

- Record annual gold production and guidance exceeded at Gwalia and Simberi
- Record annual safety performance
- Gwalia mine sequence intersected by deep drilling at 2200 mbs
- Truck haulage with additional ventilation is preferred materials solution for deep Gwalia

Executive Summary

Operations

- > **Consolidated** gold production for FY16 was 386,564 ounces (FY15 377,387 ounces), with gold production for the June quarter of 92,033 ounces (Q3 Mar: 91,580 ounces). Production at both Gwalia and Simberi exceeded the upper end of guidance for FY16.
- > Consolidated All-In Sustaining Cost¹ (AISC) was A\$933 per ounce for FY16 (FY15: A\$1,007), and A\$960 per ounce for the June quarter (Q3 Mar: A\$947 per ounce). The average realised gold price for the quarter was A\$1,680 per ounce (Q3 Mar: A\$1,614 per ounce).
- > **Gwalia** (Western Australia) gold production for FY16 was 267,166 ounces, a new record and an 8% improvement on FY15 (248,142 ounces). Production for the quarter was 65,098 ounces (Q3 Mar: 66,147 ounces) at AISC of A\$836 per ounce (Q3 Mar: A\$770 per ounce). Mined grade for the quarter was 9.3 g/t Au (Q3 Mar: 10.2 g/t Au) with 233 kt milled (Q3 Mar: 210 kt).
- > **Simberi** (PNG) gold production for FY16 was 110,286 ounces, also a new record and 39% above FY15 (79,568 ounces). Production for the quarter was 26,935 ounces (Q3 Mar: 25,433 ounces), exceeding the target 100,000 ounces p.a. run rate for the fifth consecutive quarter. AISC was A\$1,266 per ounce (Q3 Mar: A\$1,404 per ounce).
- > A program of targeting potential northern extensions to South West Branch between 1,600 to 1,700 mbs has continued with the completion of five holes drilled from existing underground development (see summary on page 9 and details in Figure 3.0 and Table 2).
- > **Pinjin Project (Yilgarn) WA** Over 14,000 metres of a 25,000 metres aircore drilling program has been completed to date with encouraging early stage results. The program is designed to test 16 bedrock geochemical and geophysical targets and will continue into September 2016 quarter (Q1 FY17) (see summary on pages 9-10 and details in Figures 5.0 & 5.1 and Table 3).
- > **Simberi PNG** Results for the first five holes of a 10 hole diamond drill program targeting high grade trench results at Bekou South were received (details in Figure 6.3 and Table 4), including (all intercepts downhole):
 - > SDH362: 8m @ 5.9 g/t Au from 12m, including 2m @ 17.9 g/t Au from 17m
- > **Tatau Island PNG** A 400 to 600 metre wide geophysical anomaly associated with a historical copper-gold (Au-Cu) porphyry target on Tatau Island has been identified that warrants drill testing. The prospect will be investigated via a single 500m diamond drill hole in the September 2016 quarter (Q1 FY17) (Figure 6.1 & 6.6). Preparatory work for generating further potential copper-gold drill targets on Tatau will commence in the September 2016 quarter (Figure 6.1).
- > Trenching and mapping commenced in southwest Tatau Island in preparation for drill testing high grade oxide and sulphide gold mineralisation.

Health & Safety

- > The Company-wide Total Recordable Injury Frequency Rate (TRIFR), calculated as a rolling 12 month average, was a record low 2.1 to 30 June 2016 (Q3 Mar: 2.7, FY15: 5.0).

Exploration

- > **Gwalia (Leonora) WA** The deep drilling program has achieved a new milestone with the successful completion of GWDD18, which intersected the Mine Sequence at a depth of approximately 2,200 metres below surface (mbs), 430 metres further down-plunge from previous intercepts (see summary on page 9 and details in Figures 1.0 to 2.3 and Table 1).

Gwalia Materials Handling Study

- > Truck haulage with additional ventilation has been identified as the preferred long term materials movement solution for Gwalia, facilitating mining below the current base of reserves at 1,800 mbs. Additional ventilation will also remove the current constraint on the number of trucks in the mine.
- > To optimise the value of ongoing truck haulage, a multi option ventilation study is now underway. These studies compare different locations, formats and timings of additional ventilation and cooling capital expenditure, due to be completed in the September 2016 quarter (Q1 FY17).

¹ Non-IFRS measure, refer Appendix

Simberi Strategic Review

- > The strategic review announced in February 2016 of St Barbara's PNG assets, including the Simberi mine, has progressed during the quarter.
- > The purpose of the strategic review is to determine how best to maximise shareholder value from the Simberi assets
- > Discussions are underway with a number of third parties regarding a variety of options.
- > Options under consideration include:
 - > continued ownership, exploration and development
 - > potential joint venture arrangements, and
 - > divestment of some or all of the assets.

Finance (unaudited)

- > US dollar denominated debt was reduced by US\$21 million during the quarter to US\$168 million at 30 June 2016 (Q3 Mar: US\$189 million) with the early repayment of the Red Kite facility. At 30 June 2016, interest bearing liabilities totalled A\$229 million (Q3 Mar: A\$248 million).
- > Cash contribution¹ from operations for the year was A\$275 million (FY15: A\$183 million) reflecting increased production and improved margins due to higher realised gold price and lower All-In Sustaining Costs per ounce. The June 2016 quarter cash contribution from operations was A\$69 million (Q3 Mar: A\$71 million). Cash at bank as at 30 June 2016 was A\$137 million (Q3 Mar: A\$114 million) after repayment of debt and financing costs in the quarter of A\$38 million (Q3 Mar: A\$38 million).
- > As announced on 18 July 2016, the Company repurchased a further US\$40 million in aggregate principal of its US 144A Senior Secured Notes in July 2016, and US\$128 million of the Notes remain on issue at the date of this report.
- > US\$197 million of debt has been repaid since 1 June 2015 (comprising US\$75 million Red Kite and US\$122 million US Notes).

Outlook

- > Guidance for FY17 is summarised as follows:
 - > Forecast Gwalia (Leonora) gold production of between 245,000 and 265,000 ounces at an AISC of between A\$850 and A\$910 per ounce, with sustaining capex at between A\$30 and A\$35 million.

In addition, growth capex at Gwalia is anticipated to be between A\$10 to A\$12 million, comprising A\$8 to A\$10 million related to the ventilation project (approximately half study expenses and half early execution costs, presuming the project proceeds).
 - > Forecast Simberi gold production of between 95,000 and 105,000 ounces at an AISC of between A\$1,330 and A\$1,490 per ounce (derived from AISC in Simberi's functional currency of between US\$1,000 to US\$1,120 per ounce), with capex of between A\$5 and A\$6 million.
 - > Forecast exploration expenditure of between A\$18 and A\$22 million, consisting of:
 - > A\$10 to A\$12 million at Gwalia
 - > A\$8 to A\$10 million split approximately 30% at Pinjin in WA and 70% on the Simberi Island group in PNG.
 - > More details are set out on pages 5 (Gwalia), 8 (Simberi) and 11 (Exploration).

Bob Vassie
Managing Director and CEO
19 July 2016

Presentation on quarterly report and audio webcast

Bob Vassie, Managing Director & CEO, will brief analysts and institutional investors on the June 2016 Quarterly Report at 10:00am Australian Eastern Standard Time (UTC + 10 hours) on Wednesday 20 July 2016. Participation on the conference call is by personal invitation only.

A live audio webcast of the briefing will be available on St Barbara's website at www.stbarbara.com.au/investors/webcast/ or by [clicking here](#). The audio webcast is 'listen only' and does not enable questions. The audio webcast will subsequently be made available on the website.

¹ Non-IFRS measure, refer reconciliation of cash movements on page 12

St Barbara Gold Production & Guidance

Production Summary Consolidated		Year FY15	Q1 Sep FY16	Q2 Dec FY16	Q3 Mar FY16	Q4 Jun FY16	Year FY16	Guidance FY16	Guidance FY17
Production									
Gwalia	oz	248,142	72,388	63,533	66,147	65,098	267,166	260 to 265 koz ³	245 to 265 koz
King of the Hills ⁵	oz	49,677	9,112	-	-	-	9,112	9 koz ⁴	-
Simberi	oz	79,568	29,539	28,379	25,433	26,935	110,286	100 to 110 koz ⁶	95 to 105 koz
Consolidated	oz	377,387	111,039	91,912	91,580	92,033	386,564	369 to 384 koz	340 to 370 koz
Mined Grade								Reserve grade ^[2]	Reserve grade ^[7]
Gwalia	g/t	8.9	9.7	7.9	10.2	9.3	9.3	9.4	n/a
Simberi	g/t	1.23	1.22	1.22	1.35	1.18	1.26	1.3	n/a
Total Cash Operating Costs^[1]									
Gwalia	\$/oz	642	553	665	587	638	609	n/a	n/a
King of the Hills ⁵	\$/oz	1,112	893	-	-	-	893	n/a	n/a
Simberi	\$/oz	1,336	1,119	1,098	1,198	1,164	1,143	n/a	n/a
Consolidated	\$/oz	850	731	799	757	792	768		
All-In Sustaining Cost^[1]									
Gwalia	\$/oz	841	692	846	770	836	783	800 to 820	850 to 910
King of the Hills ⁵	\$/oz	1,103	964	-	-	-	964	-	-
Simberi	\$/oz	1,464	1,252	1,319	1,404	1,266	1,293	1,350 to 1,430	1,330 to 1,490
Consolidated	\$/oz	1,007	863	992	947	960	933	960 to 1,000	985 to 1,075

[1] Non-IFRS measure, refer Appendix.

[2] Ore Reserve grade at 30 June 2015, refer Ore Reserve and Mineral Resources Statement released 25 August 2015.

[3] Final FY16 guidance for Gwalia updated 7 April 2016 in the Q3 March 2016 production report

[4] Stockpiled as at 30 June 2015.

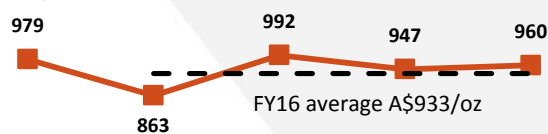
[5] King of the Hills ceased mining in April 2015 and ceased processing in September 2015. It was sold in October 2015 (refer ASX announcement 16 October 2015).

[6] Final FY16 guidance for Simberi revised in the Q2 December 2015 production report (released 8 January 2016).

[7] Ore Reserve grade at 30 June 2016 due to be released in Ore Reserve and Mineral Resources Statement in August 2016.

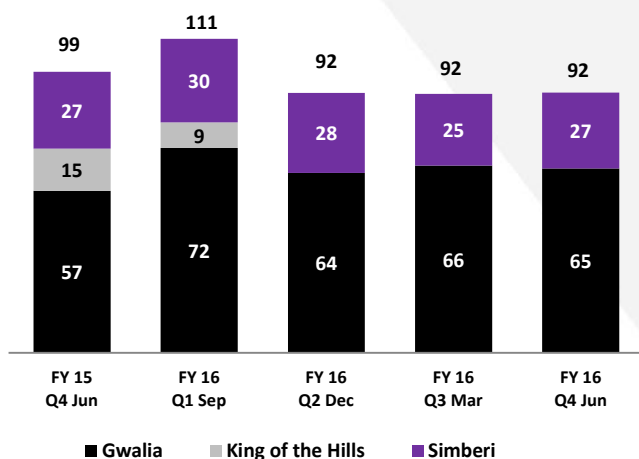
AISC (Consolidated)

(A\$/oz)



Gold Production

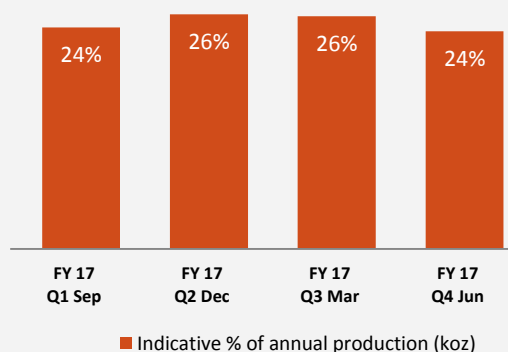
(koz)



koz

Figures displayed to nearest thousand ounces. Reported ounces in associated table

FY17 Production Indicative Quarterly Guidance Profile



Disclaimer

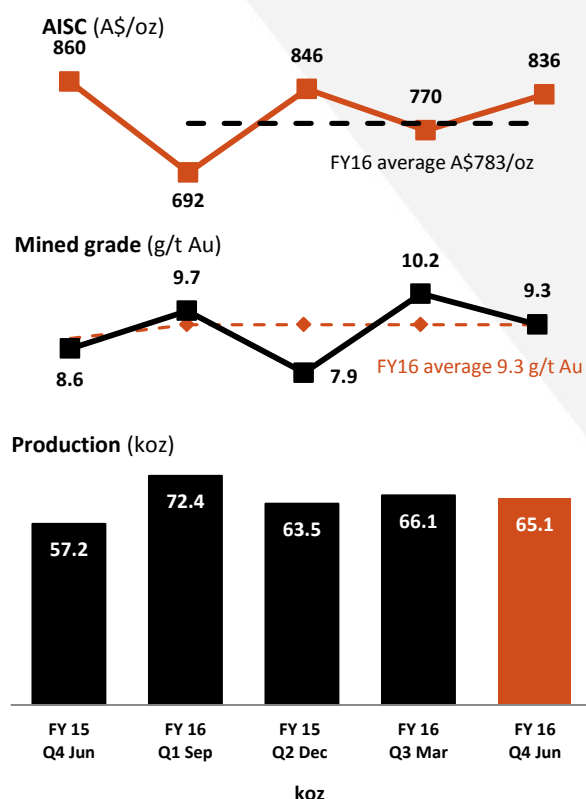
This report has been prepared by St Barbara Limited ("Company"). The material contained in this report is for information purposes only. This release is not an offer or invitation for subscription or purchase of, or a recommendation in relation to, securities in the Company and neither this release nor anything contained in it shall form the basis of any contract or commitment.

This report contains forward-looking statements that are subject to risk factors associated with exploring for, developing, mining, processing and the sale of gold. Forward-looking statements include those containing such words as anticipate, estimates, forecasts, indicative, should, will, would, expects, plans or similar expressions. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, and which could cause actual results or trends to differ materially from those expressed in this report. Actual results may vary from the information in this report. The Company does not make, and this report should not be relied upon as, any representation or warranty as to the accuracy, or reasonableness, of such statements or assumptions. Investors are cautioned not to place undue reliance on such statements.

This report has been prepared by the Company based on information available to it, including information from third parties, and has not been independently verified. No representation or warranty, express or implied, is made as to the fairness, accuracy or completeness of the information or opinions contained in this report.

The Company estimates its reserves and resources in accordance with the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves 2012 Edition ("JORC Code"), which governs such disclosures by companies listed on the Australian Securities Exchange.

Gwalia, Leonora, WA



Operations

- > Gwalia gold production for FY16 was a record 267,166 ounces (FY15: 248,142 ounces), and exceeded the upper end of guidance of between 260,000 to 265,000 ounces.
- > Average mined grade for FY16 was 9.3 g/t Au, compared with 8.9 g/t Au for FY15. The alternate quarters of higher and lower grade evident throughout the year are a result of the 'centre out' mining method.
- > A primary factor behind the improved performance at Gwalia in FY16 is critical path stope bogging (removing ore from blasted stopes) where tonnes per hour rates have improved during the year, due to:
 - > The introduction of the ore pass system
 - > Underground waste storage allowing greater truck availability during critical path stope movements
 - > Increased number of bogging hours per day, due to continuous tele-remote bogging (introduced mid-year).
- > In the June quarter Gwalia produced 65,098 ounces of gold (Q3 Mar: 66,147 ounces). Mining had been anticipated to return to lower grade stopes during the quarter, but the mined grade for the quarter of 9.3 g/t Au was better than expected due to the presence of high grade shoots.

- > Total cash costs for the year of A\$609 per ounce (FY15: A\$642 per ounce) decreased 5% on the prior year, primarily due to improved mining efficiency.
- > The impact of the new mining techniques mentioned earlier was evident in the improved mining cash cost per ounce, which was 14% lower than FY15.
- > All In Sustaining Cost (AISC) was A\$836 per ounce for the quarter (Q3 Mar: A\$770 per ounce), an increase on the previous quarter primarily due to the lower grade mined and higher sustaining capital expenditure. AISC for FY16 was A\$783 per ounce (FY15: A\$841 per ounce).

