

- **Q2 December 2017 production of 99,509 ounces at AISC² of A\$910 per ounce**
- **4th consecutive record quarter at Simberi & FY18 consolidated production guidance upgraded**
- **\$216 million total cash at bank with no debt¹**

Executive Summary

Operations

- **Consolidated gold production** for the December 2017 quarter was 99,509 ounces (Q1 Sep: 98,259 ounces).
- **Consolidated All-In Sustaining Cost² (AISC)** for the December 2017 quarter was A\$910 per ounce (Q1 Sep: A\$889). The average realised gold price for the December quarter was A\$1,686 per ounce (Q1 Sep: A\$1,637 per ounce).
- **Gwalia** (Western Australia) gold production for the December 2017 quarter was 62,835 ounces (Q1 Sep: 64,283 ounces) at AISC of A\$859 per ounce (Q1 Sep: A\$816 per ounce). Mined grade for the quarter was 11.2 g/t Au (Q1 Sep: 10.7 g/t Au) with 187 kt milled (Q1 Sep: 192 kt).
- **Simberi** (PNG) gold production for the December 2017 quarter was a record 36,674 ounces (Q1 Sep: 33,976 ounces). AISC for the quarter was A\$994 per ounce (Q1 Sep: A\$1,027 per ounce). This was the fourth consecutive record quarter for Simberi, with production increasing quarter on quarter by 8%, 6%, 6% and 8% respectively. Production in CY17 was a record 133,208 koz.

Health & Safety

- The quarter saw an increase in the Total Recordable Injury Frequency Rate (TRIFR) from 1.2 at the end of Q1 to 2.4 at the end of Q2 December 2017, as a result of four low-severity recordable injuries.

Gwalia Extension Project

- Work on the Gwalia Extension Project continued during the quarter. The Project remains on schedule and within budget.
- The Project consists of two main components, a ventilation upgrade and paste aggregate fill (PAF)

involving mixing paste from surface with waste crushed underground to fill stope cavities.

- The design and manufacture of the PAF equipment has taken longer than initially planned, however, this is not anticipated to impact the overall project schedule. Approximately 70% (by value) of the PAF components are now on site, with the remaining items contracted.

Exploration

- **Gwalia** (Western Australia) - Activities focused on defining extensions to the Gwalia lode system continued during the quarter, including surface and underground drilling and processing of data from the Q1 3D seismic campaign.
- Three daughter holes (GWDD18H, GWDD18I and GWDD18J) in the 2,000 to 2,200 metres below surface (mbs) resource definition program were completed, with all three showing significant intercepts consistent with earlier results.
- Data interpretation of a **3D seismic program** targeting a 15 km² area around the Gwalia mine has led to the identification of three target areas located between 600 and 1,900 mbs in the immediate north and south of the known lode system. Drill planning is in progress and a program of work is expected in Q3 FY18.
- Drilling of a new hole targeting the potential extension of the lode system at a depth of 2,600 mbs has begun, the deepest hole yet at Gwalia.
- **Pinjin** (Western Australia) - A 16 hole Reverse Circulation (RC) drill program (PJRC023 to PJRC038) for 2,215 metres and a 163 hole Aircore drill program (PJAC01385 to PJAC1547) for 10,658 metres was completed during the quarter, testing 2 and 9 targets respectively.
- **Simberi Island** (PNG) - A single 750 metre drill hole has commenced to test for conceptual porphyry copper-gold potential at depth below the Pigiput open cut (Figure 7.1). Drilling is also planned, seeking to identify more sulphide material to enhance the potential sulphide project.

¹ Financial information unaudited. No interest bearing debt except for equipment leases amounting to approx. A\$0.2 million. Cash balance includes A\$1.2 million restricted cash.

² Non IFRS measure, refer appendix.

- **Option and Farm-in with Newcrest** - Soil sampling at Tupinda (Big Tabar Island) and a regional mapping and rock chip sampling program targeting copper-gold porphyry mineralisation on Tatau Island was completed in the quarter. The first diamond drill hole TTD084 for 977 metres was completed at Talik North on Tatau Island testing for copper-gold porphyry mineralisation. Assay results are pending. (Refer to Page 9 and Figures 7.2 to 7.4).

Finance (unaudited)

- Total cash at bank at 31 December 2017 was A\$216¹ million (30 September 2017: A\$199 million) after income tax payments of \$31 million and further investments in Catalyst Metals Ltd and Peel Mining Ltd totalling \$11.5 million. There were 6,822 ounces of gold inventory on hand at 31 December 2017 (Q1 Sep: 2,538 ounces).
- The Company generated an operational cash contribution² in the December 2017 quarter of A\$79 million (Q1 Sep: A\$86 million).

Outlook

- Guidance for FY18 has been revised upwards and is summarised as follows:
 - Forecast Gwalia gold production of between 250,000 and 260,000 ounces (previously 245,000 to 260,000 ounces) at an AISC of between A\$840 and A\$880 per ounce (previously A\$840 and A\$890 per ounce), with sustaining capex of between A\$35 and A\$40 million (previously A\$35 and A\$38 million), plus growth capex of between A\$50 to A\$55 million.
 - Forecast Simberi gold production of between 115,000 and 125,000 ounces (previously 105,000 to 115,000 ounces) at an AISC of between A\$1,130 and A\$1,230 per ounce (previously A\$1,260 and A\$1,380 per ounce), with capex of between A\$5 and A\$7 million.
 - Forecast exploration expenditure of between A\$16 and A\$20 million, consisting of:
 - A\$8 to A\$10 million at Gwalia
 - A\$4 to A\$5 million at Pinjin in WA and
 - A\$4 to A\$5 million on the Tabar (Simberi) Island group in PNG³

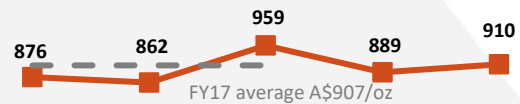
Bob Vassie

Managing Director and CEO
23 January 2018

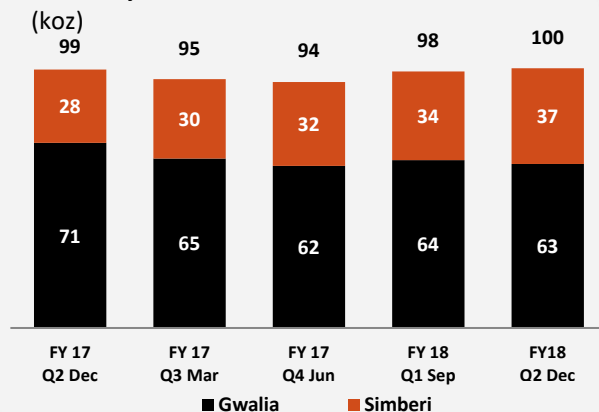
1 Cash balance includes A\$1.2 million restricted cash (Q1 Sep: \$1.2 million).
2 Non-IFRS measure, see cash movements table later in this quarterly report. Corresponds to Operational Cash Flow less sustaining capital, excludes growth capital of A\$11 million (Q1 Sep: \$4 million).

Consolidated results

Quarterly AISC (A\$/oz)



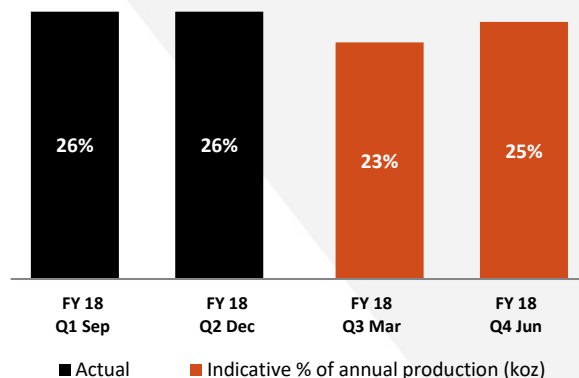
Quarterly Gold Production (koz)



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

FY18 Production

Indicative Quarterly Guidance Profile



Quarterly presentation and audio webcast

Bob Vassie, Managing Director & CEO, will brief analysts and investors on the December 2017 Quarterly Report at 11:00 am Australian Eastern Daylight Time (UTC + 11 hours) on Tuesday 23 January 2018. Participation on the conference call is by personal invitation only.

A live audio webcast will be available on the 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.

3 Excludes copper-gold porphyry exploration on the Tabar Island Group as part of the option and farm-in agreement with Newcrest.

St Barbara Gold Production & Guidance

Production Summary Consolidated		Q4 Jun FY17	Year FY17	Q1 Sep FY18	Q2 Dec FY18	1H FY18	Guidance FY18 ¹
Production							
Gwalia	oz	62,098	265,057	64,283	62,835	127,118	250 to 260 koz <i>(prev. 245 to 260)</i>
Simberi	oz	32,128	116,044	33,976	36,674	70,650	115 to 125 koz <i>(prev. 105 to 115)</i>
Consolidated	oz	94,226	381,101	98,259	99,509	197,768	365 to 385 koz <i>(prev. 350 to 375)</i>
Mined Grade							<u>Reserve grade²</u>
Gwalia	g/t	9.2	10.7	10.7	11.2	10.9	7.8
Simberi	g/t	1.21	1.13	1.21	1.32	1.27	1.3
Total Cash Operating Costs³							
Gwalia	A\$/oz	668	592	621	668	645	n/a
Simberi	A\$/oz	1,048	1,092	964	908	935	n/a
Consolidated	A\$/oz	798	689	740	757	748	n/a
All-In Sustaining Cost³							
Gwalia	A\$/oz	872	785	816	859	838	840 to 880 <i>(prev. 840 to 890)</i>
Simberi	A\$/oz	1,125	1,187	1,027	994	1,010	1,130 to 1,230 <i>(prev. 1260 to 1380)</i>
Consolidated	A\$/oz	959	907	889	910	899	940 to 990 <i>(prev. 970 to 1035)</i>

1 FY18 guidance announced in Q4 June 2017 report (released 26 July 2017) and revised on 9 January 2018 and in this report.

2 Ore Reserve grade at 30 June 2017, refer Ore Reserve and Mineral Resources Statement (released 23 August 2017).

3 Non-IFRS measure, refer Appendix.

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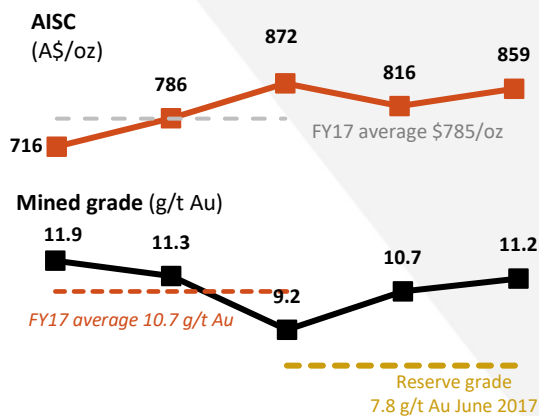
This report contains forward-looking statements that are subject to risk factors associated with exploring for, developing, mining, processing and the sale of gold. Forward-looking statements include those containing such words as anticipate, estimates, forecasts, indicative, should, will, would, expects, 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

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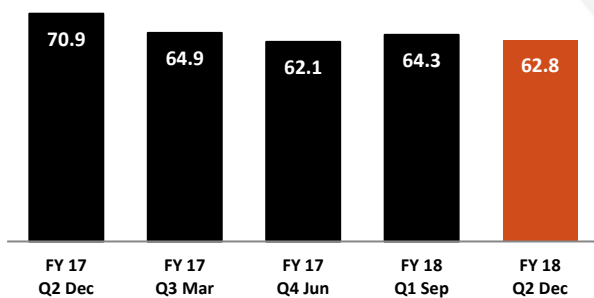
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The Company estimates its reserves and resources in accordance with the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves 2012 Edition ("JORC Code"), which governs such disclosures by companies listed on the Australian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

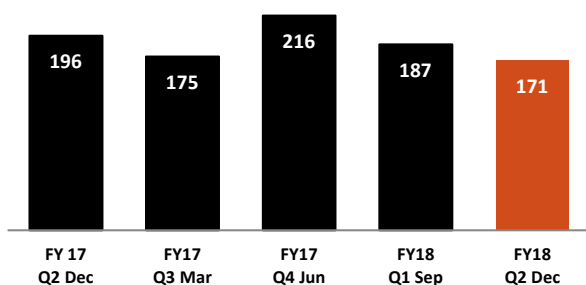
Gwalia, Leonora, WA



Production (koz)



Gwalia underground ore mined (kt)



Operations

- Gwalia gold production for the December quarter was 62,835 ounces (Q1 Sep: 64,283 ounces). Mining was primarily across the 1540, 1580 and 1620 levels.
- Average mined grade for the quarter was 11.2 g/t Au (Q1 Sep: 10.7 g/t Au), as the mining sequence included stopes from higher grade sections of the South West Branch.
- Mined volume of 171 kt (Q1 FY18: 187 kt) was impacted by ongoing proactive ground support upgrade work below the 1540 level. Milled volume was 187 kt (Q1: 192 kt) with an associated drawdown of ore stockpile inventory while the ground support works were ongoing.
- AISC was A\$859 per ounce for the December quarter (Q1 Sep: A\$816 per ounce), with the increase primarily due to stripping and ore inventory adjustments arising from processing ore stockpiles.
- Sustaining mine development and infrastructure capital expenditure in the December quarter was \$8.7 million.

