Completion of Heavy Fuel Oil generators	3
Heavy Vehicle Workshop	1
Other, inc. light vehicle upgrade	2
	<hr/> 6 <hr/>

# Competent persons statement



The information in this report that relates to Exploration Results and Mineral Resources in Australia is based on information compiled by Mr. Phillip Uttley, who is a Fellow of The Australasian Institute of Mining and Metallurgy. Phillip Uttley is a full-time employee of St Barbara Ltd and has 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 Exploration Results, Mineral Resources and Ore Reserves” (JORC Code). Mr. Uttley consents to the inclusion in the statement of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Ore Reserves in Australia is based on information compiled by Mr. John de Vries, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr. de Vries is a full-time employee of St Barbara Ltd and has 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 Exploration Results, Mineral Resources and Ore Reserves” (JORC Code). Mr. de Vries consents to the inclusion in the statement of the matters based on his information in the form and context in which it appears.

The information in this document that relates to Exploration Results, Mineral Resources and Ore Reserves for Simberi and Gold Ridge, together with any related assessments and interpretations, has been based on information compiled by Colin Ross Hastings who is a Member of The Australasian Institute of Mining and Metallurgy. Colin Ross Hastings is a full-time employee of St Barbara Ltd. Colin Ross Hastings has sufficient experience which is 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 Exploration Results, Mineral Resources and Ore Reserves’ (JORC Code). Colin Ross Hastings consents to the inclusion of the information relating to Exploration Results, Mineral Resources and Ore Reserves for Simberi and Gold Ridge contained in this document in the form and context in which it appears.

# Non-IFRS Measures



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We supplement our financial information reporting determined under International Financial Reporting Standards (IFRS) with certain non-IFRS financial measures, including cash operating costs. We believe that these measures provide meaningful information to assist management, investors and analysts in understanding our financial results and assessing our prospects for future performance.

## **Cash operating costs**

- Calculated according to common mining industry practice using The Gold Institute (USA) Production Cost Standard (1999 revision)
- Refer September 2012 Quarterly Report (pp 3-8) available at [www.stbarbara.com.au](http://www.stbarbara.com.au) for details

# Investor Relations Enquiries

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Ross Kennedy

Executive General Manager Corporate Services

E: [ross.kennedy@stbarbara.com.au](mailto:ross.kennedy@stbarbara.com.au)

Rowan Cole

General Manager Corporate Services

E: [rowan.cole@stbarbara.com.au](mailto:rowan.cole@stbarbara.com.au)

T: +61 3 8660 1900