Outlook

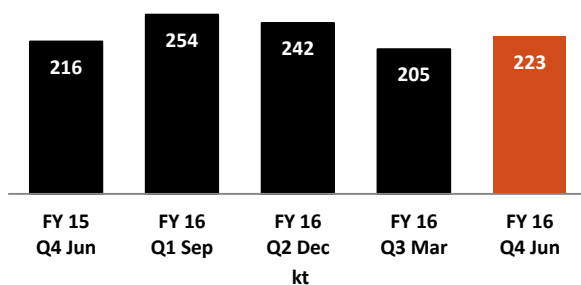
- > FY17 guidance comprises:
 - > Production of between 245,000 and 265,000 ounces
 - > AISC of between A\$850 and A\$910 per ounce
 - > Capital expenditure comprising:
 - > Sustaining capex: \$30 to \$35 million, plus
 - > Growth capex: \$10 to \$12 million, comprising \$8 to \$10 million related to the ventilation project (approximately half study expenses and half early execution costs, presuming the project proceeds – more detail next page).
- > The critical path to maintaining production volume at Gwalia in FY17 remains tied to the stoping cycle in the deep levels of the mine. Mine productivity is influenced by geometry (plunge angle & width) and tenor (ounces per vertical metre), and determined by the ongoing cycle of blasting, bogging, paste filling and curing.
- > The guidance reflects that ventilation will somewhat constrain trucking activity during peak periods of the mining cycle until the new ventilation shafts are completed.
- > Guidance takes into account a conservative allowance for high grade shoots, which have historically provided upside benefit, but these remain a highly variable factor not amenable to reliable prediction.
- > Mining technique and technology improvements which are being progressively implemented, as well as a number of planned innovations, are expected to compensate for increasing depth and assist in approximately maintaining current production rates.

Production Summary		Q3 Mar	Q4 Jun	Year
Gwalia		FY16	FY16	FY16
Underground ore mined	kt	205	223	924
Grade	g/t	10.2	9.3	9.3
Ore milled ^[1]	kt	210	233	951
Grade ^[1]	g/t	10.1	9.0	9.1
Recovery	%	97	97	96
Gold production	oz	66,147	65,098	267,166
All-In Sustaining Cost ^[2]		A\$ per ounce		
Mining		379	408	387
Processing		116	123	120
Site services		54	69	57
Stripping and ore inventory adjustments		(3)	(3)	6
		546	597	570
By-product credits		(2)	(2)	(2)
Third party refining & transport		1	1	1
Royalties		42	42	40
Total cash operating costs		587	638	609
less operating development		(50)	(63)	(53)
Adjusted cash operating cost		537	575	556
Corporate and administration		49	51	47
Corporate royalty		25	26	24
Rehabilitation		3	3	3
On-site exploration		-	-	-
Capitalised mine & op development		139	135	126
Sustaining capital expenditure		17	46	27
All-In Sustaining Cost (AISC)		770	836	783

[1] Includes Gwalia mineralised waste

[2] Non-IFRS measure, refer Appendix

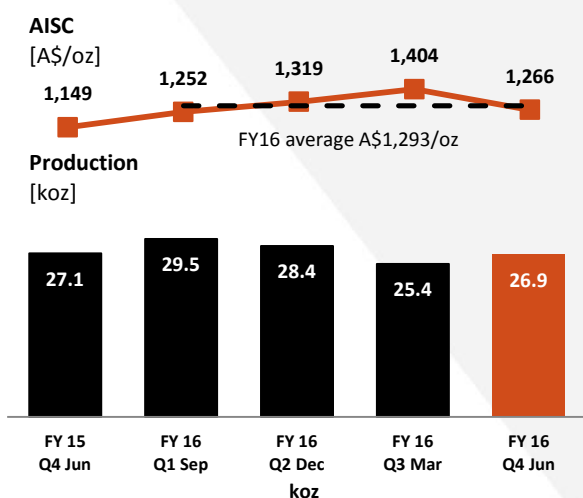
Gwalia underground ore mined



Gwalia Growth Projects – Materials Handling Study

- > Truck haulage with additional ventilation has been identified as the long term materials movement solution for Gwalia, facilitating mining below the current base of reserves at 1,800 mbs. Additional ventilation will also remove the current constraint on the number of trucks in the mine.
- > To enable and maximise the value of ongoing truck haulage, a multi option ventilation study is now underway. These studies compare different locations, formats and timings of additional ventilation and cooling capital expenditure, and will be completed in the September 2016 quarter (Q1 FY17).
- > Between A\$8 and A\$10 million is expected to be spent on the ventilation project in FY17, approximately half study expenses (including geotechnical) and half early execution phase work, such as lateral development to the underground ventilation end point and constructing drilling infrastructure such as power reticulation.
- > The overall cost of the additional ventilation project was reported in the March 2016 quarterly report to be approximately \$65 million (+/-20% at conceptual study accuracy). This will be refined under the multi-option ventilation study.
- > In the March 2016 quarterly report the Company provided detail regarding conceptual studies on potential materials handling systems that would optimise mining below the current reserve which extends to 1800 mbs.
- > These studies included assessing variations of:
 - > 7 m diameter blind sink shaft with skip hoisting
 - > 5 m diameter single pass and two-stage raise-bore shaft with either skip hoisting or vertical conveyor
 - > underground crushing and hydraulic (slurry) pumping to surface
 - > two additional 4.5 m ventilation shafts to facilitate continued truck haulage.
- > Continued truck haulage with additional ventilation shafts was identified in the March 2016 quarterly report as having, by significant margins, the lowest capex, highest relative net-present value, lowest construction time and construction risk of the various alternatives considered.

Simberi, Papua New Guinea



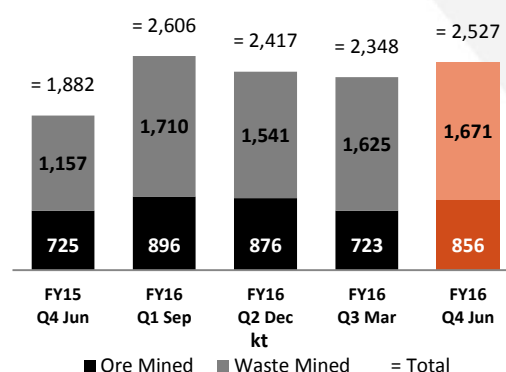
Production Summary		Q3 Mar	Q4 Jun	Year
Simberi		FY16	FY16	FY16
Total ore & waste mined	kt	2,348	2,527	9,899
Ore mined	kt	723	856	3,372
Grade	g/t	1.35	1.18	1.26
Ore milled	kt	743	881	3,315
Grade	g/t	1.3	1.17	1.26
Recovery	%	79	81	82
Gold production	oz	25,433	26,935	110,286
All-In Sustaining Cost ^[1]		A\$ per ounce		
Mining		371	401	362
Processing		512	460	470
Site services		266	258	264
Stripping and ore inventory adjustments		-	-	-
		1,149	1,119	1,096
By-product credits		-	-	-
Third party refining & transport		12	11	12
Royalties		37	34	35
Total cash operating costs		1,198	1,164	1,143
Corporate and administration		49	51	47
Corporate royalty		-	-	-
Rehabilitation		16	14	15
On-site exploration		-	-	-
Capitalised mine & op development		-	-	-
Sustaining capital expenditure		141	37	88
All-In Sustaining Cost (AISC)		1,404	1,266	1,293

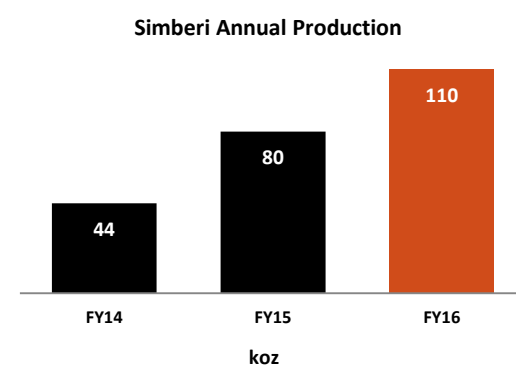
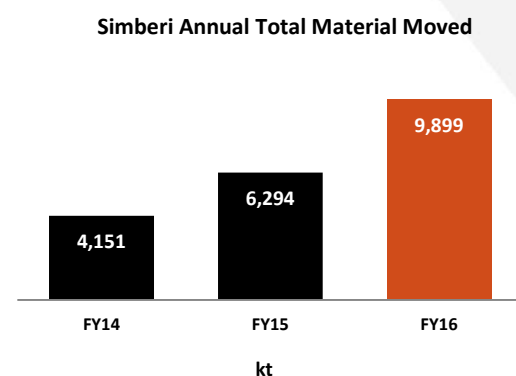
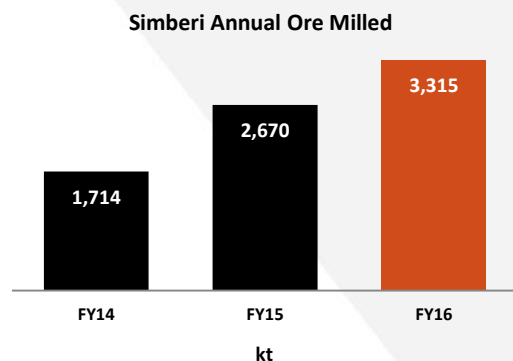
[1] Non-IFRS measure, refer Appendix

Operations

- > Simberi produced 26,935 ounces of gold during the quarter and 110,286 ounces of gold for FY16, exceeding:
 - > FY16 guidance of 100,000 to 110,000 ounces
 - > the 100,000 ounces p.a. target run rate for the fifth consecutive quarter
 - > FY15 production of 79,568 ounces by 39%.
- > Total volume of material moved for the quarter was a new record at 1.6 million m³. The improvement was due to a full quarter utilising additional mining equipment that arrived on site in the March 2016 quarter (Q3 FY16).
- > The annual FY16 result for total material moved increased 57% over FY15, the result of continuous improvement in mine planning, equipment quantity and utilisation.
- > Lower specific gravity in the new Pigibo pit continued to be an issue in the June 2016 quarter and is anticipated to continue until the March 2017 quarter (Q3 FY17), before exposure of deeper areas of Pigibo, where higher specific gravities (which have been noted in drilling) are expected.
- > The aerial rope conveyor performed reliably for the quarter following maintenance measures undertaken in the March 2016 quarter (Q3 FY16) and early in the June 2016 quarter (Q4 FY16), proactively addressing zones of weakness in the belt via x-ray examination.
- > Ore milled was a new record, with 881 kt processed for the quarter (Q3 Mar: 743 kt).
- > All-in sustaining costs improved 10% to A\$1,266 per ounce (Q3 Mar: \$1,404 per ounce) due to reduced capital spending following equipment purchases in the December 2015 quarter (Q2 FY16) and March 2016 quarter (Q3 FY16).

Simberi Ore & Waste Mined





Outlook

- > FY17 guidance comprises:
 - > Production of between 95,000 and 105,000 ounces
 - > AISC of between A\$1,330 and A\$1,490 per ounce (derived from AISC in Simberi's functional currency of between US\$1,000 to US\$1,120)
 - > Capex of between A\$5 and A\$6 million (US\$4 to US\$5 million).
- > Production and costs are expected to be similar to FY16 with capital spend expected to be lower. The remaining oxide ore reserves are anticipated to be more complex to mine with challenges including lower grades and increased

incidence of sulphide intrusions as pits deepen, offset by improved mining practice and resourcing.

Simberi Sulphide Project pre-feasibility study (PFS)

- > The pre-feasibility study (PFS) for the Simberi Sulphide Project was completed (subject to independent review of the underlying resource estimate) in April 2016 for consideration by the Board, with details provided in the March 2016 quarterly report. The PFS confirmed that the Sulphide Project could extend mine life at Simberi by a further eight years (beyond the current oxide treatment plan).
- > The PFS was scoped to focus on low capital expenditure solutions that utilised existing infrastructure to the extent possible.
- > The PFS indicates the production and sale of a concentrate as the preferred option, which avoids the requirement to establish downstream processing on the Island.
- > The independent review of the resource estimate used to inform the PFS is complete, and the results are being used as input for the current oxide mine planning and potential future sulphide mine planning. There is no change at this time to the indicative PFS parameters reported in the March 2016 quarterly report.
- > Optimisation and value engineering on the Project continued during the quarter, to support a possible future investment decision.
- > While not currently a preferred option for St Barbara, potential methods to oxidise the sulphide concentrate on site may be of interest to other parties and will be investigated as part of the Strategic Review.
- > To avoid an interruption to production, a decision on the Sulphide Project is required by the March 2017 quarter.

Strategic Review of PNG assets

- > The strategic review announced in February 2016 of St Barbara's PNG assets, including the Simberi mine, has progressed during the quarter.
- > The purpose of the strategic review is to determine how best to maximise shareholder value from the Simberi assets
- > Discussions are underway with a number of third parties regarding a variety of options.
- > Options under consideration include:
 - > continued ownership, exploration and development,
 - > potential joint venture arrangements, and
 - > divestment of some or all of the assets.
- > A sulphide processing option to extend mine life at Simberi will require significant investment.

Exploration – Results June Quarter

Gwalia Deep Drilling Program, Leonora WA

- > Resource extension drilling at Gwalia has continued with the objective of providing the required certainty to extend the Gwalia Indicated Resource and to develop the case for mining below the current base of reserves at 1,800 metres below surface (mbs).
- > **2200 Deep Drilling** The deepest intersection of the Gwalia mine sequence was achieved during the period with the completion of a new parent hole (GWDD18) directed at a target point approximately 2,200 mbs, 200 m deeper vertically and 430 m further down-plunge from the deepest previous drilling (GWDD16 and 16A). The hole successfully passed through over 70m of mineralised Mine Sequence before passing into footwall basalts and being terminated at a downhole depth of 2,400 m.
- > GWDD18 encountered three intervals of mineralised veining within the Mine Sequence interpreted to represent extensions of Main Lode, South West Branch and South Gwalia Series, with visible gold observed at 2,285 mbs. The positions of intersections were consistent with projections from previous drilling and confirmed the consistency of the deposit characteristics.
- > The intersection is interpreted to be near the southern edge of the mineralised zone and will inform a follow-up 2,200 to 2,000 mbs infill drilling program expected to commence in the September quarter of FY17. Significant results from GWDD18 were (all intercepts referenced as metres below surface, details in Table 1 and illustrated in Figures 2.0 and 2.1):
 - > GWDD18 Main Lode
1.7m @ 4.2 g/t Au from 2,163 mbs
 - > GWDD18 South West Branch
4.6m @ 2.6 g/t Au from 2,168 mbs
 - > GWDD18 South Gwalia Series
4.4m @ 5.8 g/t Au from 2,203 mbs
- > **Southern Extension** A drilling program was completed targeting extensions to the Gwalia lode system, approximately 100 m further to the south of the current resources between approximately 1,500 to 1,800 mbs. The program consisted of three daughter holes GWDD17D, 17E and 11N.
- > GWDD11N, GWDD17D and GWDD17E were completed to downhole depths of 1,824 m, 2,135 m and 2,103 m respectively. All three drill holes successfully intersected the mining sequence for widths of between 61 m and 85 m, intersecting veining interpreted to be extensions of Main Lode, South West Branch and South Gwalia Series. Results are set out in Table 1 and illustrated in Figures 2.0 and 2.1, including the following significant intercepts (all results down-hole):

> GWDD11N South Gwalia Series
1.4m @ 4.2g/t Au from 1,710m

> GWDD17D South Gwalia Series
2.6m @ 2.4g/t Au from 2,065m

- > The drilling has confirmed the southern extent of the ore body in this zone, concluding this program.
- > **Northern Extension** Underground drilling, targeting extensions to the Gwalia lode system from the 1540 level, continued with the completion of five holes (UGD2422 to UGD2426) which drilled into the Gwalia Shear Zone and intersected several narrow intervals of mineralisation. Results included the following (all intercepts estimated to true width and midpoint referenced as metres below surface, details in Table 2 and Figure 3.0):
 - > UGD2422 2.4m @ 3.3 g/t Au @ 1,566 mbs
 - > UGD2423 0.9m @ 43.7 g/t Au @ 1,643 mbs
 - > UGD2425 3.1m @ 3.2 g/t Au @ 1,584 mbs
- > The characteristics of these intersections appear to be consistent with those identified elsewhere within the Gwalia mine sequence with the closest analogue being South West Branch. The intersections are less than 100 m away from current development.
- > Up-plunge extensions of this mineralisation, expected to be similar in orientation with the nearby South West Branch lode, will be investigated by daughter holes from an existing surface drill hole (GWDD10). This part of the program is anticipated to commence during the September 2016 quarter (Q1 FY17).
- > **Gwalia Seismic Reflection Exploration Program** Further evaluation of extensions to the Gwalia Shear Zone will be undertaken through a seismic geophysical program.
- > The Gwalia seismic exploration program will utilise placement of sensors down deep drill holes (recently completed GWDD17E and GWDD18), amongst the deepest ever utilised and on the leading edge of the use of this technology globally (illustrated in Figure 4.0).