Outlook

- FY18 guidance has been updated towards the upper end of the range previously noted.
- Guidance:
 - Production of between 250,000 and 260,000 ounces (previously 245,000 to 260,000 ounces)
 - AISC of between A\$840 and A\$880 per ounce (previously A\$840 and A\$890 per ounce)
 - Capital expenditure comprising:
 - Sustaining capex: \$35 to \$40 million (previously A\$35 and A\$38 million) and
 - Growth capex: \$50 to \$55 million.

Gwalia animation fly-through

- An animated video of the Gwalia underground mine is available for viewing via our website at www.stbarbara.com.au/investors/image-gallery/video-gallery/

Production Summary		Q4 Jun	Q1 Sep	Q2 Dec
Gwalia		FY17	FY18	FY18
Underground ore mined	kt	216	187	171
Grade	g/t	9.2	11.0	11.2
Ore milled ¹	kt	226	192	187
Grade ¹	g/t	8.8	10.7	10.7
Recovery	%	97	97	97
Gold production	oz	62,098	64,283	62,835
All-In Sustaining Cost ²		A\$ per ounce		
Mining		393	374	384
Processing		152	128	128
Site services		72	60	73
Stripping and ore inventory adjustments		11	17	33
		628	579	618
By-product credits		(2)	(2)	(2)
Third party refining & transport		2	2	1
Royalties		40	42	39
Total cash operating costs		668	621	656
less operating development		(88)	(79)	(84)
Adjusted cash operating cost		580	542	572
Corporate and administration		54	45	51
Corporate royalty		24	25	24
Rehabilitation		3	3	3
Capitalised mine & op development		178	176	177
Sustaining capital expenditure		33	25	32
All-In Sustaining Cost (AISC)		872	816	859

Gwalia Extension Project Expenditure

- Project expenditure to date:
 - FY17 \$8 million (capitalised)
 - FY18
 - Q1 \$4 million (capitalised)
 - Q2 \$11 million (capitalised)

Gwalia Extension Project

Project Description

- The Gwalia Extension Project was announced on 27 March 2017, has an overall budget of A\$100 million, and is expected to be completed between Q1 September 2019 and Q3 March 2020.
- The Project consists of two main components, a ventilation upgrade and paste aggregate fill (PAF). PAF involves underground crushing of waste for use in paste-fill concrete for filling of stope voids.
- The possibility of boring multiple shafts concurrently, with a view to reducing the overall project timeline, is being investigated.

Project Update

- Work on the Gwalia Extension Project continued during the quarter. The project remains on schedule and within budget.
- The design and manufacture of the PAF equipment has taken longer than initially planned, however, this is not anticipated to impact the overall project schedule.
- Raise bore activities have commenced and are progressing well, including drilling of the first pilot hole, plus electrical reticulation, contracting and engineering design work.

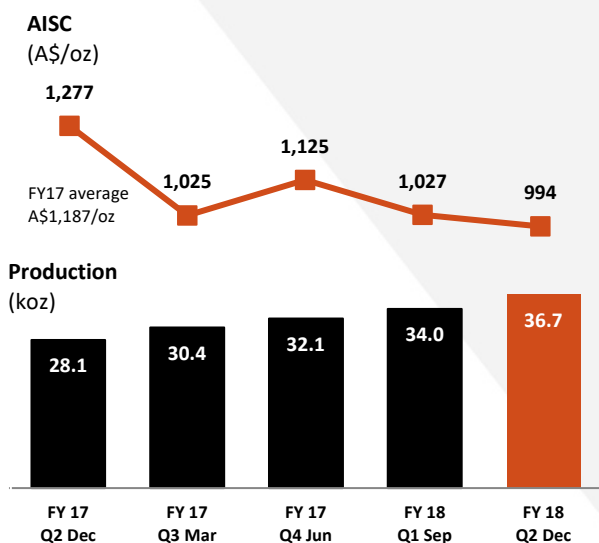
Gwalia Extension Project Summary

Capex	A\$100 million
Construction period	<ul style="list-style-type: none"> • Commenced Q3 Mar 2017 • Anticipated completion between Q1 Sep 2019 and Q3 Mar 2020 • PAF completed in first year
Works	
Ventilation upgrade	<ul style="list-style-type: none"> • Ventilation shafts, power & cooling • Supports mining to at least 2,000 mbs in FY 2024⁴ • Approx. 80% of project budget
Paste Aggregate Fill (PAF)	<ul style="list-style-type: none"> • Underground waste crushing, paste and aggregate fill mixing and pumping • Increase trucking efficiency • Improve stope cycle times • Reduce impact of vent shaft construction on production • Approx. 20% of project budget

¹ Includes Gwalia mineralised waste

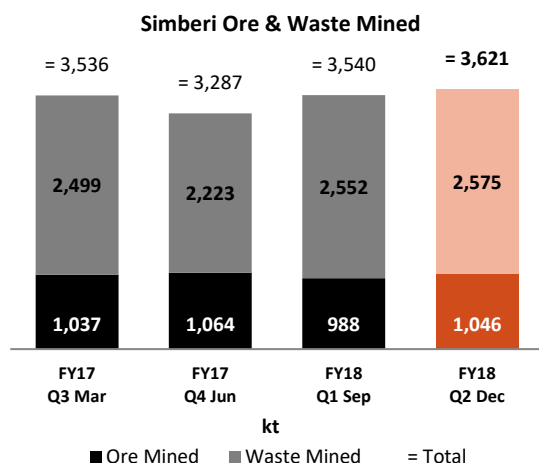
² Non-IFRS measure, refer Appendix

Simberi, Papua New Guinea



Operations

- Simberi gold production for the December quarter was a record 36,674 ounces (Q1 Sep: 33,976 ounces). Half year production of 70,650 ounces was also a record (H2 FY17: 62,558 ounces) and a record 133,208 ounces was produced in the 2017 calendar year (FY17: 116,044 ounces).
- The increased production was primarily due to improved head grade, plus a record quarter for material moved by the aerial rope conveyor and near record results in ore mined and milled. Mining continues to benefit from the intensive strip campaign during the first half of FY17, with higher grade zones of Pigibo and Sorowar now being accessed.
- All In Sustaining Cost (AISC) was A\$994 per ounce for the quarter (Q1 Sep: A\$1,027 per ounce).



Production Summary		Q4 Jun	Q1 Sep	Q2 Dec
Simberi		FY17	FY18	FY18
Ore & waste mined	kt	3,287	3,540	3,621
Ore mined	kt	1,064	988	1,046
Grade	g/t	1.21	1.21	1.32
Ore milled	kt	881	971	936
Grade	g/t	1.35	1.27	1.42
Recovery	%	84	86	86
Gold production	oz	32,128	33,976	36,674
All-In Sustaining Cost ¹	A\$ per ounce			
Mining		388	338	327
Processing		394	366	342
Site services		223	218	201
		1,005	922	870
By-product credits		(2)	(2)	(4)
Third party refining & transport		7	7	7
Royalties		38	37	35
Total cash operating costs		1,048	964	908
Corporate and administration		54	45	51
Rehabilitation		13	13	15
Sustaining capital expenditure		10	5	20
All-In Sustaining Cost (AISC)		1,125	1,027	994

¹ Non-IFRS measure, refer Appendix

Outlook

- FY18 guidance has been upgraded:
 - Production of between 115,000 and 125,000 ounces (previously 105,000 to 115,000 ounces)
 - AISC of between A\$1,130 and A\$1,230 per ounce (previously A\$1,260 and A\$1,380 per ounce)
 - Capex of A\$5 to A\$7 million (US\$4 to US\$5 million).

Exploration – Results December 2017 Quarter

Gwalia Exploration Program, Leonora WA

- **Gwalia Deeps Extension:** The Gwalia Deeps drilling program continued with the successful completion of three new daughter drill holes.
- Daughter holes GWDD18H, GWDD18I and GWDD18J are aimed to provide data allowing the extension of the Resource to 2,200 mbs. The holes entered the Mine Sequence at depths between 2,040 and 2,175 mbs and passed through intervals interpreted to represent Main Lode, South West Branch and South Gwalia Series (SGS2), contained within a broader mineralised shear zone.
- Significant intercepts from these holes are indicated below (all intercepts referenced as metres below surface), with full details set out in Figures 2.0 to 2.2 and Table 1 in the Exploration Figures and Tables appendix.

GWDD18H:

- SGS2 12.9 m @ 3.3 g/t Au (2,248 mbs)

GWDD18I:

- MNL 2.4 m @ 21.4 g/t Au (2,041 mbs)
- SWB 3.6 m @ 2.4 g/t Au (2,049 mbs)
- SGS2 9.0 m @ 6.7 g/t Au (2,070 mbs)

GWDD18J:

- MNL 1.0 m @ 11.4 g/t Au (2,113 mbs)
- SWB 6.6 m @ 12.5 g/t Au (2,129 mbs)
- SGS2 5.4 m @ 3.1 g/t Au (2,161 mbs)

- Drilling of a new hole parent hole (GWDD19) targeting the potential extension of the lode system at a depth of 2,600 mbs has commenced and is expected to reach completion in Q4 June 2018. This will be the deepest hole yet drilled at Gwalia and is directed to a position over 600m down-plunge from previous drill intercepts.
- **Gwalia Seismic Reflection Program:** Data interpretation of a **3D seismic program** targeting a 15 km² area surrounding the Gwalia mine has led to the identification of three areas bearing interpreted geological settings similar to those found associated with the Gwalia deposit. These target areas are to the immediate north and south of the known lode system and located between 600 to 1,900 mbs. Drill hole planning directed at assessing each of these target areas is in progress with drilling expected to start in Q3 March FY18.

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 (1,434 km²) for 485 blocks (Figure 5.0).

- A Reverse Circulation (RC) drilling program comprising 15 holes (PJRC023 to PJRC037) for 2,015 metres was completed in November 2017 at Grahams Find. The RC drilling tested a 1.1 kilometre strike length of anomalous gold in bedrock defined by previous Aircore drilling. A single 200 metre RC hole PJRC038 was completed at Watsons Dam following up a gold in bedrock Aircore anomaly (results pending). Final results have been received (all intercepts downhole, details in Figures 5.1, 5.2 and Table 2) including:
 - PJRC0026 3m @ 1.6 g/t Au from 61m
 - PJRC0034 4m @ 1.6 g/t Au from 35m
 - PJRC0035 6m @ 1.0 g/t Au from 73m
 - PJRC0036 2m @ 1.7 g/t Au from 53m
- Final 1 metre re-splits were received for the remaining holes (PJAC1118 to PJAC1384) from the 564 hole 24,260 metre Aircore program drilled in the September 2017 quarter (Figure 5.3 and Table 3). All other final significant intercepts were quoted in the September 2017 quarter.
- An Aircore drilling program comprising 163 holes (PJAC01385 to PJAC1547) for 10,658 metres was completed in December 2017 (Figure 5.1). The drilling tested a 4.3 kilometre strike length south from Graham's Find prospect and previous 6 g/t Au and 1 g/t Au Aircore drill results south east of Yindi station (Figures 5.2 and 5.3). Preliminary results have been received for the first 31 holes PJAC01385 to PJAC1416 that indicate anomalous gold (≥ 100 ppb Au) and arsenic (≥ 250 ppm As) in bedrock at Graham's Find currently extends for 1.6 kilometres strike length southwards to the northern edge of Lake Rebecca (Figure 5.2).
- A 12 line kilometre surface Fixed Loop Electromagnetic (FLEM) survey was completed in November 2017 following up 20 of the 30 anomalies highlighted by the airborne Electromagnetic (AEM) survey completed in June 2017. The survey was successful in defining 17 bedrock conductors that warrant drilling (Figure 5.4). A preliminary RC drilling program of 17 holes for 3,260 metres has been designed to test the targets late in the March 2018 quarter or early in the June 2018 quarter.

Back Creek, NSW (EL 8214 and EL 8530)

- A 20 hole, 3,000 metre Aircore drill program has been designed using aeromagnetic data and results from the recently completed surface Gravity and Passive Seismic surveys. Two drill fence lines with holes spaced between 400 metres and 800 metres apart were designed to test two targets in the Eastern part of EL8214 (Figure 6.0). A single 300m deep Reverse Circulation drill hole has been designed to test a magnetic high located in EL8530 using 3D inversion

modelling (Figure 6.0). Subject to access and drill rig availability, drilling is planned for the June quarter.

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

- On Simberi Island (Figure 7.0), a detailed pit mapping program and multi-element geochemical review continued to better define controls on oxide and sulphide ore within ML136.
- A single 750 metre drill hole was designed to test gold mineralisation approximately 200m below the limits of historical drilling. The hole will provide information on the potential for porphyry Cu-Au mineralisation at depth below the pit. Drilling commenced in December and is currently at 210m depth (Figure 7.1).
- Exploration continued on EL609 on Tatau and Big Tabar Islands during the December quarter. Detailed creek mapping and rock chip sampling were completed at Daramba North prospect on Tatau Island and a soil program was completed at Tupinda prospect on Big Tabar Island.

