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Q3 March 2018 gold production consistent with expectations, improved Q4 outlook increases full year guidance

- **Q3 March 2018 gold production of 85,885 ounces**
- **Improved Q4 production outlook drives increase in FY18 guidance**
- **Strong balance sheet with A$262 million cash and no debt[1]**

St Barbara Limited (ASX:SBM) (the "Company") provides the following production update for the March 2018 quarter (Q3 FY18).

Gwalia produced 56,773 ounces of gold in the quarter, with 127 kt of ore milled at an average grade of 14.2 g/t Au. The Q2 December 2017 Quarterly Report had anticipated that consolidated Q3 production would fall by approximately 12% from production in Q1 and Q2, due mainly to changes in the Gwalia mine sequence to prioritise the main South West Branch lode, and to reset the mining chevron, which reduced the number of available working faces. Raiseboring for the extension project also generated additional waste.

Simberi produced 29,112 ounces of gold in the quarter. Q3 production reflected milled grade of 1.23 g/t Au and 85% recovery, and the loss of 7 days' production due to the illegal work stoppage earlier in March, which was satisfactorily resolved.

Total cash at bank was A$262 million[1] at 31 March 2018 (31 December 2017: A$216 million), after net dividend payments of $16 million and $4 million invested in ABM Resources NL, announced earlier in March.

Further commentary on operations will be provided in the Q3 March 2018 quarterly report due to be released on 19 April 2018, including production costs, cash flow details and an update on the Company's growth projects. Production guidance for the remainder of FY18 has been updated in the table below, reflecting an improved Q4 production outlook. Gwalia is expected to have a strong final quarter, as the mine sequence remains in higher-grade sections of the ore body and the revised stoping front will provide more available stopes. Corresponding cost and capital expenditure guidance for the FY18 year will be provided in the Q3 March 2018 quarterly report.

St Barbara Managing Director and CEO, Mr Bob Vassie, said "The strength of our operations is demonstrated by continued strong cash flow generation during an anticipated lower production quarter. Our cash balance continues to increase while we fund our various growth projects, exploration, investments and dividends. The Company is well placed to capitalise on any further organic or other opportunities to grow shareholder value."

Production Summary		**Year FY17**	**Q1 Sep FY18**	**Q2 Dec FY18**	**Q3 Mar FY18**	**YTD Q3 FY18**	**Guidance FY18[2]**
Production							
Gwalia	oz	265,057	64,283	62,835	56,773	183,891	250 to 260 koz
Simberi	oz	116,044	33,976	36,674	29,112	99,762	125 to 132 koz *(previously 115 to 125 koz)*
Consolidated	oz	**381,101**	**98,259**	**99,509**	**85,885**	**283,653**	**375 to 392 koz** *(previously 365 to 385 koz)*
Milled Grade							Reserve grade[3]
Gwalia	g/t Au	10.3	10.7	10.7	14.2	11.6	7.8
Simberi	g/t Au	1.19	1.27	1.42	1.23	1.30	1.3

1 Financial information unaudited. Cash balance includes $1.2 million restricted cash (31 Dec 2017: $1.2 million).
2 FY18 guidance previously amended in Q2 December 2017 quarterly report (released 23 January 2018).
3 Ore Reserve grade at 30 June 2017, refer Ore Reserves and Mineral Resources Statements (released 23 August 2017).

Investor Relations	Mr Rowan Cole	Company Secretary	+61 3 8660 1900
Media Relations	Mr Tim Duncan	Hinton & Associates	+61 3 9600 1979