Pinjin Project, Yilgarn WA

- > Exploration continued on the Pinjin project within the Yilgarn Province, WA. The Pinjin Project is located 150 km northeast of Kalgoorlie, comprising a large tenement package of 20 exploration licences (1,358 km²) for 485 blocks (Figure 5.0).
- > A significant aircore drilling program (of up to 25,000 metres) targeting 16 bedrock geochemical and geophysical targets commenced in the March 2016 quarter. To date 288 holes have been drilled (PJAC001 to PJAC284; PJAC286 to PJAC289) for a total of 14,385 m (Figure 5.0 and 5.1). Results have been received for holes PJAC001 to PJAC284 (all intercepts downhole, details in Figure 5.1 and Table 3) including:

- > PJAC020: 8m @ 2.1 g/t Au from 38m, including
1m @ 6.5 g/t Au from 38m
- > Weather permitting, the program is anticipated to be completed and final results reported in the September 2016 quarter (Q1 FY17).

Simberi, Tatau & Tabar Islands, Papua New Guinea (ML 136 and EL 609)

- > Exploration continued on Simberi ML136 and EL609 at Western Simberi Island, Tatau Island and Big Tabar Island (Figures 6.0 to 6.6). Tatau Island has been to some extent underexplored during the period of St Barbara ownership due to prior access issues which have recently been resolved.
- > On Simberi Island (Figure 6.0), the exploration program continued to focus on identifying additional near-mine higher grade oxide resources as potential ore feed sources to extend oxide mine life.
- > On Tatau Island (Figure 6.1), exploration field work commenced at Mt Letam gold-copper porphyry prospect and southwest Tatau gold prospects.
- > On Big Tabar Island (Figure 6.2), trench sampling was completed at Banesa gold-copper porphyry prospect.
- > A four sub-block application ELA2462 was submitted to the Mineral Resource Authority (MRA) on 22 June 2016 (Figure 6.1).

Bekou South / Pigicow West / Botlu South

- > 16 trenches (SIMTR968 to SIMTR983) were completed at Bekou South, Pigicow West and Botlu South for 2,556 metres and 386 samples. The trench sampling results for SIMTR965 to SIMTR983 are highlighted in Figure 6.3 and include:
 - > SIMTR968 25m @ 2.7 g/t Au, including
5m @ 5.0 g/t Au
 - > SIMTR969 25m @ 2.9 g/t Au, including
5m @ 8.7 g/t Au
 - > SIMTR976 20m @ 1.9 g/t Au, including
5m @ 5.3 g/t Au
 - > SIMTR978 20m @ 2.5 g/t Au
 - > SIMTR979 10m @ 5.3m g/t Au
 - > SIMTR980 20m @ 2.7 g/t Au, including
5m @ 6.39 g/t Au

- > A 10 hole (SDH361 to 370) diamond drill program for 683.5m was completed at Bekou South targeting high grade trench results. Results for the first five holes (SDH361 to SDH365) were received and are highlighted in Figure 6.3 and Table 4, and include (all intercepts are downhole):
 - > SDH362 8m @ 5.9 g/t Au from 12m, including
2m @ 17.9 g/t Au from 17m

West Simberi

- > Surface sampling continued on West Simberi Island (EL609) during the June 2016 quarter. 24 ridge and spur soil samples were collected following up anomalous gold in stream sediment samples (Figure 6.4). Assays for 74 soil samples were received during the quarter with no significant results returned.

Big Tabar Island

- > Additional trench mapping and channel sampling was completed at Banesa copper-gold prospect (EL609) to test for potential extensions to mineralisation to the NW. During the June quarter, four trenches (TABTR192 to TABTR195) were completed for 640 metres and 128 samples. To date, a total of 132 creek channel and trenches (TABTR064 to TABTR195) for 8,286 metres and 1,658 samples were collected at Banesa. Gold and copper assay results were received for trenches TABTR187 to TABTR193 returning no significant results. Trench locations are shown in Figure 6.5.

Tatau Island

- > Earthworks have been completed at Mt Letam copper-gold (Au-Cu) porphyry prospect in preparation for a single diamond drill hole planned for Q1 September 2016 (Figure 6.1). The 500m diamond drill hole is targeting sheeted veining and disseminated copper-gold mineralisation associated with a 400m to 600m wide zone of chargeability and overlapping resistivity defined by historical Induced Polarisation (IP) and Controlled Source Audio-frequency Magnetotellurics (CSAMT)) surveys (Figure 6.6).
- > A historical diamond drill hole RC1100D testing part of the anomaly intersected potassic alteration and 50m of quartz stockwork. Results included 172m @ 0.4 g/t Au and approximately 0.1% Cu from 262m to end of hole, including 4m @ 11.2 g/t Au and 0.9% Cu from 364m.

Expenditure June Quarter & FY16 (unaudited)

- > Expenditure on mineral exploration for the June 2016 quarter and FY16 is shown below:

	<u>Q4 Jun</u> <u>2016</u>	<u>FY16</u>	
	A\$ million	A\$ million	
Australia	0.3	1.4	(expensed)
Pacific	1.2	4.3	(expensed)
Gwalia Deep Drilling	3.0	9.0	(capitalised)
Total	4.5	14.7	

- > Expenditure was in line with guidance (A\$15 million, revised in the December 2015 Quarterly Report).

Exploration - September 2016 Quarter

- > The map below shows current and planned target areas for the September 2016 quarter (Q1 FY17).



Exploration in the September 2016 quarter (Q1 FY17) will focus on:

- > **Gwalia Deeps Infill** - Continuing the Gwalia Deeps drilling program on a target area located between 2,000 – 2,200 mbs.
- > Commence a surface drilling program targeting Gwalia **northern extensions** between 1,400 and 1,600 mbs.
- > Undertake a 2D seismic traverse over the Gwalia deposit utilising sensors (geophones) placed at deep positions within surface drill holes. As well as exploration, this will serve the purpose of testing and calibration prior to wider exploration using a new 3D seismic survey method, starting in the greater Gwalia area, in the December 2016 quarter (Q2 FY17).

- > Completing the major aircore drilling program of up to 25,000 metres at Pinjin.
- > Completing drilling of the gold-copper porphyry prospect 500m hole at Mt Letam, Tatau Island, targeting an overlapping Induced Polarisation (IP) chargeability-resistivity anomaly.
- > Continue trenching & mapping on southwest Tatau Island in preparation for drill targeting higher grade oxide and sulphide potential.
- > Subject to access, commence grid based regional soil sampling over seven copper-gold porphyry targets on Tatau Island to be analysed for a large multi-element suite.

Exploration - FY17 guidance & strategy

Exploration guidance FY17

- > Forecast exploration expenditure for FY17 is between A\$18 and A\$22 million, consisting of:
 - > A\$10 to A\$12 million at Gwalia, covering Gwalia deeps and northern extension drilling, and work on the Greater Gwalia area
 - > A\$8 to A\$10 million, split approximately 30% at Pinjin in Western Australia and 70% on the Simberi Island group in PNG.

Strategy

- > The FY17 exploration program will largely focus on potential near-mine ore sources around Gwalia and Simberi. The aim for FY17 is to extend the life of each operation and provide future growth options for the Company.

Australia

- > Activities in the Leonora area for FY17 will concentrate on Gwalia and the Greater Gwalia area. The Gwalia system itself will be targeted with a number of drilling campaigns, including the completion of current exploration below 2,000 mbs and of the Northern Extension. Subject to successful testing, the Seismic Reflective campaign shall extend outwards from Gwalia targeting the Greater Gwalia area and other nearby Leonora Province tenements.
- > Work on the Pinjin project in the Yilgarn area of Western Australia is focused on continuing to test the highest ranked geological, structural and bedrock geochemical targets with aircore drilling. Targets returning significant results will be followed up with reverse circulation and potential diamond drilling.

Simberi, PNG

- > A review of the portfolio of prospects within ML136 and EL609, based on work completed in FY16, produced a list of exploration targets ranked on value, size and potential

to define oxide gold mineralisation and possible feed options to the mine, sulphide gold mineralisation and porphyry style copper-gold mineralisation.

- > At Simberi, drill programs may be conducted at near mine targets Monun Creek and Pigicow West on ML136 to better define controls on oxide ore.
- > On Tatau Island (EL609), up to six copper-gold porphyry targets will be advanced to drill ready stage through grid soils, mapping & trenching. Trenching and drilling will be completed at southwest Tatau (Mt Tiro, Mt Siro, Seraror and Nepewo) aimed at delineating the extent of existing high grade oxide and sulphide gold mineralisation.

Health & Safety

- > The Company-wide Total Recordable Injury Frequency Rate (TRIFR), calculated as a rolling 12 month average, decreased from 2.7 at 31 March 2016 to a record low 2.1 for the twelve months ended 30 June 2016. This compares to a TRIFR of 5.0 at 30 June 2015.
- > The improved result for FY16 is a reflection of the maturity in the Company's application of safety systems and standards, which are regularly tested by internal and external audits.

Finance (unaudited)

- > 89,023 ounces of gold were sold in the June quarter, at an average realised gold price of A\$1,680 per ounce (Q3 Mar: 93,173 ounces at A\$1,614 per ounce).
- > Cash at bank at 30 June 2016 was \$137 million after total payments during the quarter of A\$38 million for the finalisation of the Red Kite loan and payment of bi-annual interest on the US Notes.
- > Total interest bearing liabilities at 30 June 2016 were A\$229 million (31 March 2016: A\$248 million), which comprised US\$168 million Senior secured notes and A\$1 million of lease liabilities. A\$/US\$ exchange rate at 30 June 2016 was 0.7452¹ (31 March 2016: 0.7662).
- > As announced on 18 July 2016, the Company repurchased a further US\$40 million in aggregate principal of its US 144A Senior Secured Notes in July 2016. The price paid was a 3.3% premium to par value, which was proximate to contemporary market trades and equivalent to the optional redemption price effective from October 2016. The repurchase will reduce future interest expense by approximately US\$3.6 million (A\$4.7 million) per annum. Net payments amounted to approximately US\$43 million (A\$56 million), consisting of the principal repayment and accrued interest for the period since interest was last paid in mid April 2016.

- > The Company has repaid US\$197 million (comprising US\$75 million Red Kite and US\$122 million US Notes) of debt since 1 June 2015, and US\$128 million of the Notes remain on issue at the date of this report.
- > The hedging in place at the date of this quarterly report comprises:
 - > 50,000 ounces of gold forward contracts to be delivered in monthly instalments between July and December 2016 at US\$1,260 per ounce (this hedge announced 18 March 2016)
 - > 50,000 ounces of gold forward contracts to be delivered in monthly instalments between January and June 2017 at US\$1,338 per ounce (this hedge announced 4 July 2016).
- > These two hedges reduce US dollar gold price risk associated with repayment of the remaining US Senior Secured Notes, and represent less than 30% of anticipated FY17 Company production. All other hedging relating to FY16 was delivered by 30 June 2016.
- > Cash movements for the June 2016 quarter are summarised in the following table:

Cash movements & balance A\$M (unaudited)	Q2 Dec FY16	Q3 Mar FY16	Q4 Jun FY16
Leonora - operating cash flow ^[2]	52	63	60
Simberi - operating cash flow ^[1]	5	8	9
Gold Ridge ^[3]	(1)	-	-
Rehabilitation , land management & corporate capex	(1)	(1)	-
Corporate costs	(4)	(4)	(4)
Corporate royalties	(2)	(2)	(2)
Exploration ^[4]	(5)	(3)	(5)
Working capital movement	(1)	(9)	3
Cash flows before finance costs	43	52	61
Net interest and finance costs	(13)	(1)	(10)
US debt repayment	(45)	(37)	(28)
Net movement for quarter	(15)	14	23
Cash balance at start of quarter	115	100	114
Cash balance at end of quarter	100	114	137

- > Moody's Investors Service announced on 28 April 2016 that it had raised its rating from 'Caa1' to 'B3' on the Company and its senior secured debt, with a stable outlook. This followed the Standard & Poor's announcement on 29 March 2016 that it had raised its rating on the Company and its senior secured debt from 'B-' to 'B', with a stable outlook.

1 Reuters

2 Net of sustaining capex

3 Q2 Dec cash flow includes final payment for water treatment plant

4 Includes Gwalia deep drilling

Senior Secured Notes	US\$M
> Issued March 2013	250
> Repurchased Q4 Jun 2015	(54)
> Repurchased Q1 Sep 2015	(13)
> Repurchased Q2 Dec 2015	(3)
> Repurchased Q3 Mar 2016	(12)
> Balance remaining at 30 June 2016	168
> Repurchased July 2016	(40)
> Balance remaining at 19 July 2016	128
> Coupon	8.875% p.a.
> Redemption date	15 April 2018
> S&P rating	B
> Moody's rating	B3

Corporate

- > On 9 June 2016 St Barbara published its Workplace Gender Equality Act 2015-16 Public Report, available at [www.stbarbara.com.au/Investors/Announcements/2016 Workplace Gender Equality Act Report \(09/06/2016\)](http://www.stbarbara.com.au/Investors/Announcements/2016/Workplace%20Gender%20Equality%20Act%20Report%20(09/06/2016).).
- > St Barbara's Managing Director and CEO, Bob Vassie is a WGEA (Workplace Gender Equality Agency) 'Pay Equity Ambassador' and St Barbara is a WGEA 'Employer of Choice' - the only gold mining company and one of only three mining companies in Australia to achieve this certification.
- > St Barbara has participated in the Mackie 'Resources Industry Turnover Survey' since 2007 and this year Leonora Operations had the lowest turnover (4.1%) of the 25 Australian operational mines surveyed (the average turnover was 12.7%).

Share Capital	
Issued shares	
Opening balance 31 March 2016	495,102,525
Issued	Nil
Closing balance 30 June 2016	495,102,525
Unlisted employee rights	
Opening balance 31 March 2016	24,034,288
Issued	Nil
Exercised	TBA ¹
Lapsed	TBA ¹
Closing balance 30 June 2016	21,125,819
Comprises rights vesting at:	
30 June 2017	17,151,202
30 June 2018	3,974,617
Closing balance 30 June 2016	21,125,819

[1] Assessment of 2,908,469 rights expiring on 30 June 2016 will be determined by Remuneration Committee and Board and advised on 23 August 2016 as part of annual financial reporting.

ASX & ADR

The Company's shares are listed on ASX (ASX:SBM) and through American Depositary Receipts (ADR OTC: STBMY) traded in the USA.

Scheduled Future Reporting

Date	Report
23 August	FY16 Financial Report June 2016 Ore Reserves and Mineral Resources Statements

[Dates are tentative and subject to change]

Corporate Directory

St Barbara Limited ABN 36 009 165 066

Board of Directors

Tim Netscher	Non-Executive Chairman
Bob Vassie	Managing Director & CEO
Kerry Gleeson	Non-Executive Director
David Moroney	Non-Executive Director

Executives

Bob Vassie	Managing Director & CEO
Garth Campbell-Cowan	Chief Financial Officer

Registered Office

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Email	info@stbarbara.com.au
Website	www.stbarbara.com.au

Australian Securities Exchange (ASX) Listing code "SBM"

American Depositary Receipts (ADR OTC code "STBMY")
through BNY Mellon,
www.adrbnymellon.com/dr_profile.jsp?cusip=852278100

Financial figures are in Australian dollars (unless otherwise noted).

Financial year commences 1 July and ends 30 June.