Option and Farm-in with Newcrest, Tatau & Tabar Islands, Papua New Guinea

- The St Barbara group (through its wholly owned PNG subsidiary Nord Australex Nominees (PNG) Ltd) entered into an Option and Farm-in Agreement with Newcrest PNG Exploration Limited (a wholly owned subsidiary of Newcrest Mining Limited) in November 2016 for copper-gold porphyry exploration within EL609 and EL2462 on nearby Tatau and Big Tabar Islands.
- A creek mapping, rock chip sampling and trenching program designed to follow-up potential porphyry copper - gold targets highlighted by the soil sampling program covering 36 km² of central Tatau Island was completed in the December 2017 quarter. 26 rock chip samples were collected and 1 kilometre of creek mapping was completed at Daramba North prospect. To date, 1,190 rock samples were collected over Tatau Island during 47 line kilometres of creek mapping. Prospects covered by mapping and rock chip sampling include Kupo, Talik, Talik North, Talik Northwest and Daramba North.
- Results from the surface sampling program received to date highlight the Talik North porphyry prospect as a priority drill target (Figure 7.2). A coincident copper - molybdenum ± gold anomaly in soil and rock chip samples is associated with a 2.3 x 1.6 km magnetic low interpreted to represent an area of magnetite destruction associated with mapped early potassic alteration overprinted by later moderate to strong phyllic alteration.
- A 977.4 metre diamond drill hole TTD084 was completed at Talik North on Tatau Island (Figure 7.3). The drill hole intersected multi-phase monzonitic intrusive and mafic dykes. The lithologies host variable alteration assemblages

overprinted by moderate to strong phyllic alteration above 676 metres. Following a fault zone at 665 metres, competent ground was dominated by weak to strong potassic alteration from 676 metres to the end of hole. Visible trace chalcopyrite was observed locally below 687 metres to the end of hole. Assays are pending and will be reported in the March 2018 quarter. A second diamond drill hole TTD085 commenced at Talik North in January 2018.

- A 107 sample hand auger soil program was completed at Tupinda prospect on Big Tabar Island (Figure 7.4). Assay results are pending.

Expenditure December Quarter (unaudited)

Expenditure on mineral exploration is shown below:

	<u>Q1 Sep</u> <u>2017</u>	<u>Q2 Dec</u> <u>2017</u>	
	A\$ million	A\$ million	
Australia	1.0	1.3	(expensed)
Pacific	0.8	0.8	(expensed)
Gwalia Deep Drilling	1.2	1.4	(capitalised)
	3.0	3.5	

Exploration – March 2018 Quarter

- The map below shows current and planned target areas for the March 2018 quarter.



- Exploration in the March 2018 quarter (Q3 FY18) will focus on:
 - **Gwalia Deeps** 2,000 – 2,200 mbs Assess target opportunities, and commence drilling of daughter holes, directed at extending the Indicated Mineral Resource further to the south.

- **Gwalia Deeps** 2,600 mbs continuation of surface parent hole (GWDD19) directed at the potential down-plunge extension of the Gwalia deposit to 2,600 mbs.
- **3D Seismic Targets** Complete drill target definition and commence a program of work.
- Conduct extensions of the 3D seismic coverage of the Greater Gwalia area to the north and south.
- Conduct IP and SAM geophysical surveys at **Horse Paddock Well** with the aim of identifying King of the Hills style mineralisation.
- Assessment of the results from the 16 hole Reverse Circulation and 163 hole Aircore drilling program completed at **Pinjin** to determine targets that warrant follow-up Aircore or RC drilling.
- Preparations to commence the 17 hole 3,260 metre RC drilling program in the **eastern Pinjin** tenements testing 17 bedrock conductors early in the June quarter.
- Subject to access and drill rig availability, prepare for a 20 hole Aircore and one 300 metre RC hole drilling program at **Back Creek**, to commence in the June quarter.
- As part of the Newcrest option period work program, continuing the regional soil, rock chip sampling and reconnaissance mapping over copper-gold porphyry targets on **Tatau and Big Tabar Islands**. Further, interpretation of the results from the regional multi-element geochemical surveys to determine additional potential diamond drill targets.
- Interpret the results of the first diamond drill hole TTD084 at **Talik North**.
- As part of the Newcrest option period work program, continue diamond drilling of the Talik North copper-molybdenum ± gold porphyry target on **Tatau Island**.
- Interpret the results of the **Tupinda** prospect soil sampling program and commence follow-up surface sampling and mapping if warranted.
- Continue the diamond drill hole testing the down plunge extent of gold mineralisation at **Pigiput** and better understand the potential for porphyry gold-copper mineralisation at depth.
- Subject to access, continuing the soil, rock chip sampling, reconnaissance mapping and trenching over gold targets on **Tatau Island**.

Exploration Investments

- One component of the Company's growth strategy is targeted investments in early to advanced stage exploration through earn-in arrangements, joint ventures or direct equity investments.
- During the December quarter, the Company invested a further \$5 million in the Australian explorer Catalyst Metals Limited (ASX:CYL) and \$6.5 million in the Australian explorer Peel Mining Limited (ASX:PEX), coincidentally bringing its shareholding to approximately 16% of each company.
- Further information on these two companies is available at peelmining.com.au and catalystmetals.com.au.

Health & Safety

- The quarter saw an increase in the Total Recordable Injury Frequency Rate (TRIFR)¹ from 1.2 at the end of Q1 to 2.4 at the end of Q2 December 2017. This was a result of four low-severity recordable injuries across the Company. The workers involved all resumed normal duties.
- While the injuries were of low severity, root cause analysis investigations identified a number of incident specific corrective actions which have been introduced to prevent future reoccurrences.
- There is not a publicly available industry comparison rate for TRIFR. On a like-for-like basis, however, the Company recorded a Lost Time Injury Frequency Rate (LTIFR) of 0.7 at the end of Q2 December 2017, against the most recent available Western Australian gold mining industry average of 2.3².

Finance (unaudited)

- 95,392 ounces of gold were sold in the December quarter, at an average realised gold price of A\$1,686 per ounce (Q1 Sep: 101,970 ounces at A\$1,637 per ounce). There was 6,822 ounces of gold inventory on hand at 31 December 2017 (30 September 2017: 2,538 ounces).
- Total cash at bank at 31 December 2017 was A\$216³ million (30 September 2017: A\$199 million) after an income tax payment of \$31 million and further investments in Catalyst Metals Limited and Peel Mining Limited totalling \$11.5 million as noted previously.
- The tax payment of \$31 million comprised income tax payable in respect of FY17 Australian taxable income and a \$10.5 million tax adjustment for research and development credits previously recognised by the Company.
- In its 2017 Annual Report, the Company reported AusIndustry had reviewed and assessed as ineligible certain research and development credits in accordance with research and

1 Calculated as a rolling 12 month average per million hours worked
 2 WA Dept. Mines, Industry, Regulation and Safety, www.dmp.wa.gov.au/Documents/Safety/MSH_Stats_Posters_SafetyPerfWA_1516.pdf

3 Cash balance includes A\$1.2 million restricted cash (Sep 2017: A\$1.2 million).

development legislation. The statutory review process to consider this matter has concluded in favour of AusIndustry's assessment. As this item was fully provided for at 30 June 2017, there is no further financial impact.

- Hedging in place at the date of this report comprises:
 - 26,000 ounces to be delivered in monthly instalments between January and June 2018 at A\$1,725 per ounce (this hedge initially for 50,000 ounces, announced 12 April 2017).
 - 26,000 ounces to be delivered in monthly instalments between January and June 2018 at A\$1,730 per ounce (this hedge initially for 50,000 ounces, announced 1 June 2017).
- The Company generated an operational cash contribution¹ in the December 2017 quarter of A\$79 million (Q1 Sep: A\$86 million). Cash movements for the December 2017 quarter are summarised in the following table:

Cash movements & balance A\$M (unaudited)	Q4 Jun FY17	Q1 Sep FY18	Q2 Dec FY18
Leonora - operating cash flow ²	53	62	56
Leonora - growth capital	(4)	(4)	(11)
Simberi - operating cash flow ²	20	24	23
Rehabilitation , land management & project costs	-	-	(1)
Corporate costs	(5)	(4)	(6)
Corporate royalties	(2)	(2)	(2)
Exploration ³	(4)	(3)	(4)
Investments ⁴	(3)	(1)	(12)
Income tax payment	-	-	(31)
Proceeds from other receivables ⁵	3	-	-
Working capital movement	4	(10)	4
Cash flows before finance costs	62	62	16
Net interest and finance costs	-	1	1
Dividends paid	-	(25)	-
Net movement for period	62	38	17
Cash balance at start of quarter	99	161	199
Cash balance at end of quarter	161	199	216
Restricted cash inc. in closing balance	-	1.2	1.2

- Non-IFRS measure, see cash movements table this page. Corresponds to Operational Cash Flow less sustaining capital, but excludes growth capital of A\$4 million.
- Net of sustaining capex
- Includes Gwalia deep drilling
- Inc. \$3.3M investment in Peel in Q4 June 2017, \$0.7M in Catalyst in Q1 Sep 2017, and \$5M in Catalyst and \$6.5M in Peel in Q2 Dec 2017.
- Proceeds from King of the Hills deferred payment received in June 2017.

Corporate

- The Company will consider an interim dividend for the 2018 financial year in conjunction with the release of the 31 December 2017 interim financial report due to be released on 21 February 2018.

Share Capital

Issued shares	
Opening balance 30 Sep 2017	515,427,192
Issued	nil
Closing balance 31 Dec 2017	515,427,192
Unlisted employee rights	
Opening balance 30 Sep 2017	5,051,333
Issued 16 Nov 2017 ⁶	1,026,642
Amendment 30 Nov 2017 ⁷	-10
Issued 30 Nov 2017 ⁸	218,748
Issued 8 Dec 2017 ⁹	10
Closing balance 31 Dec 2017	6,296,723
Comprises rights expiring:	
30 June 2018 ¹⁰	3,974,617
30 June 2019 ¹¹	1,076,716
30 June 2020 ¹²	1,245,390
Closing balance 31 Dec 2017	6,296,723

Scheduled Future Reporting

<u>Date</u>	<u>Report</u>
21 February	Half Year Financial Report
19 April	Q3 March 2018 quarterly report

Dates are tentative and subject to change.

- ASX Appendix 3B 16 Nov 2017
- ASX Appendix 3B 30 Nov 2017 (amended)
- ASX Appendix 3B 30 Nov 2017
- ASX Appendix 3B 8 Dec 2017
- If these rights do not vest at 2018, may be retested at 2019 and 2020
- If these rights do not vest at 2019, may be retested at 2020 and 2021
- If these rights do not vest at 2020, may be retested at 2021 and 2022

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
Rowan Cole Company Secretary

Registered Office

Level 10, 432 St Kilda Road
Melbourne Victoria 3004 Australia
Telephone +61 3 8660 1900
Facsimile +61 3 8660 1999
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

Computershare Investor Services Pty Ltd

GPO Box 2975
Melbourne Victoria 3001 Australia
Telephone (within Australia) 1300 653 935
Telephone (international) +61 3 9415 4356
Facsimile +61 3 9473 2500
www-au.computershare.com/investor

American Depositary Receipt enquires:

BNY Mellon Depositary Receipts
www.bnymellon.com/shareowner

Investor Relations

Alistair Reid, Manager Investor Relations +61 3 8660 1900

Substantial Shareholders

	% of Holdings ¹
Van Eck Associates Corporation	11.2%
M&G Investment Management Ltd	6.3%
Vinva Investment Management	5.2%

¹ As notified by the substantial shareholders to 22 January 2018

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, Pinjin and Back Creek 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 2017' released to the Australian Securities Exchange (ASX) on 23 August 2017 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 23 August 2017 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.
- Full details are contained in the ASX release dated 23 August 2017 'Ore Reserves and Mineral Resources Statements 30 June 2017' available at www.stbarbara.com.au.

Exploration Figures and Tables

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

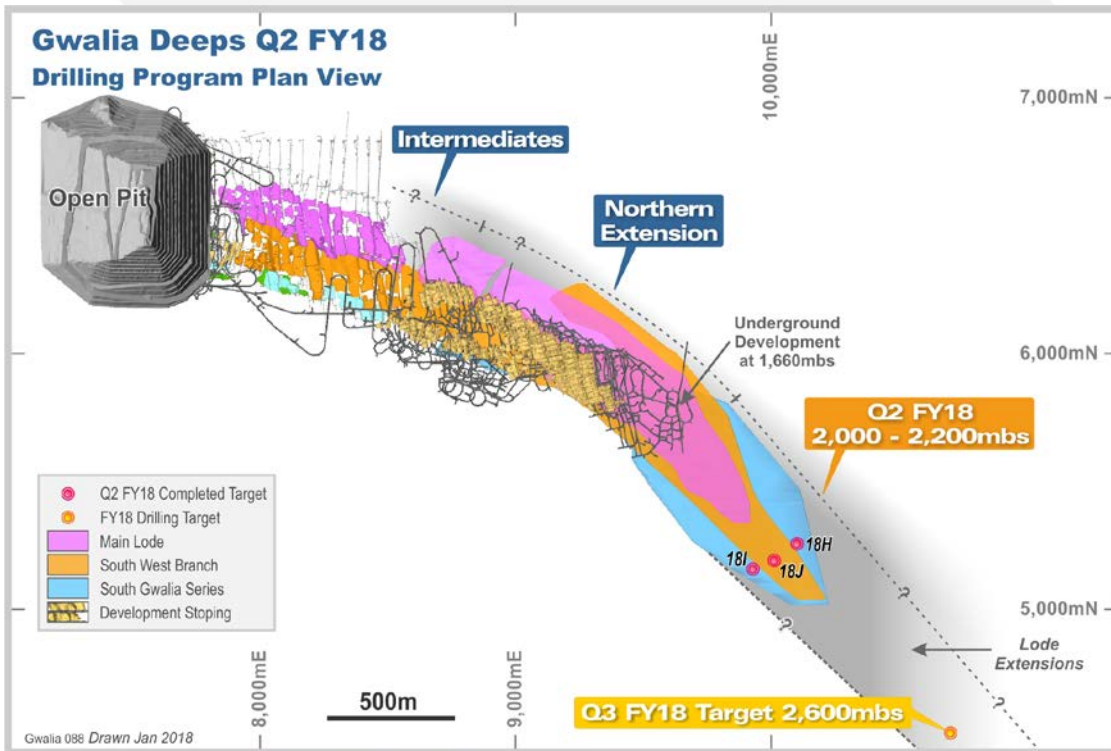


Figure 2.0: Gwalia Deeps Drilling Program Q1 FY18, Cross Section (looking north)