Shareholder Enquiries

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Facsimile +61 3 9473 2500

www-au.computershare.com/investor

American Depositary Receipt enquires:

BNY Mellon Depositary Receipts

www.bnymellon.com/shareowner

Investor Relations Contact

Rowan Cole, Company Secretary + 61 3 8660 1900

Substantial Shareholders

	% of Holdings ¹
Van Eck Associates Corporation	11.7%
M&G Investment Management Ltd	9.4%
Hunter Hall Investment Management Ltd	7.9%

¹ As notified by the substantial shareholders to 19 July 2016

Appendix

Non-IFRS Measures

- > The Company supplements its financial information reporting determined under International Financial Reporting Standards (IFRS) with certain non-IFRS financial measures, including cash operating costs and All-In Sustaining Cost. We believe that these measures provide additional meaningful information to assist management, investors and analysts in understanding the financial results and assessing our prospects for future performance.
- > Cash Operating Costs are calculated according to common mining industry practice using The Gold Institute (USA) Production Cost Standard (1999 revision).
- > All-In Sustaining Cost (AISC) is based on Cash Operating Costs, and adds items relevant to sustaining production. It includes some, but not all, of the components identified in World Gold Council's Guidance Note on Non-GAAP Metrics - All-In Sustaining Costs and All-In Costs (June 2013).
 - > AISC is calculated on gold production in the quarter.
 - > For underground mines, amortisation of operating development is adjusted from "Total Cash Operating Costs" in order to avoid duplication with cash expended on operating development in the period contained within the "Mine & Operating Development" line item.
 - > Rehabilitation is calculated as the amortisation of the rehabilitation provision on a straight-line basis over the estimated life of mine.

Competent Persons Statement

Exploration Results

- > The information in this report that relates to Exploration Results for Simberi and Pinjin is based on information compiled by Dr Roger Mustard, who is a Member of The Australasian Institute of Mining and Metallurgy. Dr Mustard is a full-time employee of St Barbara 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Mustard consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.
- > The information in this report that relates to Exploration Results for Gwalia and the Leonora region is based on information compiled by Mr Robert Love, who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Love is a full-time employee of St Barbara 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 2012 Edition of

the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Love consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Mineral Resource and Ore Reserve Estimates

- > The information in this report that relates to Mineral Resources or Ore Reserves is extracted from the report titled 'Ore Reserves and Mineral Resources Statements 30 June 2015' released to the Australian Securities Exchange (ASX) on 25 August 2015 and available to view at www.stbarbara.com.au and for which Competent Persons' consents were obtained. Each Competent Person's consent remain in place for subsequent releases by the Company of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent.
- > The Company confirms that it is not aware of any new information or data that materially affects the information included in the original ASX announcement released on 25 August 2015 and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the original ASX announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original ASX announcement.
- > Competent Persons Dr Mustard and Mr John de Vries (prior to his resignation from St Barbara in July 2015) are entitled to participate in St Barbara's long term incentive plan, details of which are most recently included in the 2015 Annual Report and Notice of 2015 Annual General Meeting released to the ASX on 20 October 2015. In 2012 and 2013 increase in Ore Reserves was one of the performance measures under that plan.
- > Full details are contained in the ASX release dated 25 August 2015 'Ore Reserves and Mineral Resources Statements 30 June 2015' available at www.stbarbara.com.au.

Exploration Figures and Tables

Figure 1.0: Leonora: Summary of Gwalia Extension Drilling Q4 2016, Plan View

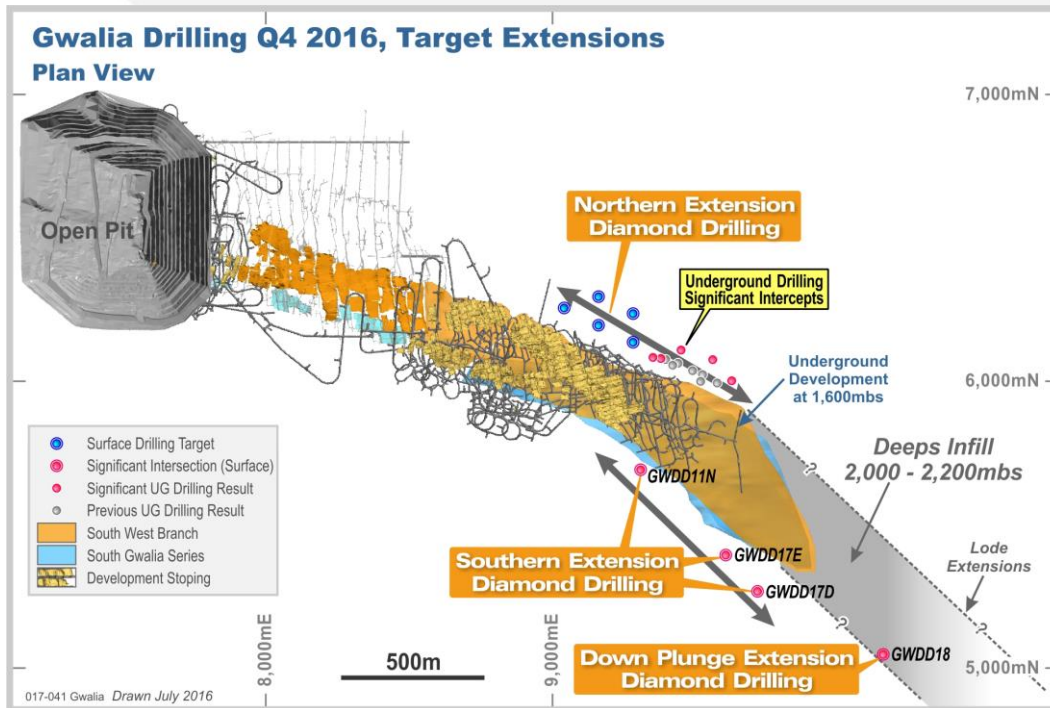


Figure 2.0: Leonora: Summary of Southern Extension and 2200 mbs intersections Q4 Gwalia Deep Drilling, Cross Section (looking north),

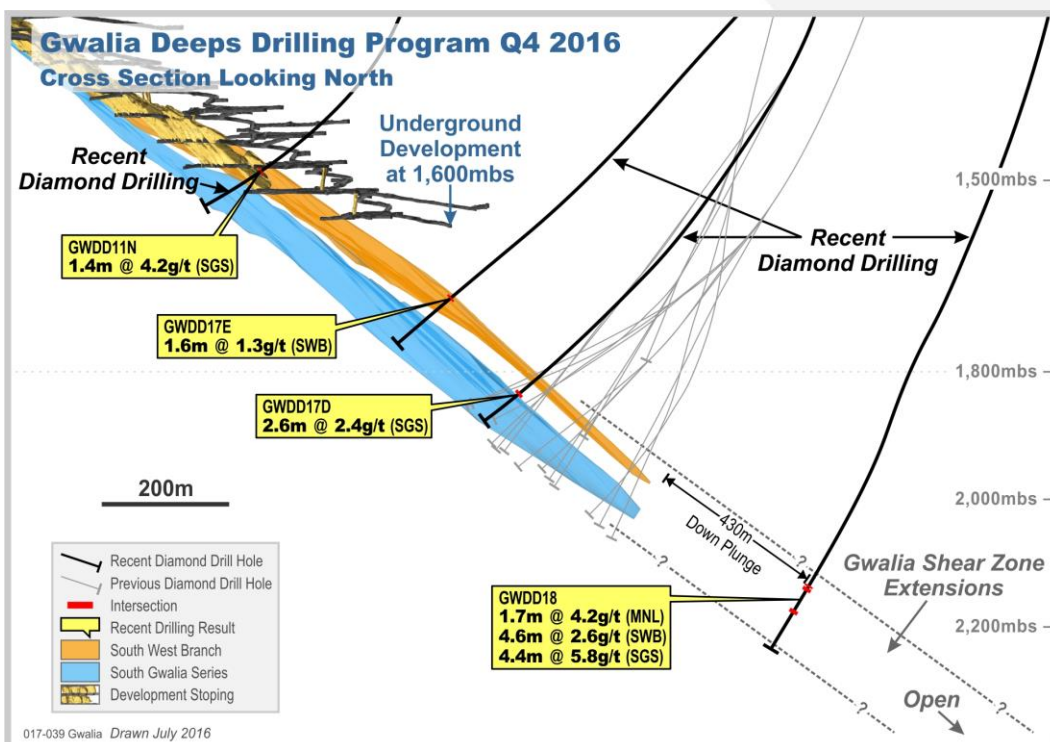


Figure 2.1: Leonora: Summary of Southern Extension and 2200 mbs intersections Q4 Gwalia Deep Drilling, Long Section (looking west)

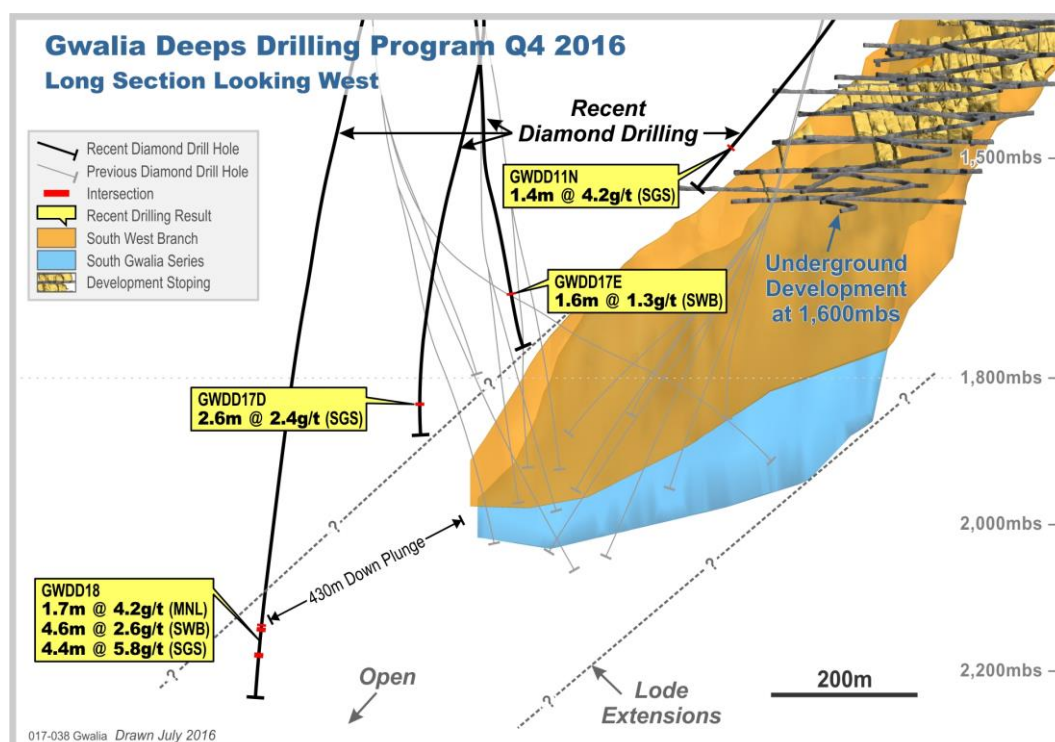


Figure 2.3: Leonora Extension Drilling Q4 2016: Southern Extension and 2200 mbs, Cross Section (looking north)

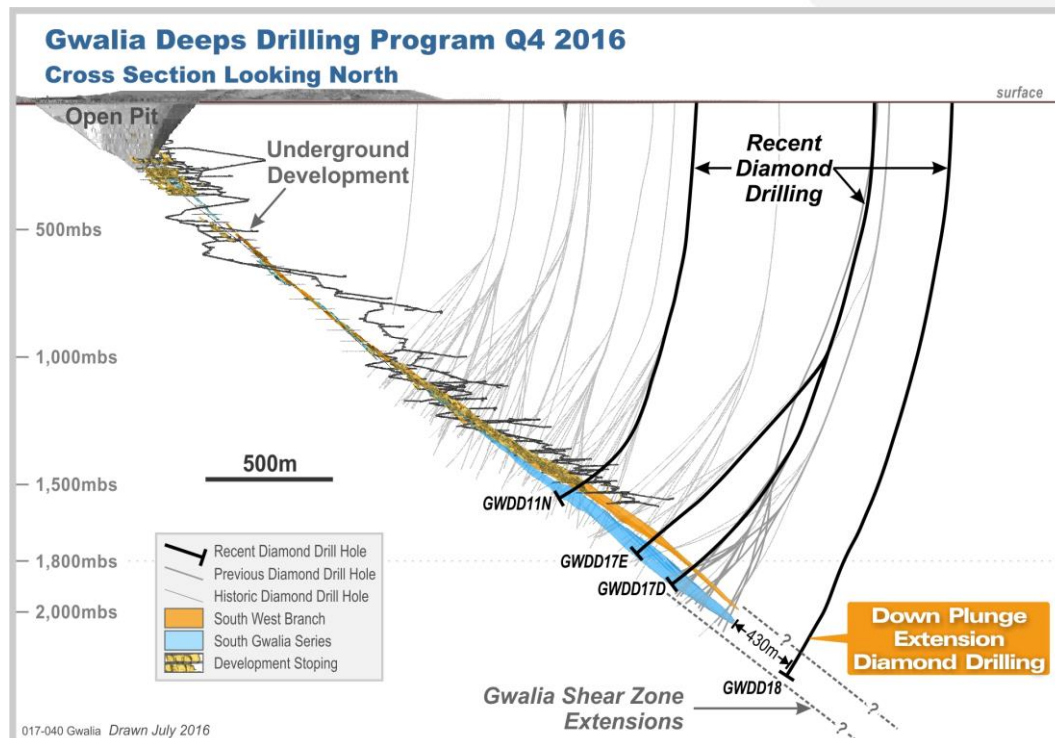


Figure 3.0: Leonora: Gwalia Northern Extension Drilling Q4, Long Section (looking south west)

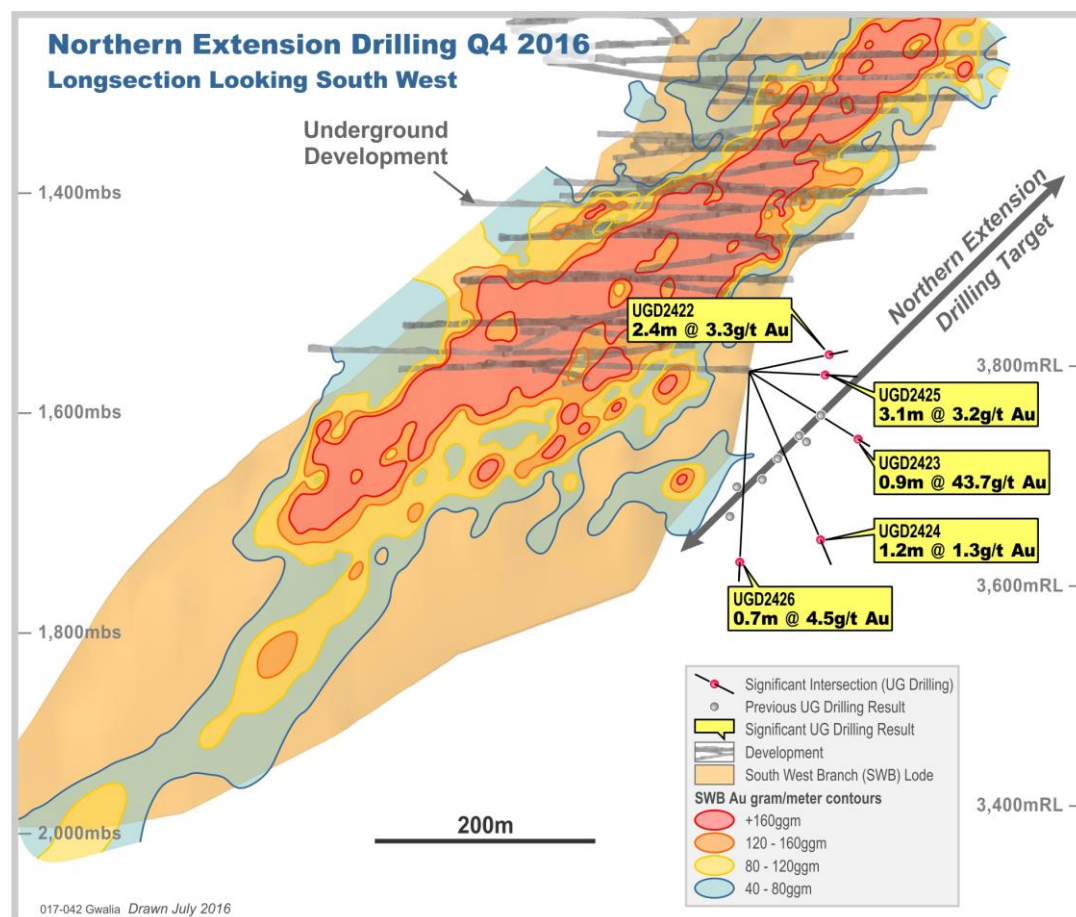


Figure 4.0: Leonora: Gwalia Deeps Seismic Program Q1 2017

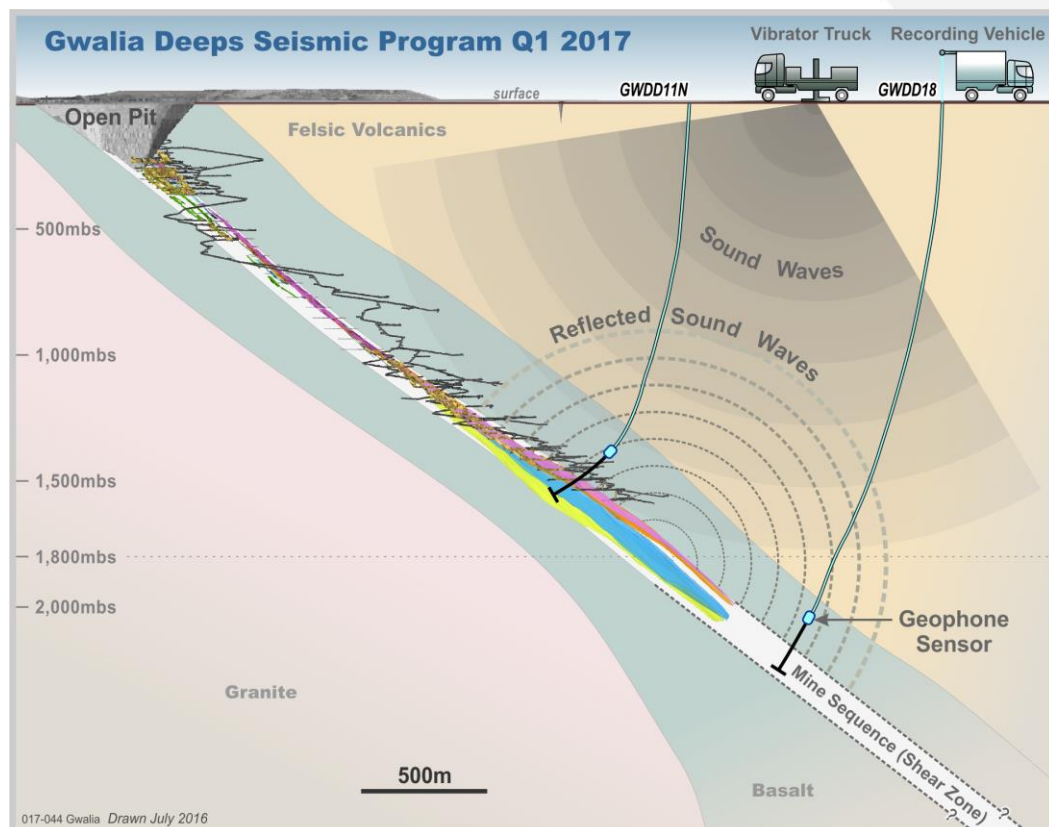


Figure 5.0: Pinjin Project Aircore Drilling Location Map

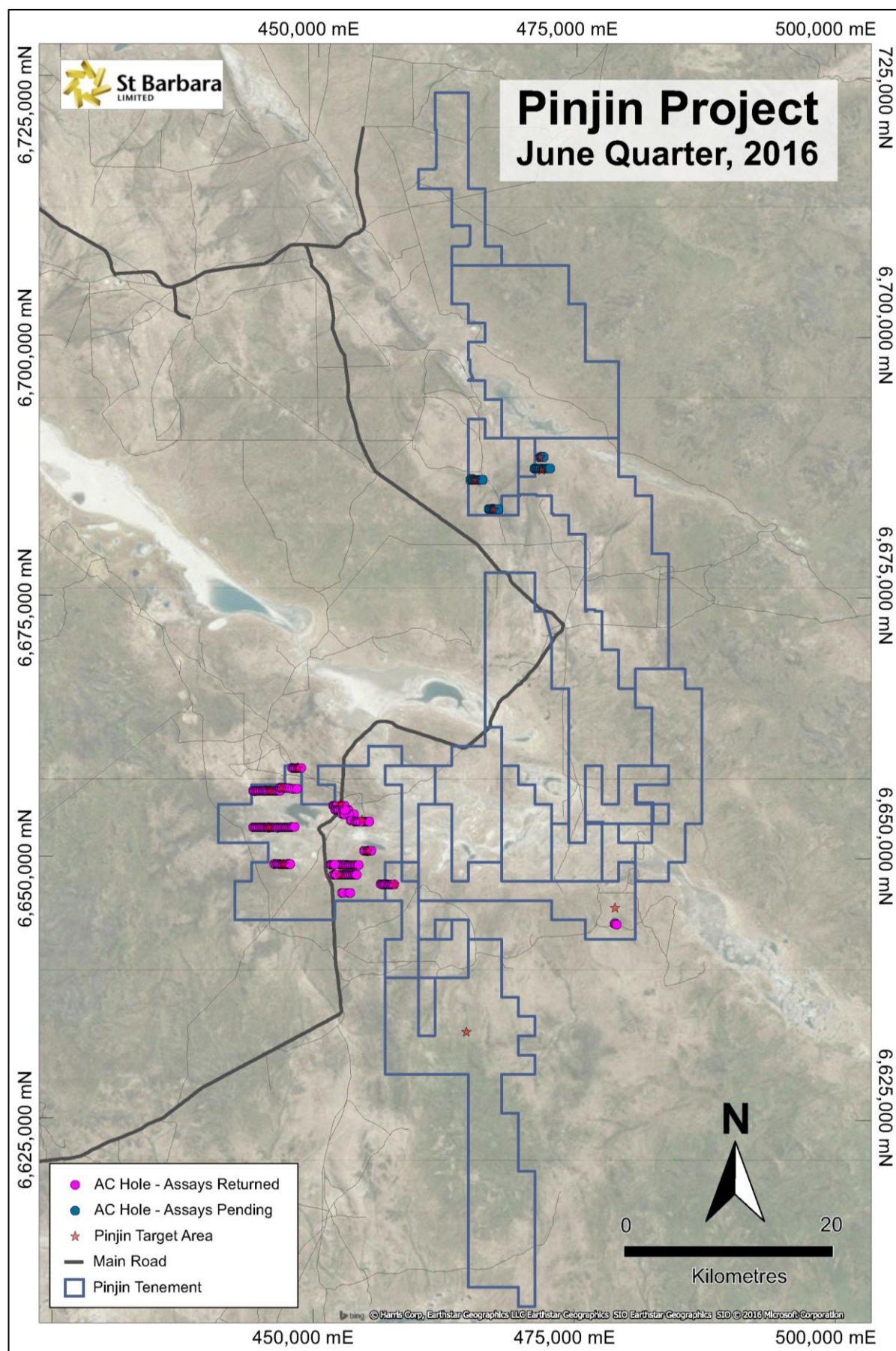


Figure 5.1 Pinjin Project Aircore Drilling Results Map

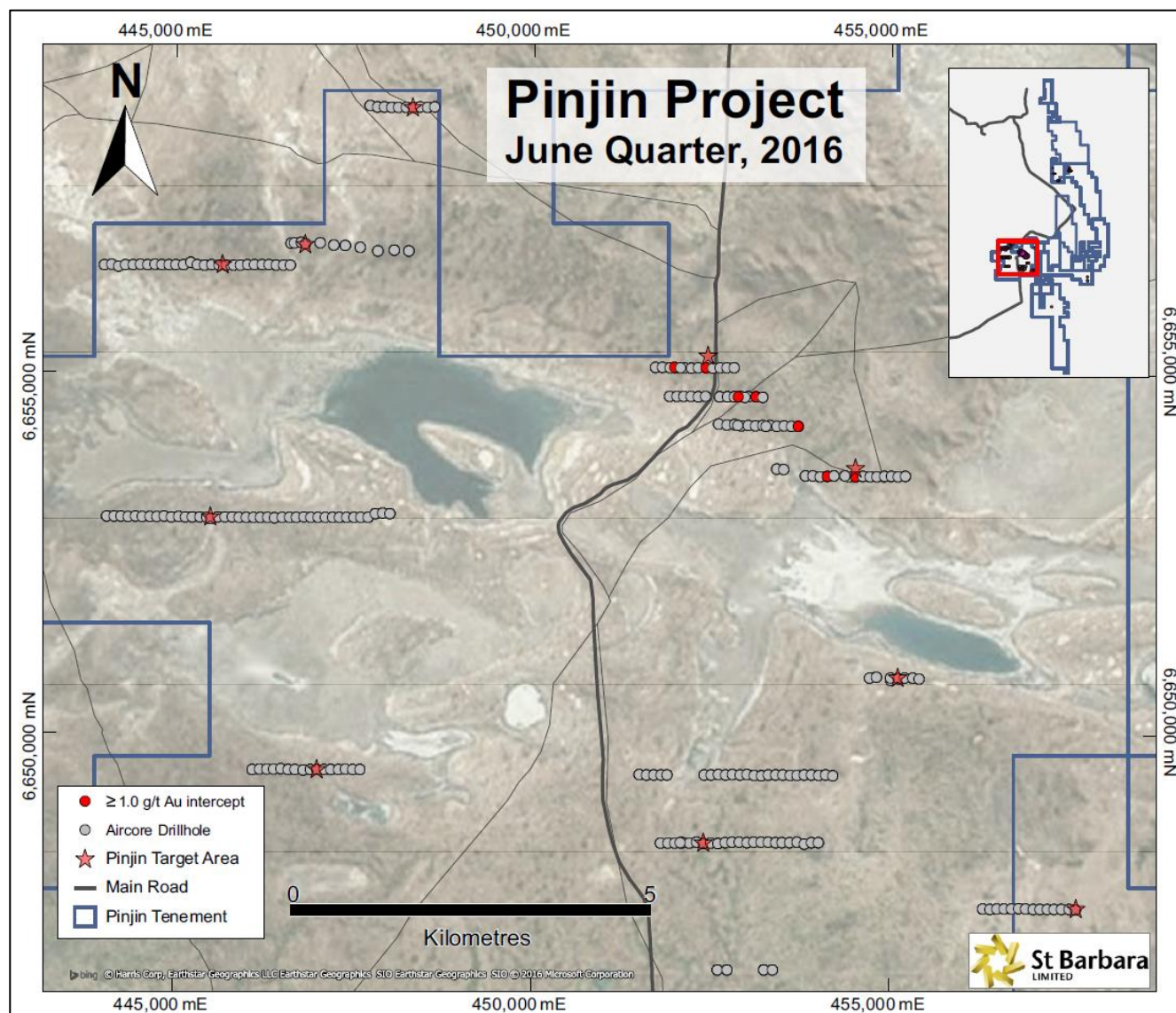


Figure 6.0 Simberi Island Location Map, Papua New Guinea

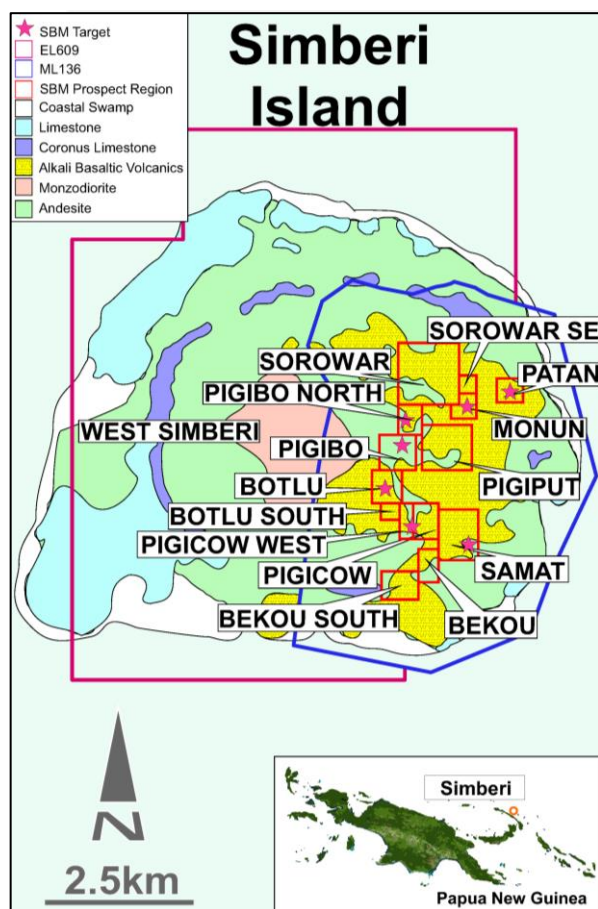


Figure 6.1 Tatau Island Location Map, Papua New Guinea

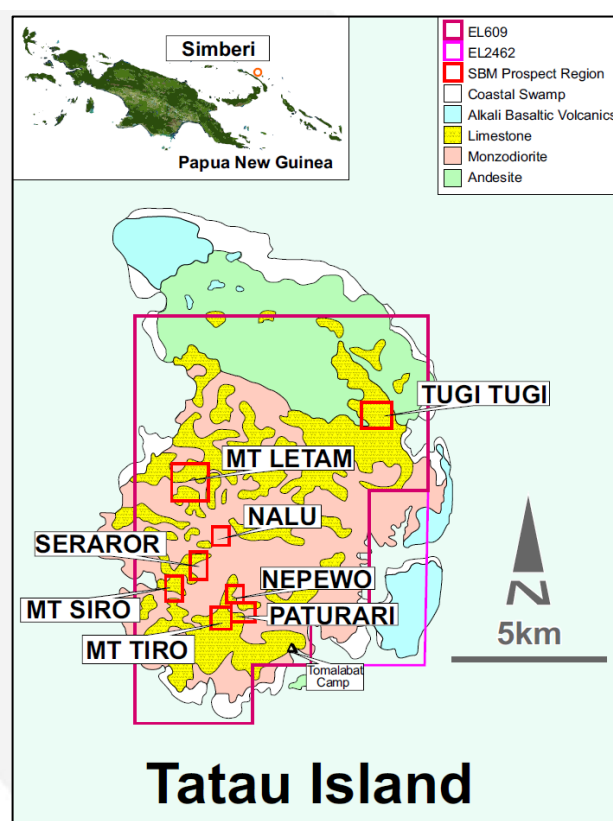


Figure 6.2 Big Tabar Island Location Map, Papua New Guinea

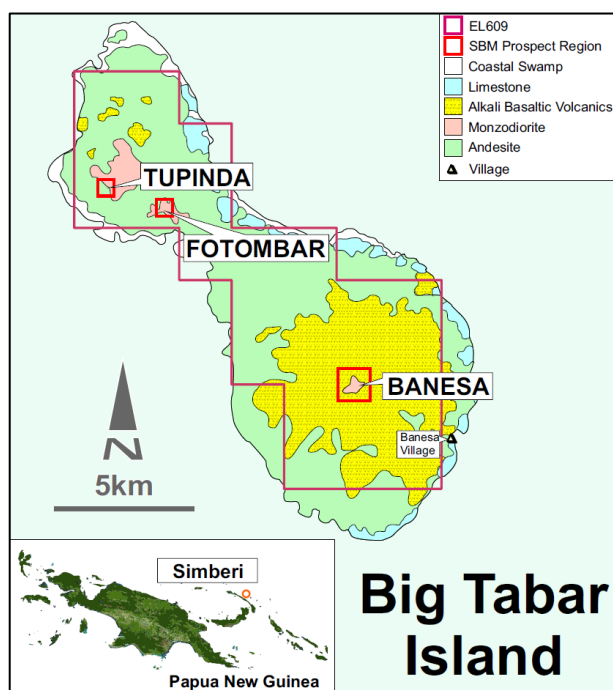


Figure 6.3 Bekou South Trench and Drill Location Map, Simberi ML 136, Papua New Guinea