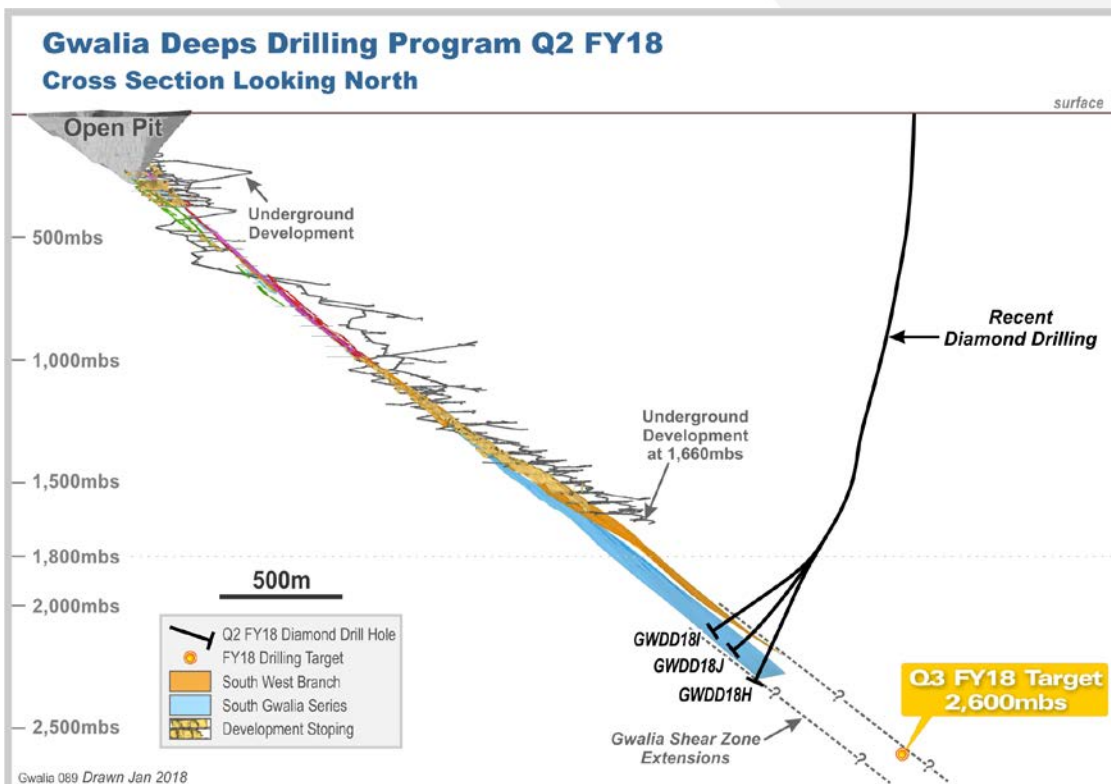


Figure 2.1: Gwalia Deeps Drilling Program Q1 FY18 Results, Long Section (looking west)

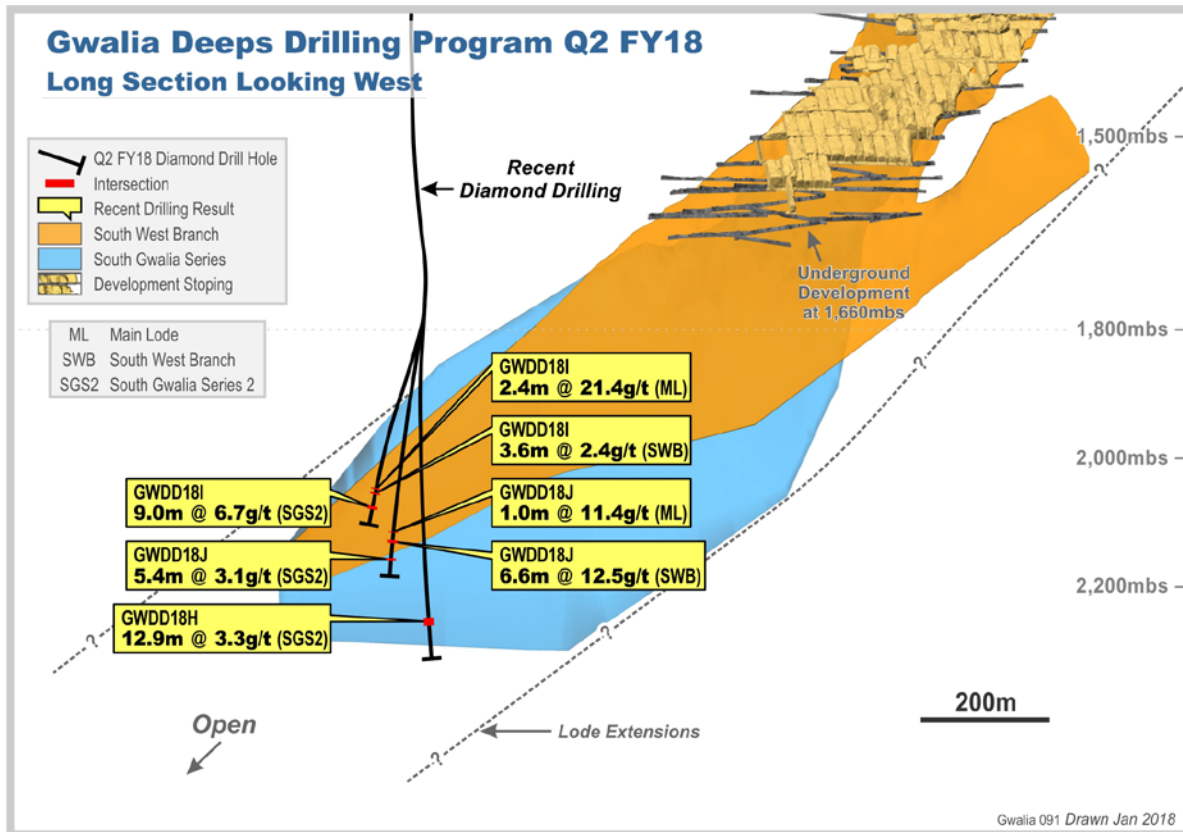


Figure 2.2: Gwalia Deeps Drilling Program Q1 FY18 Results, Cross Section (looking north)

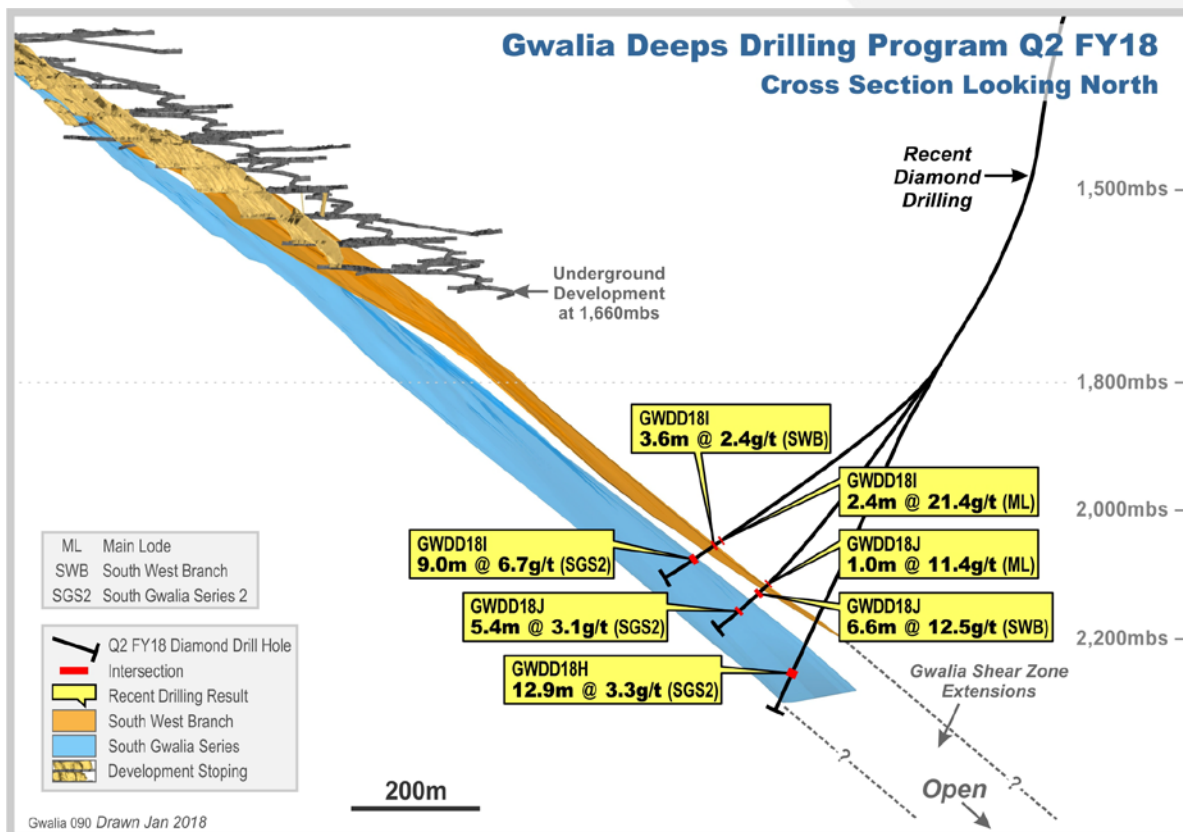


Figure 3.0: Gwalia 3D Seismic Survey, 3D View

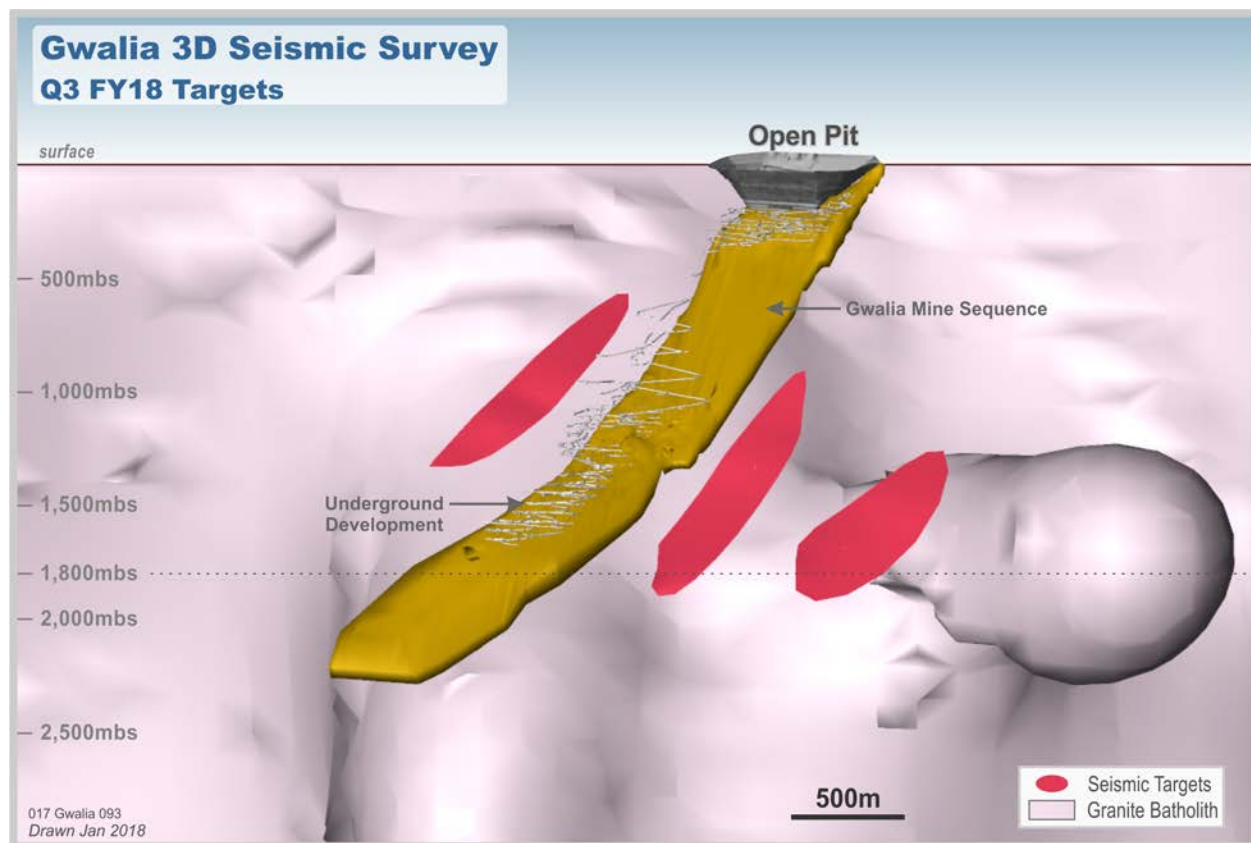


Figure 3.1: Gwalia 3D Seismic Survey, plan view

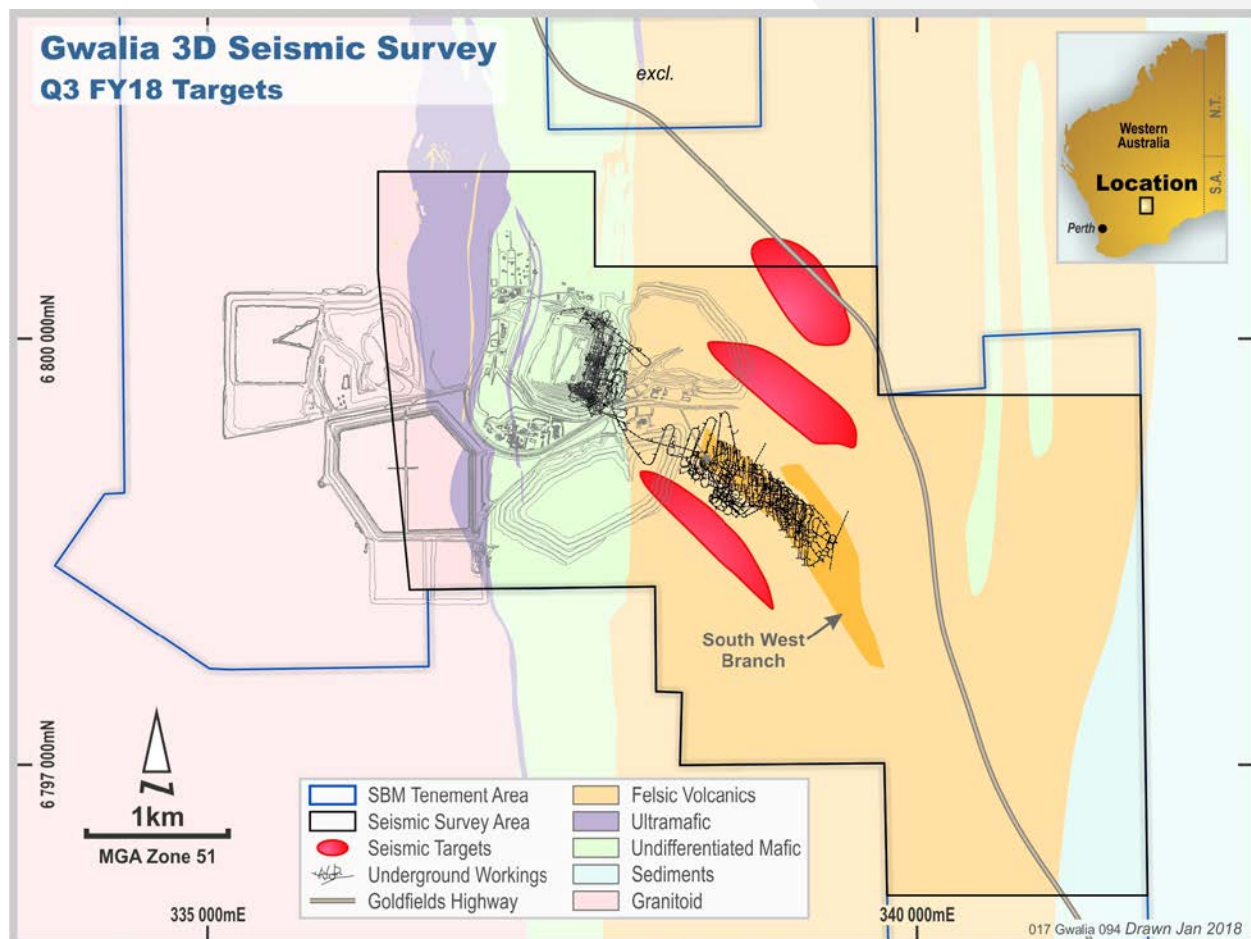


Figure 4.0 Horse Paddock Well – Q2 FY18

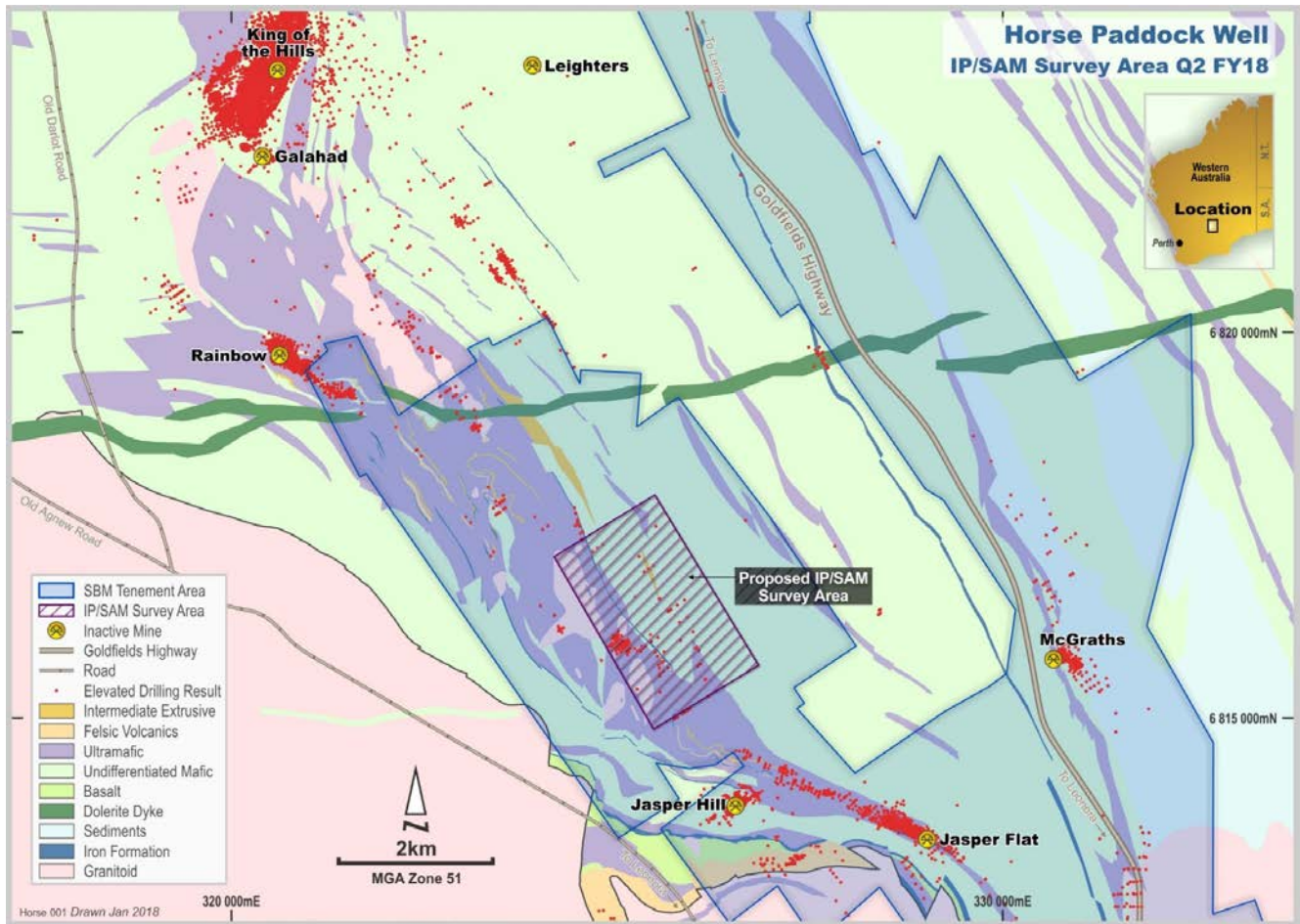


Figure 5.0: Pinjin Project Aircore and Reverse Circulation Drilling Location Map

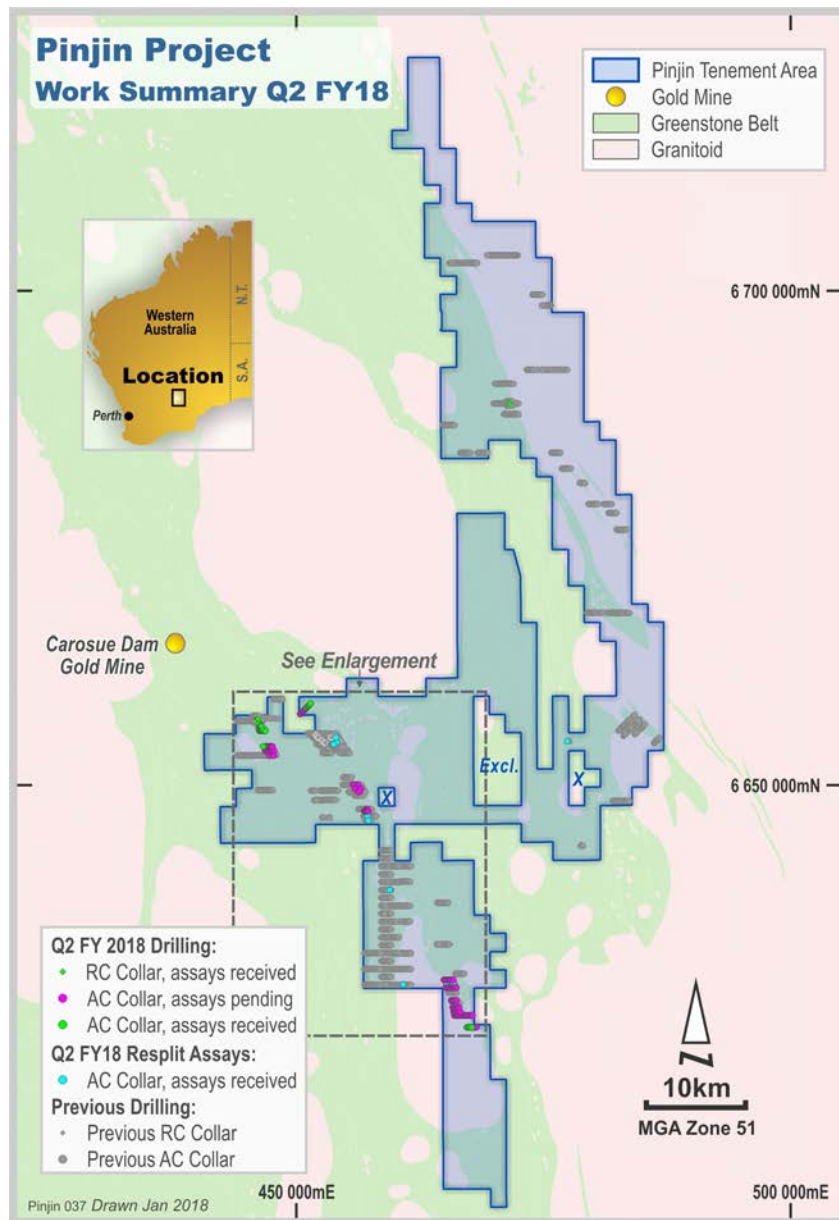


Figure 5.1: Pinjin Project Drilling Results Map (Enlargement) – maximum gold in bedrock

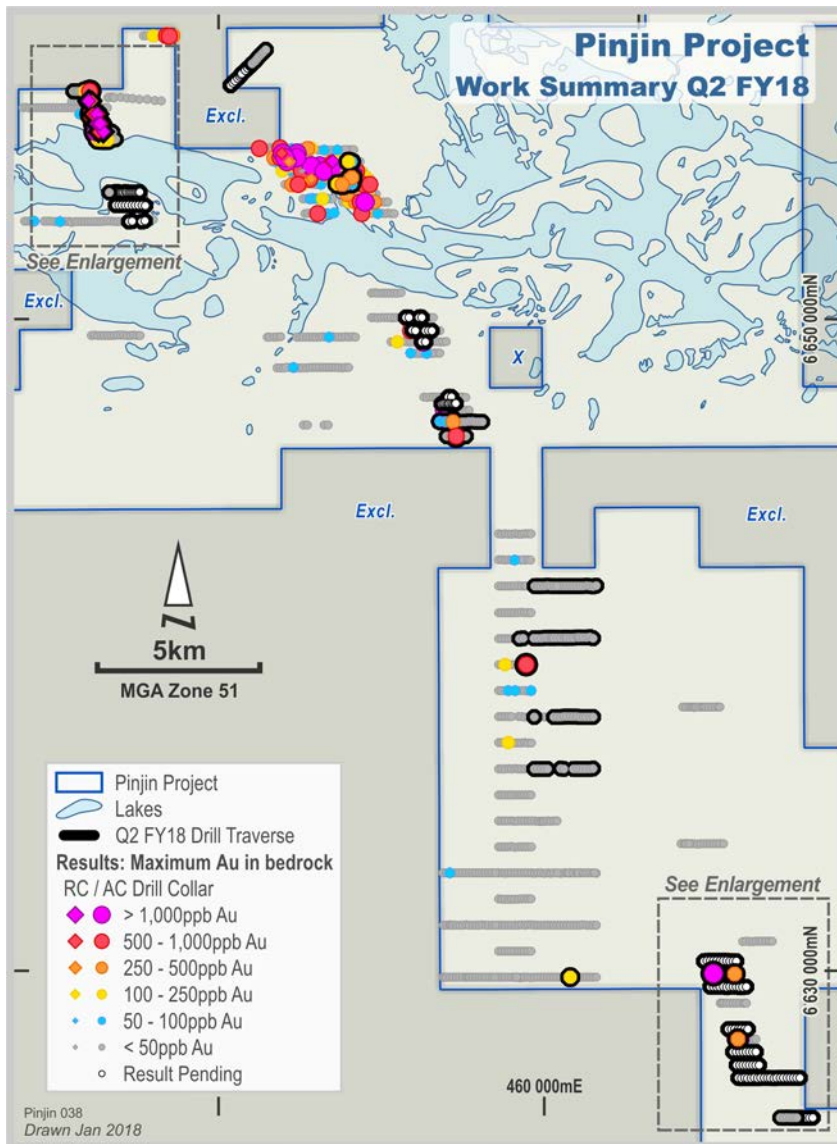


Figure 5.2: Pinjin Project Drilling Results Map (Enlargement) – maximum gold in bedrock