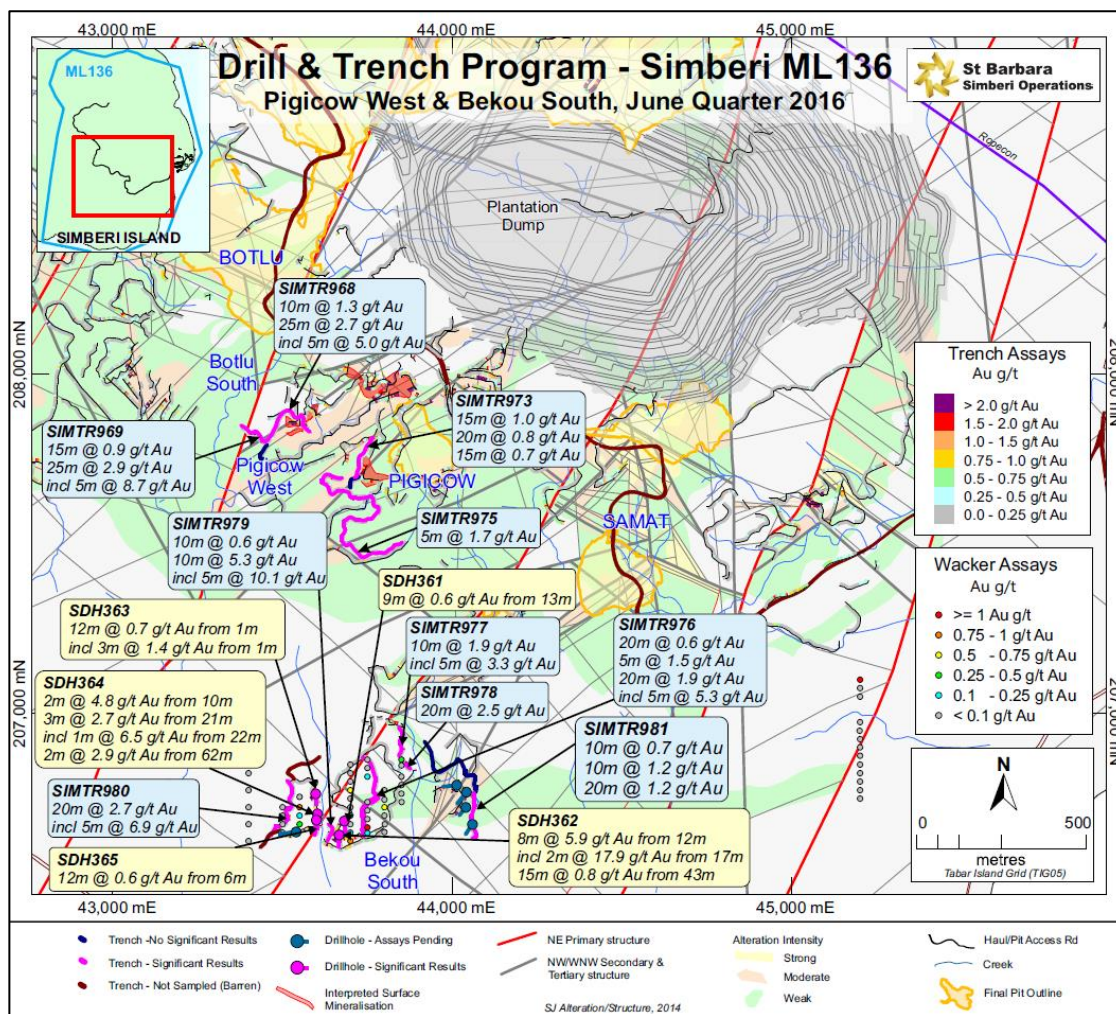


Figure 6.4 West Simberi Surface Sample Location Map, Papua New Guinea

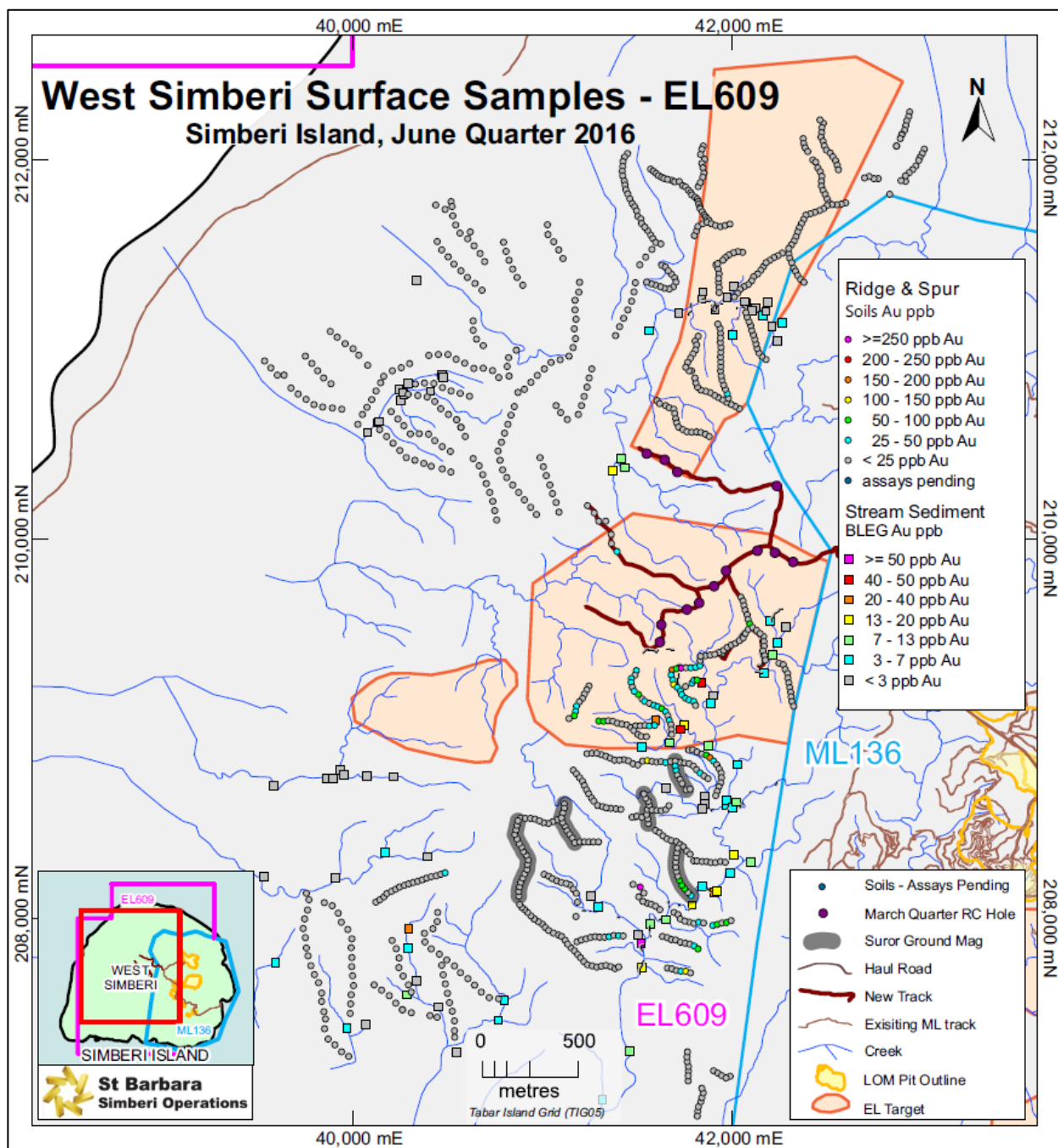


Figure 6.5 Banesa Trench Location Map, Big Tabar Island, Papua New Guinea

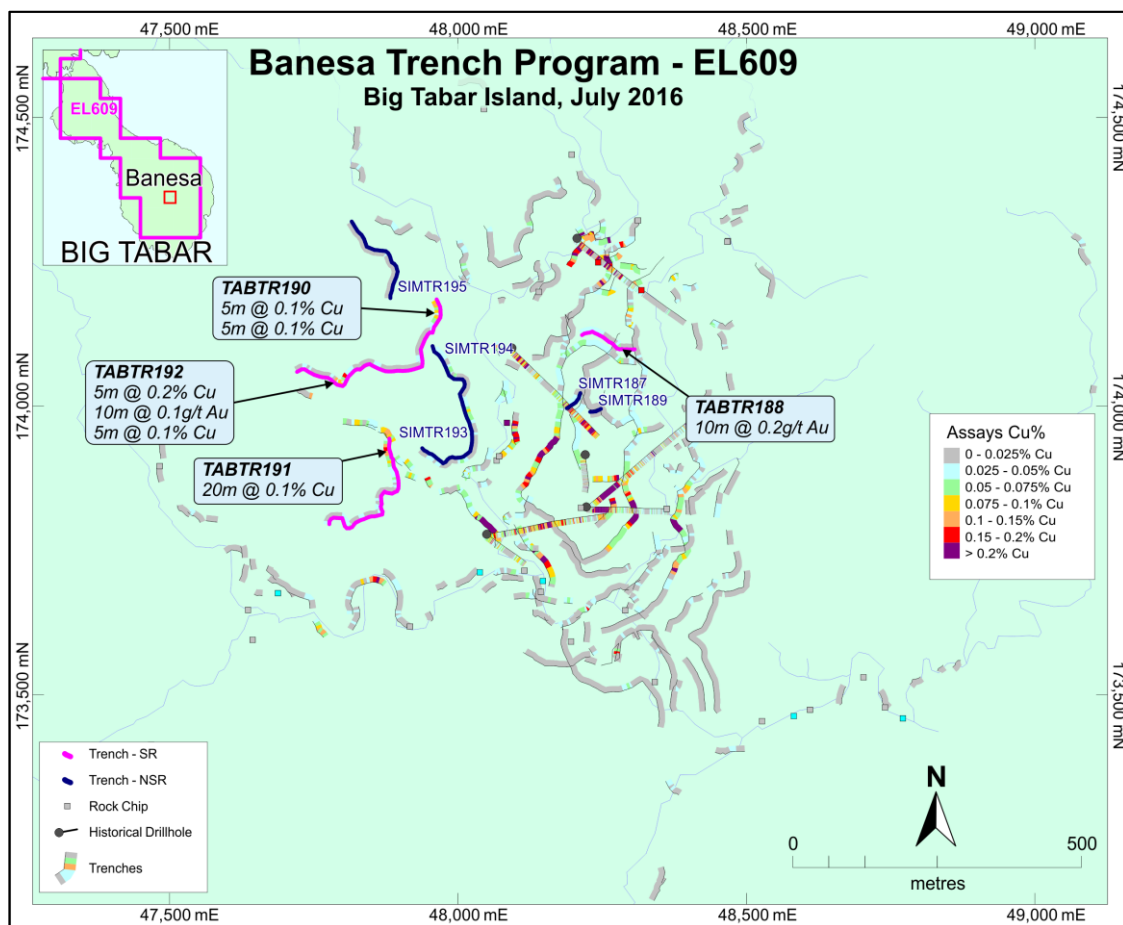


Figure 6.6 Mt Letam Cross Section showing proposed drill hole, Tatau Island, Papua New Guinea

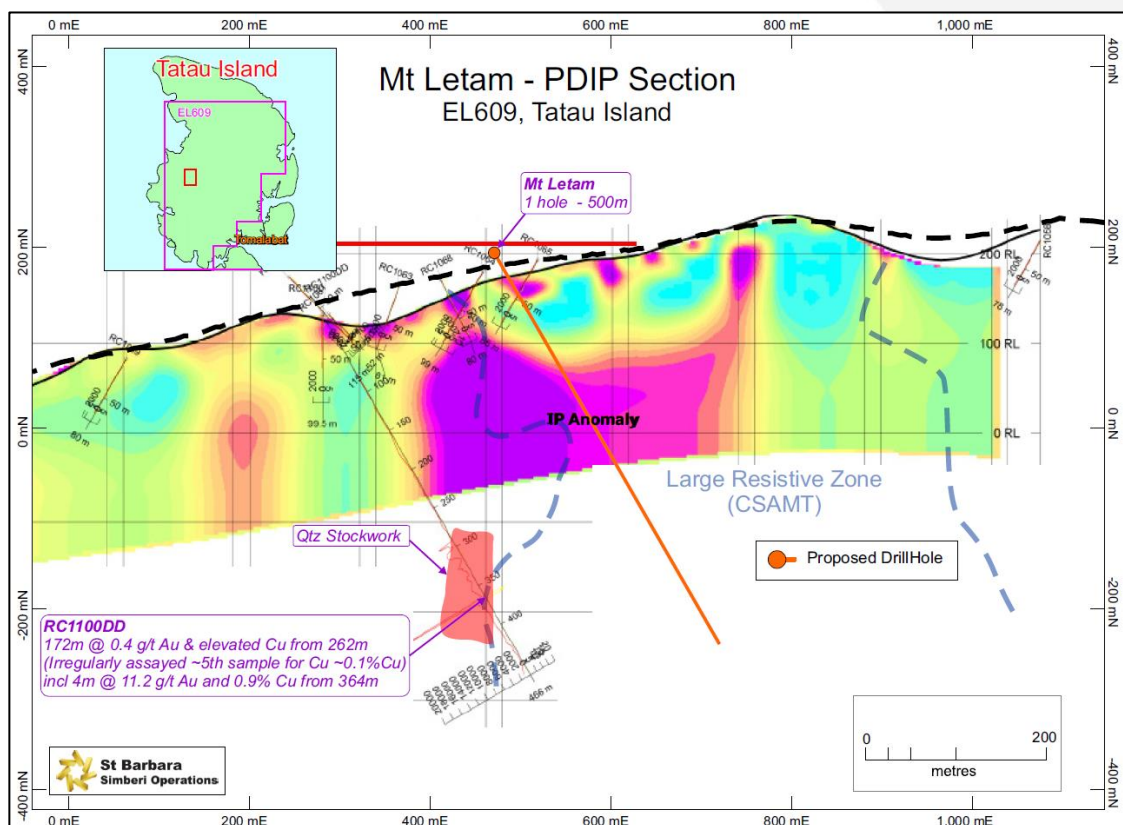


Table 1: Gwalia Deeps Significant Intercepts– Leonora Operations, Gwalia Mine

Hole Id	Down-hole Mineralised Intersection									
	North m	East m	RL m	Metres Below Surface	Lode	Dip/ Azimuth degrees	From m	To m	Interval m	Gold grade g/t Au
GWDD11N	5694.3	9296.0	3869.2	1510.8	SGS1	-31 / 240	1,709.8	1,711.2	1.4	4.2
GWDD17D	5268.2	9701.1	3518.9	1861.1	SGS2	-39 / 270	2,064.6	2,067.2	2.6	2.4
GWDD18	5053.8	10158.5	3216.7	2163.3	ML	-59 / 261	2,285.0	2,286.6	1.7	4.2
GWDD18	5053.3	10155.7	3212.0	2168.0	SWB	-59 / 261	2,289.0	2,293.6	4.6	2.6
GWDD18	5050.2	10134.7	3176.8	2203.2	SGS2	-59 / 262	2,330.4	2,334.7	4.4	5.8

NOTES:

High grade cuts have not been applied.

Dip and Azimuth angles estimated at intercept depth.

Azimuth referenced to Mine Grid

Reported intercepts are all down hole lengths.

Table 2: Northern Extension Significant Intercepts– Leonora Operations, Gwalia Mine

Hole Id	North	East	RL	Metres Below Surface	Total Depth	Down-hole Mineralised Intersection				
						Dip/ Azimuth degrees	From m	To m	Interval m	Gold grade g/t Au
UGD2422	6087.3	9349.5	3809.2	1566	400	-1/303	349.0	353.2	2.4	3.3
UGD2423	6113.6	9447.1	3732.4	1643	360	-17/316	300.8	302.0	0.9	43.7
UGD2424	6079.7	9557.3	3640.5	1740	300	-43/332	260.8	262.0	1.2	1.3
UGD2425	6083.9	9377.5	3790.6	1584	380	-4/302	324.1	328.6	3.1	3.2
UGD2426	6006.1	9623.8	3620.6	1760	250	-64/345	216.9	217.6	0.6	4.5

NOTES:

High grade cuts have not been applied.

Dip and Azimuth angles estimated at intercept depth.

Azimuth referenced to Mine Grid.

Reported intercepts are estimated true width.

Table 3: Pinjin Aircore Significant Intercepts – Yilgarn, WA

Hole Id	North m	East m	RL m	Dip/ Azimuth degrees	Total Depth	Metres Below Surface	Lode	Down-hole Mineralised Intersection		
								From m	Length m	Gold grade g/t Au
Pinjin, Yilgarn, Western Australia										
PJAC018	6655100	452409	339.0	-60 / 270	66.0	38	OX	44	1	1.1
PJAC020	6655103	451973	339.0	-60 / 270	67.0	33	OX	38	8	2.1
including						33	OX	38	1	6.5
PJAC033	6654701	453105	326.0	-90 / 360	59.0	50	OX	50	1	1.2
PJAC049	6654294	453699	325.0	-90 / 360	56.0	50	OX	50	1	1.3
PJAC058	6653599	454105	323.0	-90 / 360	59.0	47	OX	47	1	1.5
PJAC062	6653592	454503	325.0	-90 / 360	77.0	41	OX	41	1	1.2
PJAC072	6654697	452857	326.0	-90 / 360	59.0	51	OX	51	1	1.8

NOTES:

Coordinates and Azimuth referenced to MGA94 zone 51 Grid.
Reported intercepts are all down hole lengths.