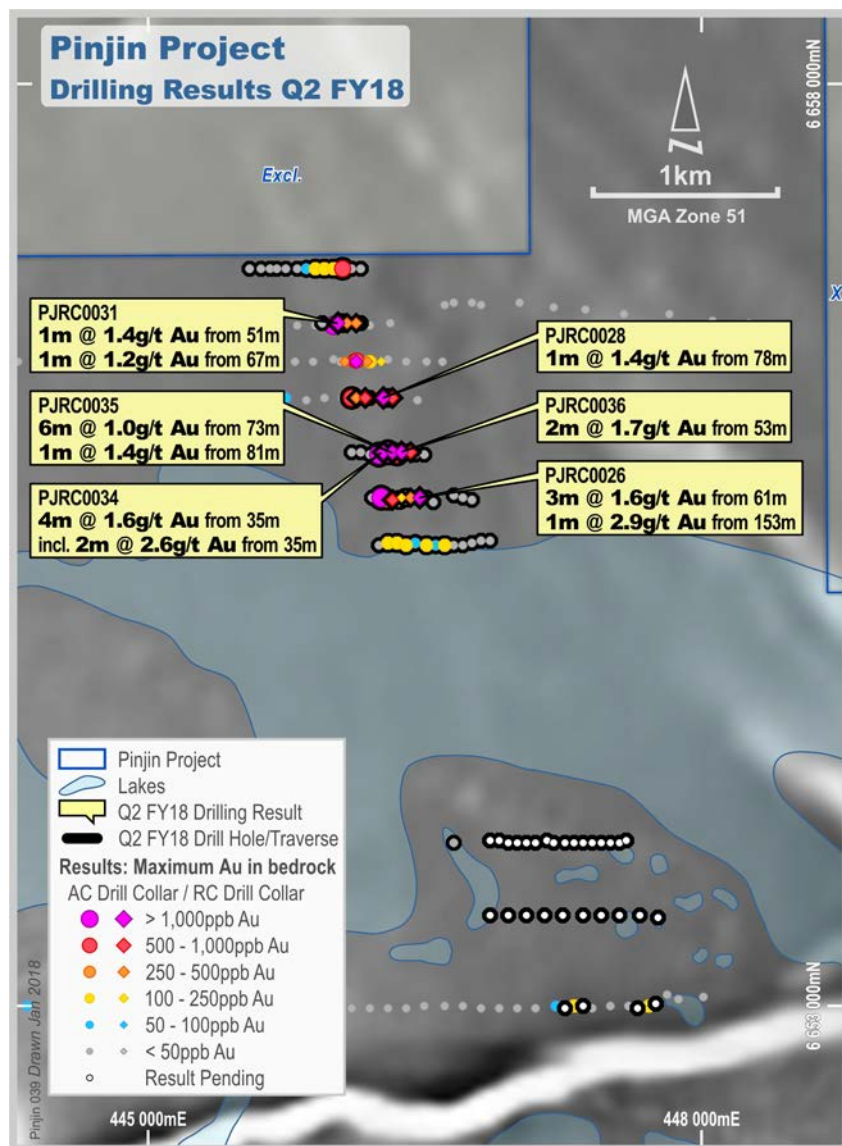


Figure 5.3: Pinjin Project Drilling Results Map (Enlargement) – maximum gold in bedrock

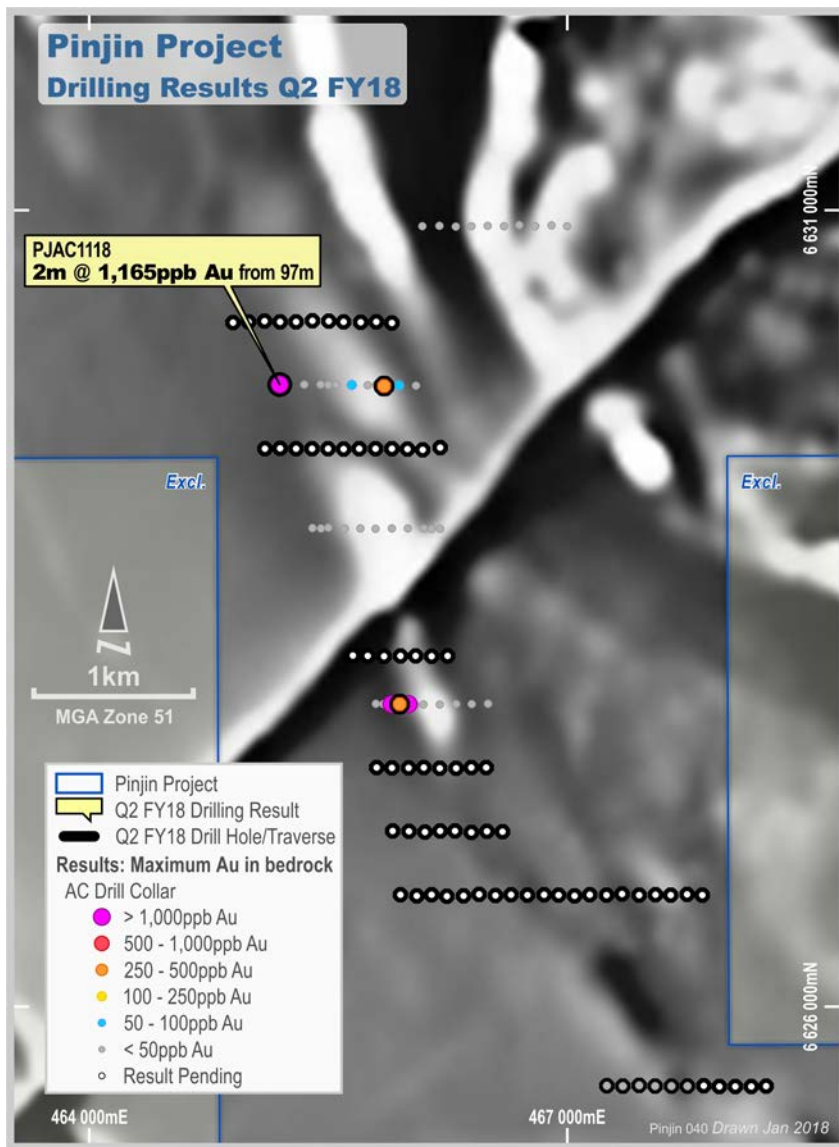


Figure 5.4: Pinjin Project Ground Electromagnetic (EM) Drill Target Location Map

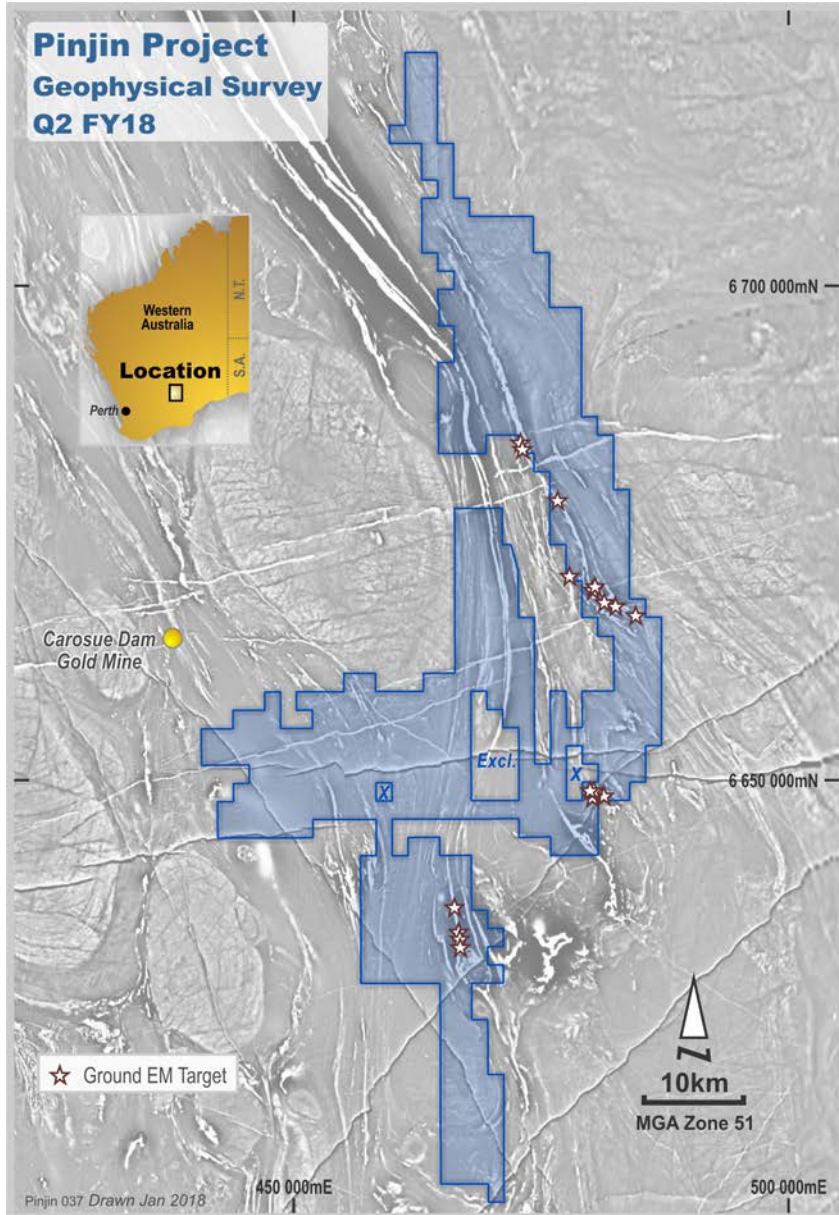


Figure 6.0: Drill Proposal Location Map, Back Creek EL8214 and EL8530, New South Wales

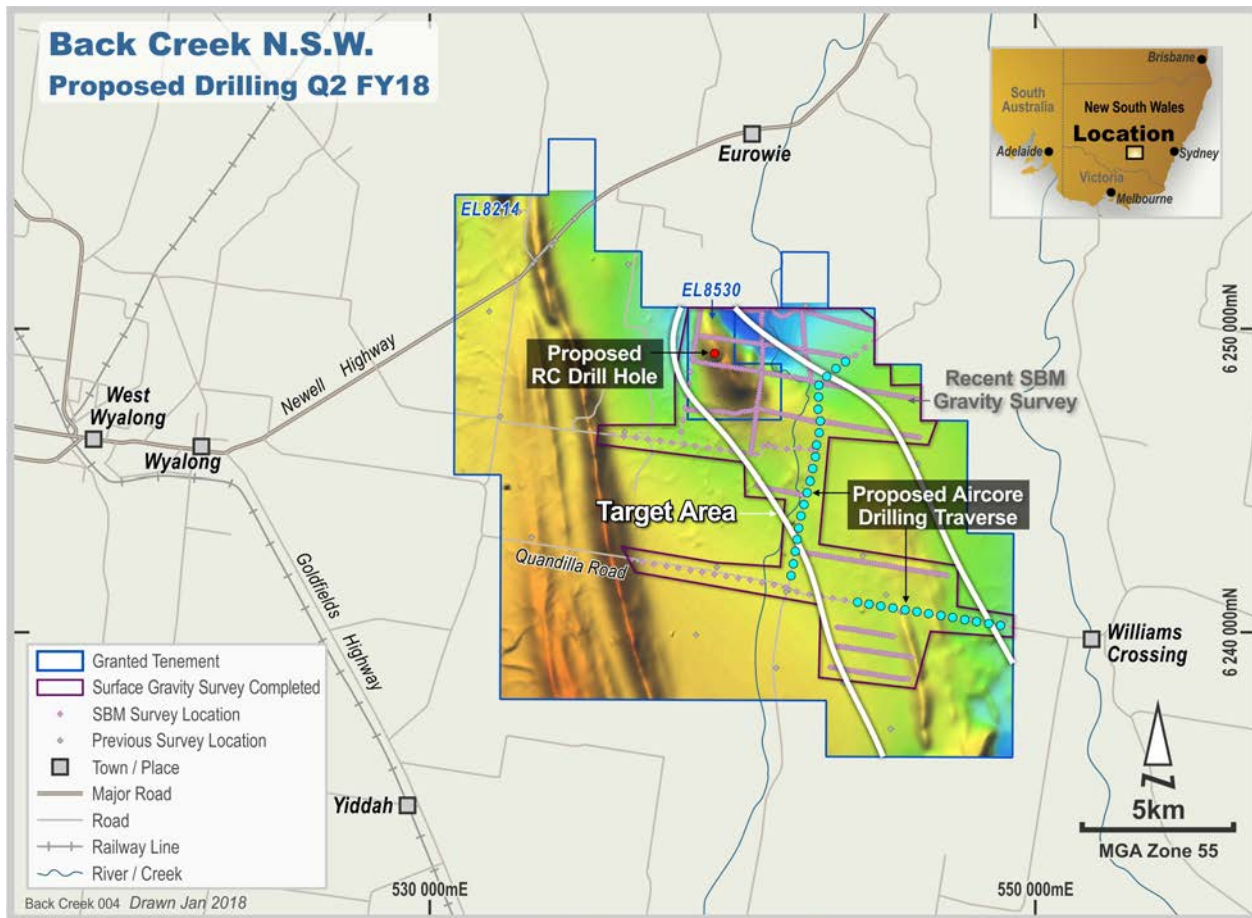


Figure 7.0: Tabar Islands Location Map, Papua New Guinea

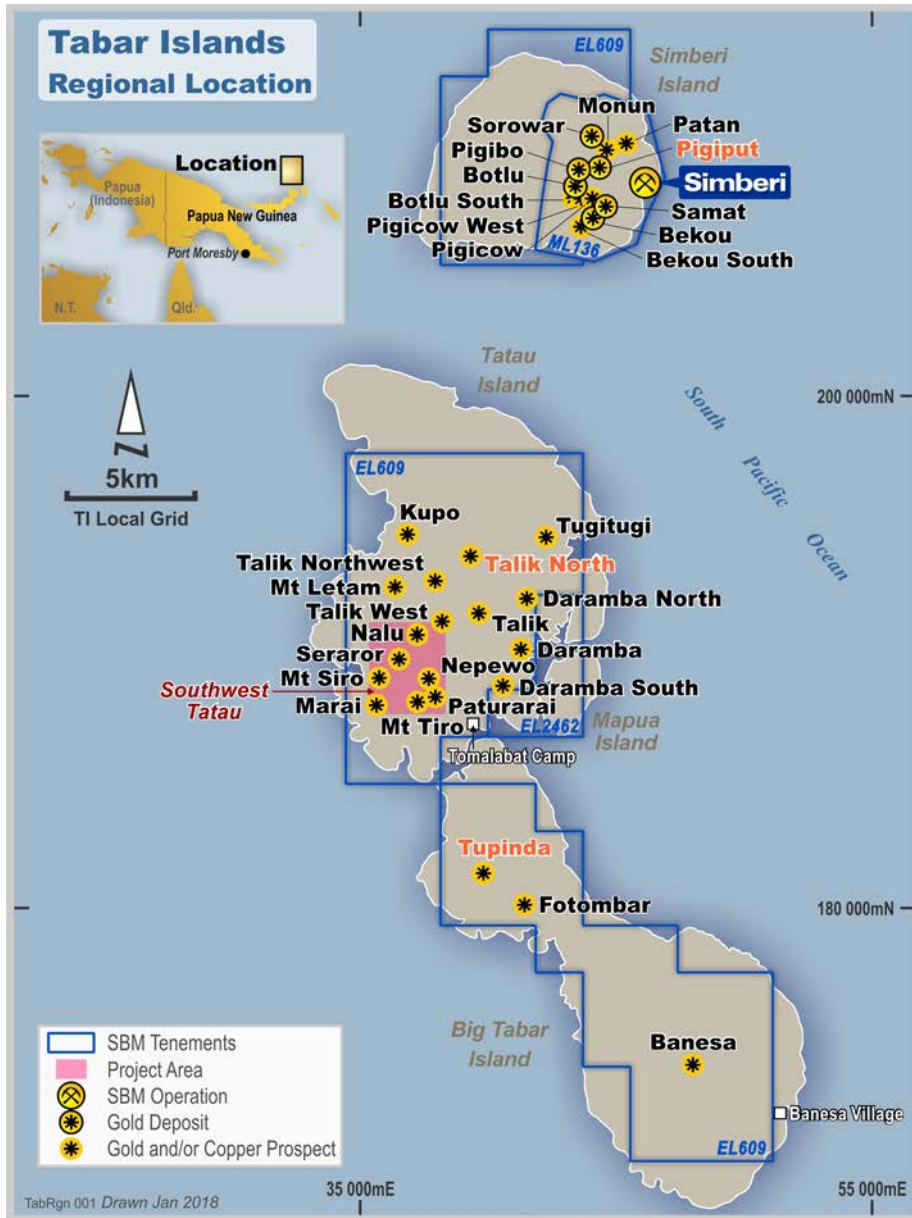


Figure 7.1: Pigiput Schematic Drill Cross Section, Simberi Island, Papua New Guinea