Table 4: Bekou South Significant Intercepts – Simberi Island, Papua New Guinea

Hole Id	North m	East m	RL m	Dip/ Azimuth degrees	Total Depth	Metres Below Surface	Lode	Down-hole Mineralised Intersection		
								From m	Length m	Gold grade g/t Au
Bekou South, Simberi Island, Papua New Guinea ML136										
SDH361	206684	43682	40.0	-61 / 175	58.0	11	OX,TR,SU	13	9	0.6
SDH362	206643	43667	35.0	-60 / 183	71.3	10	OX,TR,SU	12	8	5.9
including						14	TR	17	2	17.9
						37	SU	43	15	0.8
SDH363	206764	43598	47.0	-55 / 178	51.5	1	OX,TR,SU	1	12	0.7
including						1	OX	1	3	1.4
SDH364	206705	43603	30.0	-55 / 1815	73.0	8	OX	10	2	4.8
						17	SU	21	3	2.7
including						18	SU	22	1	6.5
						51	SU	62	2	2.9
SDH365	206687	43600	33.0	-55 / 186	76.4	5	OX,TR	6	12	0.6

NOTES:

Coordinates and Azimuth referenced to Tabar Island Grid (TIG).
Reported intercepts are all down hole lengths.

Contents**Drilling:** Section 1 Sampling Techniques and Data

Section 2 Reporting of Exploration Results

Drilling - Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
Sampling techniques	Half-core sampling of NQ2 diamond drilling with boundaries defined geologically. Samples are mostly one metre in length unless a significant geological feature warrants a change from this standard unit. The upper or right-hand side of the core is submitted for sample analysis, with each one metre of half core providing between 2.5 – 3 kg of material as an assay sample.
Drilling techniques	Diamond drilling using NQ2 (50.6mm) sized core (standard tubes). Holes have been surveyed using a single shot electronic camera. All core is orientated using a Reflex ACT II RD orientation tool.
Drill sample recovery	- Core is metre marked and orientated and checked against drillers blocks to ensure that any core loss is accounted for. - Sample recovery is rarely less than 100%. Where minor core loss does occur it is due to drilling conditions and not ground conditions.
Logging	- All SBM holes are logged primarily for lithology, alteration and vein type/intensity which are key to modelling gold grade distributions. Validation of geological data is controlled via the use of library codes and reliability and consistency of data is monitored through regular peer review. - All logging is qualitative.
Sub-sampling techniques and sample preparation	SBM half core is cut using a core saw before being sent to SGS laboratory in Kalgoorlie where the entire sample is crushed to achieve particle size <4mm followed by complete pulverisation (90% passing 75 µm).
Quality of assay data and laboratory tests	SBM samples were analysed for gold using fire assay with a 50g charge and analysis by flame Atomic Absorption Spectrometry (AAS). QC includes insertion of 3 commercial standards (1 per 20 samples), barren material used for blank control samples, use of barren flush material between designated high grade samples during the pulverising stage, re-numbered sample pulp residues re-submitted to original laboratory, and sample pulp residues submitted to accredited umpire laboratory, submission of residual (duplicate) half core from ore intervals. The analysis of gold was sound and re-analysis of pulps showed acceptable repeatability with no significant bias.
Verification of sampling and assaying	Sampling data is recorded electronically in spread sheets which ensure only valid non-overlapping data can be recorded. Assay and down hole survey data are subsequently merged electronically. All drill data is stored in a SQL database on secure company server.
Location of data points	Collars for surface holes are recorded by DGPS. Upon completion of underground drill holes an authorised surveyor will pick up the collar by placing a survey rod into the hole to measure azimuth and dip. This process may also occur while the hole is in progress by surveying the drill rods in the hole.
Data spacing and distribution	Surface drilling is spaced on an approximate 60m x 80m below 1620 metres below surface Drilling data is sufficient to establish down plunge continuity for all lodes.
Orientation of data in relation to geological structure	Sampling is perpendicular to lode orientations and is sound based on past production and underground mapping.
Sample security	Company personnel or approved contractors only allowed on drill sites; drill samples are only removed from drill site by approved contractors to the company's secure core logging/processing facility; cut core is consigned to accredited laboratories for sample preparation and analysis.
Audits or reviews	Regular reviews of core logging and sampling are completed through SBM mentoring and auditing. Additionally, regular laboratory inspections are conducted by SBM personnel. Inspections are documented electronically and stored on secure company server. No significant issues were identified.

Drilling - Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary
<i>Mineral tenement and land tenure status</i>	• SBM has 100% ownership of the two tenements M37/25 and M37/333 over the Gwalia deposit.
<i>Exploration done by other parties</i>	• Western Mining Corporation (WMC) and Sons of Gwalia (SGW), have previously completed deep diamond drilling below 1,100 metres below surface
<i>Geology</i>	• Gold mineralisation occurs as a number of stepped, moderately east dipping, foliation parallel lodes within strongly potassic altered mafic rocks which extend over a strike length of approximately 500 metres and to a vertical depth of at least 2,200 metres below surface. The deposit exhibits significant down-plunge continuity but is interrupted at approximately 1,200 metres below surface (mbs) by a cross cutting post-mineralisation doleritic dyke, with a horizontal width of approximately 30 metres.
<i>Drill hole Information</i>	• Drill hole information is included in intercept table outlining mid-point co-ordinates including vertical hole depth and composited mineralized intercepts lengths and depth.
<i>Data aggregation methods</i>	• Down hole intercepts are reported as length weighted averages. No high grade cut is applied.
<i>Relationship between mineralisation widths and intercept lengths</i>	• Down hole length is reported for all holes; true width is not immediately known until further drilling is completed and the orebody modelled.
<i>Diagrams</i>	• Appropriate diagrams are included within the body of the report
<i>Balanced reporting</i>	• Details of all holes material to Exploration Results have been reported in the intercept table.
<i>Other substantive exploration data</i>	• These holes test the deepest limits of mineralisation and no other data is available
<i>Further Work</i>	• Further exploration drill holes are planned
<i>Balanced reporting</i>	• Details of all holes material to Exploration Results have been reported in the intercept table.
<i>Other substantive exploration data</i>	• Data is included in the body of the report
<i>Further Work</i>	• Follow-up drilling is planned and is discussed in the body of the report

Contents

Drilling: Section 1 Sampling Techniques and Data

Section 2 Reporting of Exploration Results

Drilling - Section 1 Sampling Techniques and Data

(Criteria in this section apply to the succeeding section.)

Criteria	Commentary
<i>Sampling techniques</i>	- Sampling was conducted via Aircore drilling on 50m, 100m, or 200m drilling spacing with line spacing's of 400m, 1000m or as individual lines. Where possible all holes were drilled to blade refusal. - Aircore samples were collected from a rig mounted cyclone by bucket and were then placed directly on the ground in rows of ten. - Drill spoil was sampled with a scoop to generate 4m composite samples of approximately 3kg. An additional end of hole multi-element sample was taken from each hole that reached blade refusal in Archaean bedrock. - Representative specimens of end of hole rock chips were stored in plastic chip trays for future reference. - The 3kg composite samples were submitted to Bureau Veritas Minerals Pty Ltd, Perth where they were sorted and dried, crushed to 10mm and pulverized to -75µm. A 40g charge of pulverized sample was then digested with aqua regia with a gold analysis by ICP-MS to a detection limit of 1ppb. The same digested sample was also tested for arsenic by ICP-AES to 1ppm detection limit. - Composite samples that return anomalous Au values were subsampled on a metre by metre basis. These samples were submitted to Bureau Veritas Minerals Pty Ltd, Perth where they were sorted and dried, crushed to 10mm and pulverized to -75µm. A 40g charge of pulverized sample was then analyzed for Au, Pd & Pt by Fire Assay with an ICP finish to a detection limit of 1ppb. - The EOH Aircore samples were submitted to Genalysis and were prepared in the same manner. A 10g charge of pulverized sample was then digested by four acid digestion with analysis by the Scott Halley technique (ICP-OES & ICP-MS to ultra-trace levels) via 4A/OM20 method for 60 elements (Ag, Al, As, Ba, Be, Bi, Ca, Cd, Ce, Co, Cr, Cs, Cu, Dy, Er, Eu, Fe, Ga, Gd, Ge, Hf, Ho, Ln, K, La, Li, Lu, Mg, Mn, Mo, Na, Nb, Nd, Ni, P, Pb, Pr, Rb, Re, S, Sb, Sc, Se, Sm, Sn, Sr, Ta, Tb, Te, Th, Ti, Tl, Tm, U, V, W, Y, Yb, Zn & Zr).
<i>Drilling techniques</i>	Aircore drilling was carried out using a three and a half inch blade bit to refusal, generally at the fresh rock interface. Drilling was carried out by Challenge Drilling who utilised a Challenger R/A 150 Rig with 750 cfm and 350 psi.
<i>Drill sample recovery</i>	- Sample recoveries were considered good, but quantitatively not recorded. - The drill cyclone and sample buckets were cleaned regularly, in particular after wet ground was encountered. The cyclone was also cleaned several times during the course of each hole and after the completion of each hole.
<i>Logging</i>	- All drill holes were logged in full for lithology, alteration, weathering/regolith and colour. - Aircore logging is both qualitative and quantitative
<i>Sub-sampling techniques and sample preparation</i>	- Aircore samples were collected as both dry and wet samples using a sample scoop. - All Aircore composite samples were sorted, dried, crushed and pulverized to produce a 40g charge prior to digestion by aqua regia. - All Aircore 1m re-split samples were sorted, dried, crushed and pulverized to produce a 40g charge prior to analyses by Fire Assay with ICP finish. - EOH samples were sorted, dried, crushed and pulverized to produce a 10g charge prior to digestion by four acid digest. - Aircore samples were collected at 1m intervals and composited in 4m samples using a scoop to sample individual metre samples. 1m re-splits were also sampled using the scoop method. - QC procedures for 4m composite and 1m re-split samples involved the use of certified reference material at a ratio of 1:50. No field duplicates or blanks were inserted into the sample stream. - EOH samples inserted no QC samples. - Bureau Veritas inserted certified standards and replicates and lab repeats. - Genalysis inserted certified standards, blanks and lab repeats.
<i>Quality of assay data and laboratory tests</i>	- The composite samples as well as the EOH Au analytical method used a 10g charge with an aqua regia digest which is considered appropriate for analysis of the regolith dominated sample medium. - EOH samples using non Au analytical methods underwent a complete four acid digest. - The 1m re-split samples used a 40g fire assay technique which is appropriate to detect Au mineralisation. - Certified reference material was inserted into the sample stream at a ratio of 1:50. - No field duplicates were taken and no blanks were inserted. - Bureau Veritas inserted certified standards and replicates and lab repeats. - Genalysis inserted certified standards, blanks and lab repeats.
<i>Verification of sampling and assaying</i>	- Primary geological and sampling data were recorded in hard copy before being digitised into made for purposed excel spreadsheets. Data was then transferred into the St Barbara corporate DataShed database where it was validated by an experienced database geologist. - No adjustments to assay data were made.
<i>Location of data points</i>	- All drill collars were surveyed by a handheld GPS with accuracy of ±3m for easting and northings, and ±10m for elevation coordinates. - All locations were captured in MGA94 zone 51 grid.
<i>Data spacing and distribution</i>	- Aircore drilling was conducted on 50m, 100m or 200m drill spacing's and a line spacing of 400m, 1000m or as individual lines. - Aircore results reported are based on and 1m re-splits of the original 4m composite.

Criteria	Commentary
<i>Orientation of data in relation to geological structure</i>	- The drilling comprised a mix of inclined and vertical holes. Inclined holes were drilled with a dip and azimuth of - 60/270 to test the interpreted east dipping stratigraphy. Due to the early stage of the project there is not yet any understand of the primary orientation of mineralisation. - Given the nature of Aircore drilling into the regolith profile, any sampling bias is considered minimal as the drilling seldom penetrated more than a few metres into fresh rock.
<i>Sample security</i>	Only trained company personnel were allowed to collect the samples; all samples were held within a secure company location before dispatch to Bureau Veritas or Genalysis in Perth for Au and multi-element analysis.
<i>Audits or reviews</i>	No audits or reviews of sampling protocols have been completed.

Drilling - Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary
<i>Mineral tenement and land tenure status</i>	SBM has 100% ownership of the 20 tenements comprising the Pinjin Project. These include: E28/2234, E28/2283, E28/2284, E31/0999, E31/1000, E31/1005, E31/1007, E39/1718, E28/2218, E28/2245, E28/2250, E28/2264, E28/2357, E28/2375, E28/2445, E31/1056, E31/1082, E28/2246, E28/2247 and E28/2494.
<i>Exploration done by other parties</i>	- There has been numerous historical holders of the project area which covers over ~1,358 square kilometres. - Exploration has been conducted by numerous companies including but not limited to Newmont Pty Ltd, Endeavour Minerals, WMC, Goldfields Exploration Pty Ltd, Anglo American, Gutnick Resources, Carpentaria Exploration Company, BHP, Uranex, Placer Exploration Ltd, Jacksons Minerals Limited, Anglo Australian Resources, Troy Resources NL, Saracen, Hawthorn Resources and Renaissance Minerals Limited.
<i>Geology</i>	- SBM is targeting Archean orogenic gold mineralisation near major regional faults. - The tenement package covers Archaean greenstones within the highly prospective Eastern Goldfields Province of the Yilgarn Craton. The Pinjin project covers portions of the prospective Laverton and Keith-Kilkenny Tectonic Zones which pass through the eastern and western portions respectively.
<i>Drill hole Information</i>	Drill hole information for holes returning significant results have been reported in the intercept table. Included in the intercept table are collar position obtained by GPS pickup, hole dip and azimuth acquired from hand held compass and clinometer, composited mineralised intercepts lengths and depth as well as hole depth. Metres below surface (mbs) for intercepts were calculated for the start of the intercept.
<i>Data aggregation methods</i>	- Broad down hole intercepts are reported as length weighted averages using a cut-off of 1 g/t Au. Such intercepts may include material below cut-off but no more than 5 sequential meters of such material and except where the average drops below the cut-off. Salvage is only included where its average grade exceeds 0.5 g/t Au. - No high grade cut is applied. - No metal equivalent values are used for reporting exploration results.
<i>Relationship between mineralisation widths and intercept lengths</i>	Down hole length is reported for all holes; true width is not known as the orientation of mineralisation is not fully understood.
<i>Other substantive exploration data</i>	Included in the body of the report.
<i>Diagrams</i>	Diagrams show all drill holes material and immaterial to Exploration Results.
<i>Balanced reporting</i>	Details of all holes material to Exploration Results have been reported in the intercept table, and all other drill holes drilled during the reporting period are highlighted on diagrams included in the report.
<i>Other substantive exploration data</i>	Data is included in the body of the report.
<i>Further Work</i>	Further exploration aircore drill holes are planned and is discussed in the body of the report.

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Contents

Drilling:	Section 1 Sampling Techniques and Data Section 2 Reporting of Exploration Results
Trenching:	Section 1 Sampling Techniques and Data Section 2 Reporting of Exploration Results
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Drilling - Section 1 Sampling Techniques and Data

(Criteria in this section apply to the succeeding section.)

Criteria	Commentary
<i>Sampling techniques</i>	Diamond Drilling - Sampled using PQ (85mm), HQ (63.5mm) or HQ3 (61.1mm) and on occasion NQ2 (50.5mm) or NQ3 (45mm) sized core using standard triple tubes. Half core was sampled on nominal 1-metre intervals with the upper or left - hand side of the core prepped on-site to produce a 200gm pulp sample. A 50gm charge was then extracted from the 200gm pulp for Au fire assay and ICP - AES base metal analysis.
<i>Drilling techniques</i>	Diamond Drilling comprised PQ (85mm), HQ (63.5mm) or HQ3 (61.1mm) and on occasion NQ2 (50.5mm) or NQ3 (45mm) core recovered using 1.5m to 3m barrels. When ground conditions permit, an ACT Digital Core Orientation Instrument was used by the contractor to orientate the core.
<i>Drill sample recovery</i>	Diamond drilling recovery percentages were measured by comparing actual meters recovered per drill run versus meters measured on the core blocks. Recoveries averaged over >90% with increased core loss present in fault zones and zones of strong alteration. No relationship exists between sample recovery and grade.
<i>Logging</i>	- Diamond holes are qualitatively geologically logged for lithology, structure and alteration and qualitatively and quantitatively logged for veining and sulphides. Diamond holes are geotechnically logged with the following attributes qualitatively recorded - strength, infill material, weathering and shape. Whole core together with half core, were photographed when wet. - All holes are fully logged.
<i>Sub-sampling techniques and sample preparation</i>	- Diamond core was sampled largely on 1 metre intervals. Core was cut with the upper or left-hand side of the core routinely submitted for total pulverisation (85% passing 75 µm). Quality control of sub-sampling consisted of insertion of blank control samples and coarse reject duplicates, both at a ratio of 1:20 samples. The samples were fully prepared at the company's on-site sample preparation facility on Simberi Island with 200g pulps sent to ALS Laboratory in Townsville. - Pulp residues are stored in Townsville for future re-assay if required.
<i>Quality of assay data and laboratory tests</i>	Half Core samples were analysed for gold using fire assay with a 50g charge and analysis by flame atomic absorption spectrometry. Base metals were analysed by Aqua Regia digestion using Inductively Coupled Plasma Atomic Emission Spectroscopy (ICP-AES). QC included insertion of certified reference material (1 in 20); insertion of in-house blank control material (1 in 20); and the insertion of reject residues (1 in 20). QAQC results were assessed as each laboratory batch was received and again on a quarterly basis. Results indicate that pulveriser bowls were adequately cleaned between samples. Overall, the analysis of gold was sound.
<i>Verification of sampling and assaying</i>	Sampling data is recorded electronically which ensures only valid non-overlapping data can be recorded. Assay and downhole survey data are subsequently merged electronically. All drill data is stored in a SQL database on secure company server. No twin holes have been completed.
<i>Location of data points</i>	All Simberi Island collars were surveyed by in-house surveyors using DGPS using Tabar Island Grid (TIG) which is based on WGS84 ellipsoid and is GPS compatible (RC holes reported in this period are still pending pickup by dGPS). Tatau and Tabar Island collars were surveyed by hand held GPS. All holes were downhole surveyed using either a Reflex or Ranger single shot camera with the first reading at about 15m and then approximately every 30m increments to the bottom-of-the hole.
<i>Data spacing and distribution</i>	Drilling data is not yet sufficient to establish continuity of the lodes and therefore the drill spacing is irregular and broad spaced.
<i>Orientation of data in relation to geological structure</i>	Where surface mapping and sampling has contributed to understanding of outcropping geological structures, drilling and sampling has been undertaken orthogonal to the mapped structure.
<i>Sample security</i>	Only company personnel or approved contractors are allowed on drill sites; drill core is only removed from drill site to secure core logging/processing facility within the gated exploration core yard; core is promptly logged, cut and prepped on site. The 200gm pulps are then consigned to ALS in Townsville for Au-base metal analysis.
<i>Audits or reviews</i>	No audits or reviews of sampling protocols have been completed.

Drilling - Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary
<i>Mineral tenement and land tenure status</i>	SBM has 100% ownership of the two tenements over the Simberi Islands; ML136 on Simberi Island, and EL609 which covers the remaining area of Simberi Island, as well as Tatau Island and Big Tabar Island. A 4 sub-block ELA2462 is under application.
<i>Exploration done by other parties</i>	CRA, BHP, Tabar JV (Kennecott, Nord Australex and Niugini Mining), Nord Pacific, Barrick and Allied Gold have all previously worked in this area. Nord Pacific followed by Allied Gold were instrumental in the discovery and delineation of the 5 main oxide and sulphide deposits at Simberi.
<i>Geology</i>	The Simberi gold deposits are low sulphidation, intrusion related adularia-sericite epithermal gold deposits. The dominant host rocks for mineralisation are andesites, volcanoclastics and lesser porphyries. Gold mineralisation is generally associated with sulphides or iron oxides occurring within a variety of fractures, such as simple fracture in-fills, single vein coatings and crackle brecciation in the more competent andesite units, along andesite/polymict breccia contact margins as well as sulphide disseminations. On Tatau and Big Tabar Islands, located immediately south of Simberi, potential also exists for porphyry Cu-Au, epithermal quartz Au-Ag and carbonate-base metal Au mineralisation.
<i>Drill hole Information</i>	Drill hole information is included in intercept table outlining collar position obtained by DGPS pickup, hole dip and azimuth acquired from a downhole surveying camera as discussed in section 1, composited mineralized intercepts lengths and depth as well as hole depth. Metres below surface (Mbs) for intercepts were calculated by measuring the distance between the midpoint of the intercept and a Lidar survey based topographic surface.
<i>Data aggregation methods</i>	- Broad down hole intercepts are reported as length weighted averages using a cut-off of 0.5 g/t Au and a minimum grade*length of 5gmpt. Such intercepts may include material below cut-off but no more than 5 sequential meters of such material and except where the average drops below the cut-off. Salvage is only included where its average grade exceeds 0.5 g/t Au. - Using the same criteria for included sub-grade, supplementary cut-offs, of 2.5g/t Au, 5.0g/t Au and 10g/t Au, may be used to highlight higher grade zones and spikes within the broader aggregated interval. Single assays intervals are reported only where $\geq 5.0\text{g/t Au}$ and $\geq 1\text{m}$ down hole. In core holes, core loss is assigned zero grade. No high grade cut is applied. - No metal equivalent values are used for reporting exploration results.
<i>Relationship between mineralisation widths and intercept lengths</i>	Down hole length is reported for all holes; true width is not known as the orientation of the orebody is not fully understood.
<i>Diagrams</i>	Diagrams show all drill holes material and immaterial to Exploration Results.
<i>Balanced reporting</i>	Details of all holes material to Exploration Results have been reported in the intercept table, and all other drill holes drilled during the reporting period are highlighted on diagrams included in the report.
<i>Other substantive exploration data</i>	Included in the body of the report. Core holes are routinely measured for bulk density determinations to be used for future resource modelling.
<i>Further work</i>	Included in the body of the report.

Trenching - Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
<i>Sampling techniques</i>	Sampling of trenches was done over measured intervals of between 1 and 5 meters dependent on geology. A geo-pick was used to collect a continuous channel sample from the trench faces across the designated interval with the samples collected in calico bags. Samples (3 to 5kg) were prepped on-site (jaw crushed, disk mill pulverised and then split) to produce a 200g pulp sample. A 25g charge was then extracted from the pulp for Au analyses by Aqua Regia digestion followed by an Atomic Absorption Spectroscopy (AAS) instrument finish.
<i>Trenching/Benching techniques</i>	Trenches were created by both hand and mechanical techniques. Hand trenches were dug using spades, crowbars and shovels to depths of between 1 and 2 meters. Creek channel sampling is conducted in the same manner as trenches, where continuous exposure of bedrock is made by hand clearing of vegetation and cover. Mechanised trenches were dug by an excavator or dozer exposing up to 5 meters of trench wall.
<i>Drill sample recovery</i>	N/A
<i>Logging / Mapping</i>	All trenches were qualitatively geologically mapped for lithology, structure and alteration.
<i>Sub-sampling techniques and sample preparation</i>	- Samples are routinely submitted for total pulverisation (85% passing <75 µm) at the company onsite sample preparation facility on Simberi Island. 200g pulps are sent to St Barbara's Simberi Laboratory where a 25g sub-sample is taken. - For Banesa trench samples, the 200g pulps were sent to ALS, Townsville for analysis.
<i>Quality of assay data and laboratory tests</i>	- The Mine Lease samples were analysed for gold at the Simberi Lab using Aqua Regia digestion with a 25g charge and analysis by Atomic Absorption Spectrometry. - The West Simberi and Banesa samples were analysed for gold at ALS (Townsville) via 50g fire assay and AAS finish (Method Au26). At Banesa, Cu, Ag, As, Fe, Mo, Pb, S, Sb and Zn were analysed via Nitric Aqua Regia Digestion and ICP-AES Finish (Method ME-ICP41). - QC included the insertion of two in house blanks at the start of each batch of trench samples, the insertion of certified copper-gold standards (1:100) as well as the collection of field duplicates (1:100).
<i>Verification of sampling and assaying</i>	Sampling data is recorded electronically which ensures only valid non-overlapping data can be recorded. Assay and trench survey data are subsequently merged electronically. All data is stored in a SQL database on secure company server.
<i>Location of data points</i>	- All trenches were initially surveyed by a handheld GPS to capture the trench start point. The GPS used the Tabar Island Grid (TIG) which is based on WGS84 ellipsoid. The path of the trench from the initial start point to the end was surveyed by Tape & Compass method. Trench interval coordinates were then generated using basic trigonometry. - Selected recent trenches have been picked up using dGPS.
<i>Data spacing and distribution</i>	Trench data spacing is irregular and broad spaced.
<i>Orientation of data in relation to geological structure</i>	Where preceding surface mapping and sampling of trenches has contributed to understanding of outcropping geological structures, trenching and sampling has been undertaken to extend the strike length of the mapped structure. However, in many of the areas the lode orientation is poorly understood.
<i>Sample security</i>	Only company personnel or approved contractors are allowed on drill sites; drill core is only removed from drill site to secure core logging/processing facility within the gated exploration core yard; core is promptly logged, cut and prepped on site. The 200gm pulps are then consigned to ALS in Townsville for Au-base metal analysis.
<i>Audits or reviews</i>	No audits or reviews of sampling protocols have been completed.

Trenching - Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary
<i>Mineral tenement and land tenure status</i>	SBM has 100% ownership of the two tenements over the Simberi Islands; ML136 on Simberi Island, and EL609 which covers the remaining area of Simberi Island, as well as Tatau Island and Big Tabar Island. A 4 sub-block ELA2462 is under application.
<i>Exploration done by other parties</i>	CRA, BHP, Tabar JV (Kennecott, Nord Australex and Niugini Mining), Nord Pacific, Barrick and Allied Gold have all previously worked in this area. Nord Pacific followed by Allied Gold was instrumental in the discovery and delineation of the 5 main oxide and sulphide deposits at Simberi.
<i>Geology</i>	The Simberi gold deposits are low sulphidation, intrusion related adularia-sericite epithermal gold deposits. The dominant host rocks for mineralisation are andesites, volcanoclastics and lesser porphyries. Gold mineralisation is generally associated with sulphides or iron oxides occurring within a variety of fractures, such as simple fracture in-fills, single vein coatings and crackle brecciation in the more competent andesite units, along andesite/polymict breccia contact margins as well as sulphide disseminations. On Tatau and Big Tabar Islands, located immediately south of Simberi, potential also exists for porphyry Cu-Au, epithermal quartz Au-Ag and carbonate-base metal Au mineralisation.
<i>Trench/Bench Information</i>	Included in the report text and annotated on diagrams.
<i>Data aggregation methods</i>	- Broad trench intercepts are spikes within the broader aggregated interval using a cut-off of 0.5 g/t Au and a minimum grade*length of 5gmpt. Such intercepts may include material below cut-off but no more than 5 sequential meters of such material and except where the average drops below the cut-off. Selvage is only included where its average grade exceeds 0.5 g/t Au. - Using the same criteria for included sub-grade, supplementary cut-offs, of 2.5g/t Au, 5.0g/t Au and 10g/t Au, may be used to highlight higher grade zones and spikes within the broader aggregated interval. Single assays intervals are reported only where $\geq 1.0\text{g/t}$ and $\geq 5\text{m}$ trench length is intercepted. No high grade cut is applied. - At Banesa, the same method is applied to aggregate gold grades using a 0.5 g/t cut-off grade and minimum grade*length of 5gmpt with no more than 5m of internal dilution and similar selvage restrictions. Within the corresponding Au intercept, Cu grades are reported if above 0.1% Cu. For defining copper intercepts a minimum of 0.1% Cu cut-off grade over 5m is used to define copper aggregated intervals with the corresponding gold grade reported where it is above 0.1g/t Au. Gold grades below this are not reported. Such intercepts may include material below cut-off but no more than 10 sequential meters of such material and except where the average drops below the cut-off. Selvage is only included where its average grade exceeds 0.1 %Cu. Supplementary copper grades above 0.2% Cu and/or 0.5 g/t Au are used to highlight higher gold or copper grade zones within the broad zone. No high grade cut is applied. - No metal equivalent values are used for reporting exploration results.
<i>Relationship between mineralisation widths and intercept lengths</i>	Trench intercepts are sampled along the length of the trench and are reported for all trenches; true width is not reported.
<i>Diagrams</i>	Diagrams show all trenches material and immaterial to Exploration Results.
<i>Balanced reporting</i>	Details of all trenches material to Exploration Results have been reported in the text, and all other trenches dug during the reporting period are highlighted on diagrams included in the report.
<i>Other substantive exploration data</i>	Included in the body of the report.
<i>Further work</i>	Included in the body of the report.

Surface Sampling - Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
<i>Sampling techniques</i>	• Soil samples were collected by first digging through the organic A horizon until the B horizon was reached (Approximately 40cm depth). A bulk sample of approximately 3kg was then collected in a calico bag.
<i>Drilling techniques</i>	• N/A
<i>Drill sample recovery</i>	• N/A
<i>Logging</i>	• All rock chip, float and soil samples were qualitatively logged for lithology, alteration, weathering and colour.
<i>Sub-sampling techniques and sample preparation</i>	• Rock chip, float and soil samples were fully prepared at the company's on-site sample preparation facility on Simberi Island with 200g pulps sent to ALS Laboratory in Townsville for analysis.
<i>Quality of assay data and laboratory tests</i>	• Rock chip, float and soil samples were analysed for gold by ALS Townsville using Aqua Regia digestion with a 50g charge and analysis by Inductively Coupled Plasma Mass Spectroscopy. Base metals were analysed using Inductively Coupled Plasma Atomic Emission Spectroscopy (ICP-AES). QC included insertion of field duplicates (1:100) and low level gold standards (1:100).
<i>Verification of sampling and assaying</i>	• N/A
<i>Location of data points</i>	• All sampling sites were surveyed by a hand held GPS using Tabar Island Grid (TIG) which is based on WGS84 ellipsoid and is GPS compatible.
<i>Data spacing and distribution</i>	• The sampling programs were designed to test the West Simberi catchment areas such that further stages of exploration could be planned.
<i>Orientation of data in relation to geological structure</i>	• N/A
<i>Sample security</i>	• Only trained company personnel were allowed to collect the samples; All samples were held within a secure company building before dispatch to ALS in Townsville for Au-base metal analysis.
<i>Audits or reviews</i>	• No audits or reviews of sampling protocols have been completed.

Surface Sampling - Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary
<i>Mineral tenement and land tenure status</i>	• SBM has 100% ownership of the two tenements over the Simberi Islands; ML136 on Simberi Island, and EL609 which covers the remaining area of Simberi Island, as well as Tatau Island and Big Tabar Island. A 4 sub-block ELA2462 is under application.
<i>Exploration done by other parties</i>	• CRA, BHP, Tabar JV (Kennecott, Nord Australix and Niugini Mining), Nord Pacific, Barrick and Allied Gold have all previously worked in this area. Nord Pacific followed by Allied Gold was instrumental in the discovery and delineation of the 5 main oxide and sulphide deposits at Simberi.
<i>Geology</i>	• The Simberi gold deposits are low sulphidation, intrusion related adularia-sericite epithermal gold deposits. The dominant host rocks for mineralisation are andesites, volcanoclastics and lesser porphyries. Gold mineralisation is generally associated with sulphides or iron oxides occurring within a variety of fractures, such as simple fracture in-fills, single vein coatings and crackle brecciation in the more competent andesite units, along andesite/polymict breccia contact margins as well as sulphide disseminations. On Tatau and Big Tabar Islands, located immediately south of Simberi, potential also exists for porphyry Cu-Au, epithermal quartz Au-Ag and carbonate-base metal Au mineralisation.
<i>Drill hole Information</i>	• N/A
<i>Data aggregation methods</i>	• N/A
<i>Relationship between mineralisation widths and intercept lengths</i>	• N/A
<i>Diagrams</i>	• Figures show all sample sites material and immaterial to Exploration Results.
<i>Balanced reporting</i>	• All trench and soils sample locations with any significant results are shown in Figures.
<i>Other substantive exploration data</i>	• Included in the body of the report.
<i>Further work</i>	• Included in the body of the report.

End of report