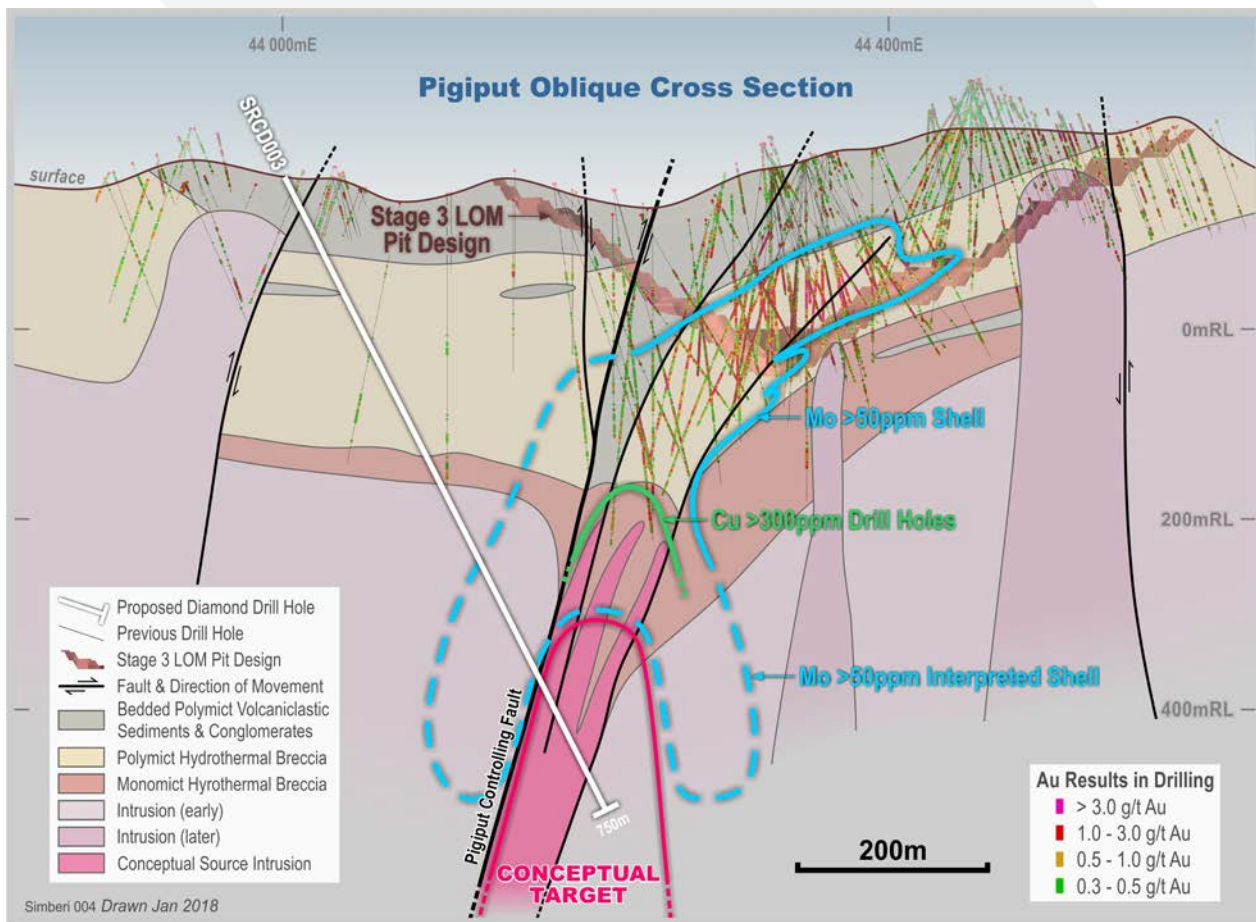


Figure 7.2: Soil and Rockchip Copper Results Map, Tatau Island, Papua New Guinea

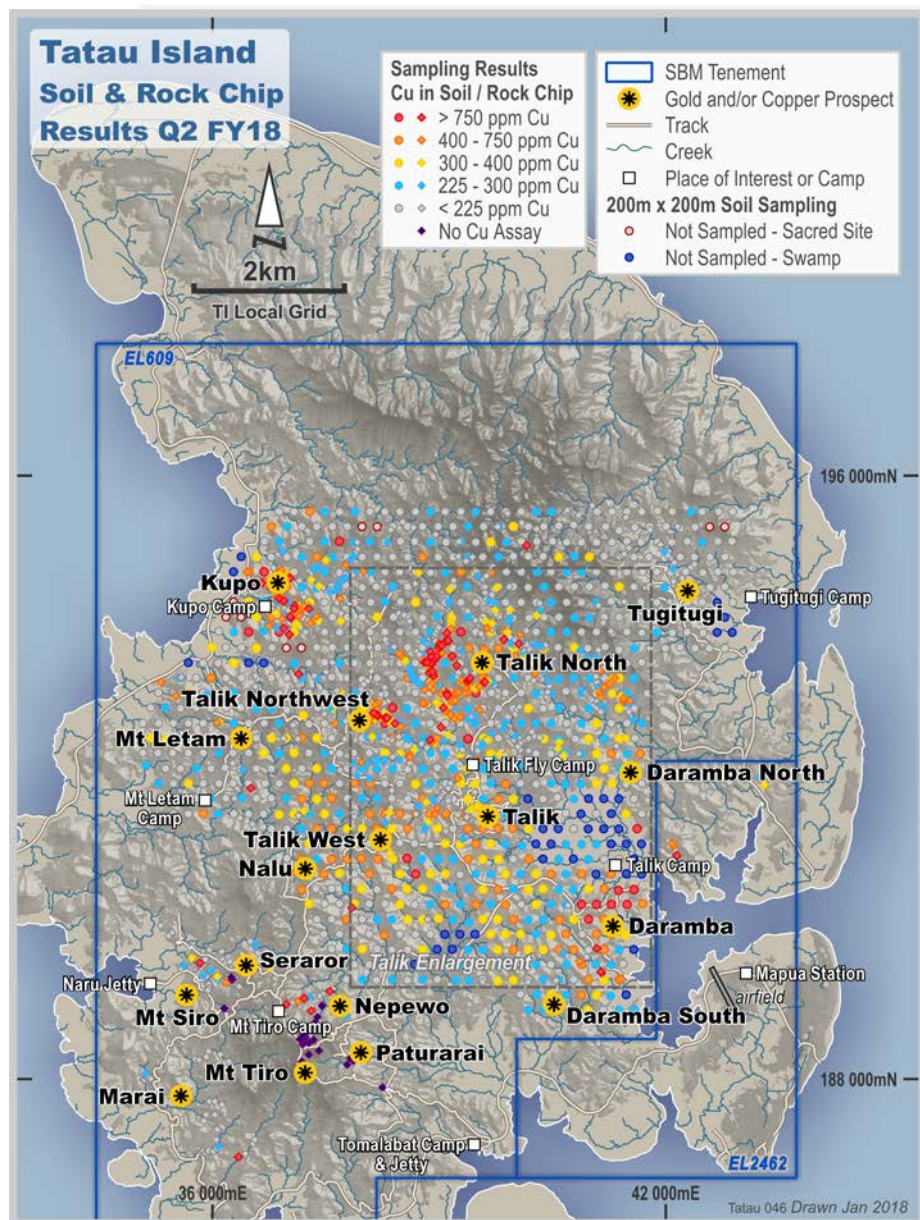


Figure 7.3: Talik TTD084 Drill Location Map, Tatau Island, Papua New Guinea

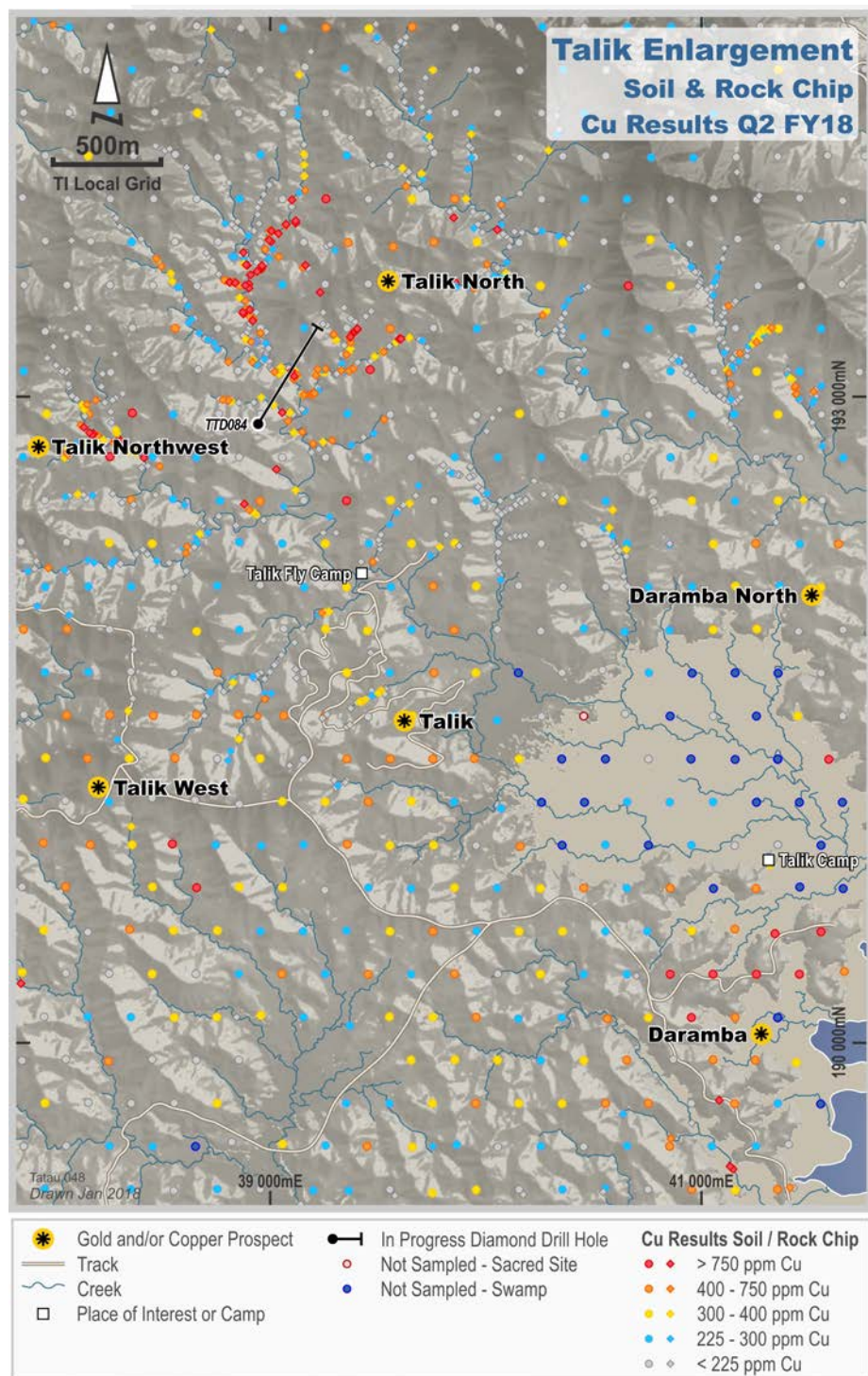


Figure 7.4: Tupinda Soil Location Map, Big Tabar Island, Papua New Guinea

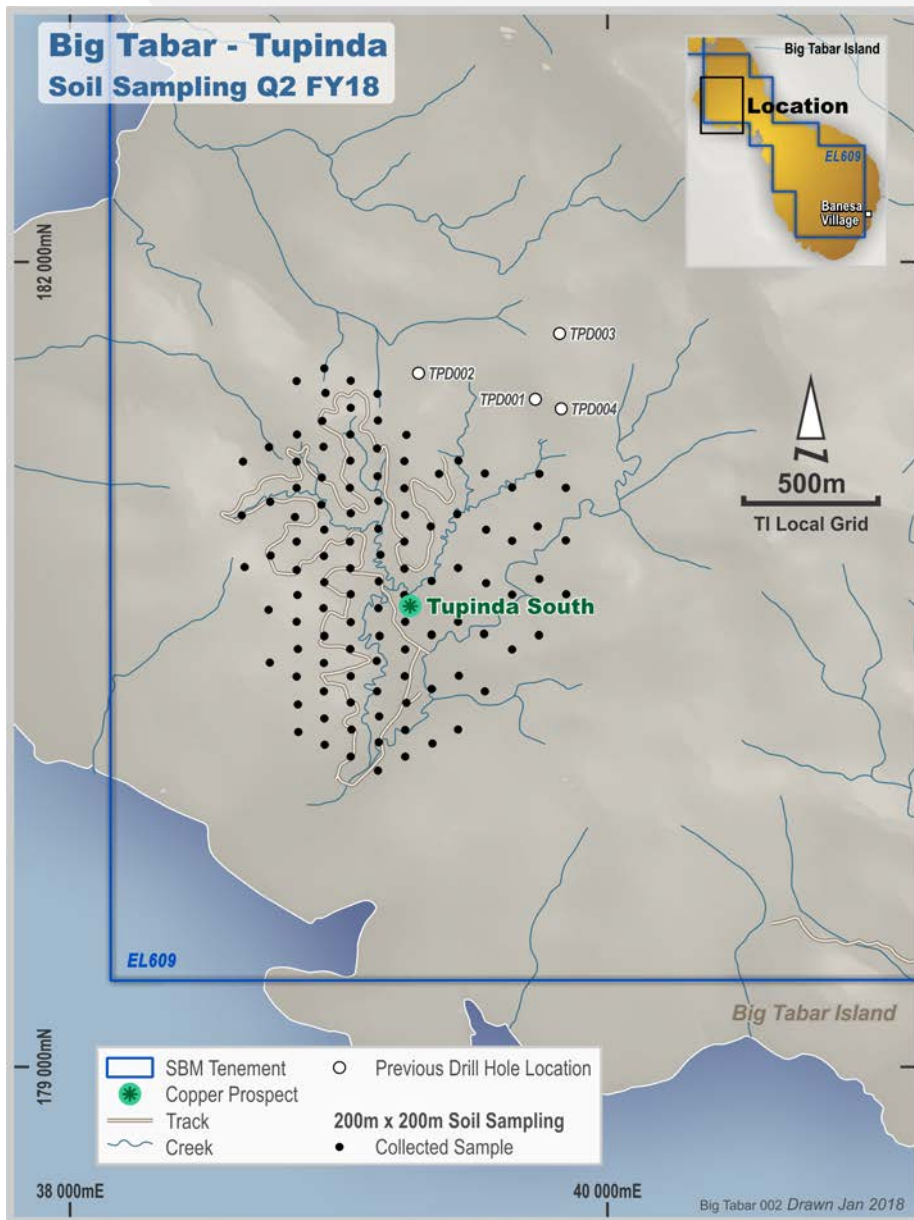


Table 1: Gwalia Deeps Significant Intercepts– Leonora Operations, Gwalia Mine

Hole Id	Down-hole Mineralised Intersection									
	North	East	RL	Metres Below Surface	Lode	Dip/ Azimuth	From	To	Interval	Gold grade
	m	m	m			degrees	m	m	m	g/t Au
GWDD18H	5254	10127	3127	2248	SGS2	-65/278	2365.1	2378.0	12.9	3.3
GWDD18I	5172	10016	3334	2041	MNL	-34/262	2282.0	2284.4	2.4	21.4
GWDD18I	5170	10006	3326	2049	SWB	-34/262	2294.4	2298.0	3.6	2.4
GWDD18I	5166	9973	3304	2070	SGS2	-34/262	2331.0	2340.0	9.0	6.7
GWDD18J	5197	10095	3262	2113	MNL	-45/264	2273.7	2274.3	1.0	11.4
GWDD18J	5195	10082	3246	2129	SWB	-43/264	2291.9	2298.5	6.6	12.5
GWDD18J	5191	10056	3214	2161	SGS2	-40/265	2334.1	2339.5	5.4	3.1

NOTES:

High grade cuts have not been applied.
Dip and Azimuth angles estimated at intercept depth.
Coordinates and Azimuth referenced to Gwalia Local Mine Grid
Reported intercepts are all down hole lengths.
Numbers have been rounded to one significant figure.

Table 2: Pinjin Reverse Circulation Significant Intercepts – Yilgarn, WA

Hole Id	North m	East m	RL m	Dip/ Azimuth degrees	Total Depth m	Down-hole Mineralised Intersection				
						From m	To m	Interval m	Gold grade Au g/t	Comments
PJRC0023	6,655,749	446,321	330.4	-60 / 270	180	36	37	1	0.8	Oxide
PJRC0026	6,655,757	446,473	331.4	-60 / 270	180	61	64	3	1.6	Transition
<i>including</i>						61	62	1	2.3	<i>Transition</i>
						153	154	1	2.9	Fresh
PJRC0027	6,656,300	446,324	333.2	-60 / 270	200	60	61	1	0.6	Oxide
						167	168	1	0.6	Fresh
PJRC0028	6,656,300	446,274	333.2	-60 / 270	120	51	52	1	0.5	Oxide
						78	79	1	1.4	Fresh
PJRC0029	6,656,300	446,175	332.6	-60 / 270	180	27	28	1	0.6	Oxide
						34	35	1	0.7	Oxide
PJRC0031	6,656,700	446,025	335.0	-60 / 270	120	51	52	1	1.4	Oxide
						67	68	1	1.2	Transition
						84	86	2	0.7	Fresh
PJRC0034	6,656,000	446,273	331.9	-60 / 270	168	35	39	4	1.6	Oxide
<i>including</i>						35	37	2	2.6	<i>Oxide</i>
						43	45	2	0.6	Oxide
						46	47	1	0.5	Oxide
PJRC0035	6,656,000	446,323	330.9	-60 / 270	200	39	40	1	0.7	Oxide
						67	68	1	0.8	Fresh
						73	79	6	1.0	Fresh
<i>including</i>						76	77	1	2.7	<i>Fresh</i>
						81	82	1	1.4	Fresh
PJRC0036	6,656,000	446,375	329.4	-60 / 270	200	53	55	2	1.7	Transition
<i>including</i>						54	55	1	2.5	Transition
PJRC0037	6,656,000	446,424	329.4	-60 / 270	185	29	30	1	0.9	Oxide

NOTES:

Coordinates and Azimuth referenced to MGA94 zone 51 Grid.

Reported intercepts are all down hole lengths.

Numbers have been rounded to one significant figure.

Table 3: Pinjin Aircore Significant Intercepts – Yilgarn, WA

Hole Id	North m	East m	RL m	Dip/ Azimuth degrees	Total Depth m	Down-hole Mineralised Intersection				
						From m	To m	Interval m	Gold grade Au ppb	Comments
PJAC1118	6,629,905	445,196	434.6	-60 / 270	100	97	99	2	1,165	Transition
PJAC1317	6,639,401	459,453	383.9	-60 / 270	51	45	46	1	582	Oxide
PJAC1367	6,655,761	446,258	331.8	-60 / 270	61	45	46	1	1,500	Oxide
PJAC1381	6,646,400	457,297	349.0	-60 / 270	72	41	42	1	518	Oxide

NOTES:

Coordinates and Azimuth referenced to MGA94 zone 51 Grid.

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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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. All coordinates and Azimuth are specified in using the Gwalia Local Mine Grid (LE_SGMG). The two-point transformation of MGA_51 to LE_SGMG is detailed below: <table border="1"> <thead> <tr> <th>Grid</th> <th>Azimuth</th> <th>MGAE 1</th> <th>MGAN 1</th> <th>MGAE 2</th> <th>MGAN 2</th> <th>GridE 1</th> <th>GridN 1</th> <th>GridE 2</th> <th>GridN 2</th> <th>Rotation</th> <th>Scale</th> </tr> </thead> <tbody> <tr> <td>LE_SGMG Sons of Gwalia Mine Grid</td> <td>15.13</td> <td>337371.157</td> <td>6800342.586</td> <td>340246.451</td> <td>6799408.751</td> <td>7200.281</td> <td>6987.844</td> <td>10219.711</td> <td>6836.814</td> <td>344.522</td> <td>1</td> </tr> </tbody> </table>	Grid	Azimuth	MGAE 1	MGAN 1	MGAE 2	MGAN 2	GridE 1	GridN 1	GridE 2	GridN 2	Rotation	Scale	LE_SGMG Sons of Gwalia Mine Grid	15.13	337371.157	6800342.586	340246.451	6799408.751	7200.281	6987.844	10219.711	6836.814	344.522	1
Grid	Azimuth	MGAE 1	MGAN 1	MGAE 2	MGAN 2	GridE 1	GridN 1	GridE 2	GridN 2	Rotation	Scale														
LE_SGMG Sons of Gwalia Mine Grid	15.13	337371.157	6800342.586	340246.451	6799408.751	7200.281	6987.844	10219.711	6836.814	344.522	1														
Data spacing and distribution	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Sampling is perpendicular to lode orientations and is sound based on past production and underground mapping. 																								
Sample security	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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
Mineral tenement and land tenure status	<ul style="list-style-type: none">SBM has 100% ownership of the two tenements M37/25 and M37/333 over the Gwalia deposit.
Exploration done by other parties	<ul style="list-style-type: none">Western Mining Corporation (WMC) and Sons of Gwalia (SGW), have previously completed deep diamond drilling below 1,100 metres below surface
Geology	<ul style="list-style-type: none">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.
Drill hole Information	<ul style="list-style-type: none">Drill hole information is included in intercept table outlining mid-point co-ordinates including vertical hole depth and composited mineralized intercepts lengths and depth.
Data aggregation methods	<ul style="list-style-type: none">Down hole intercepts are reported as length weighted averages. No high grade cut is applied.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none">Down hole length is reported for all holes; true width is not immediately known until further drilling is completed and the orebody modelled.
Diagrams	<ul style="list-style-type: none">Appropriate diagrams are included within the body of the report
Balanced reporting	<ul style="list-style-type: none">Details of all holes material to Exploration Results have been reported in the intercept table.
Other substantive exploration data	<ul style="list-style-type: none">These holes test the deepest limits of mineralisation and no other data is available
Further Work	<ul style="list-style-type: none">Further exploration drill holes are planned
Balanced reporting	<ul style="list-style-type: none">Details of all holes material to Exploration Results have been reported in the intercept table.
Other substantive exploration data	<ul style="list-style-type: none">Data is included in the body of the report
Further Work	<ul style="list-style-type: none">Follow-up drilling is planned and is discussed in the body of the report

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- 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>	<ul style="list-style-type: none"> Sampling was conducted via Aircore and RC drilling. RC drill holes were on 50m spacing's with line spacing's of 200m, 250m or 300m. AC drill holes were on 50m or 100m spacing's with line spacing's ranging between 250m and 1.2km or as individual scout lines. Samples were collected from a rig-mounted cyclone by bucket and were then placed directly on the ground in neat rows of ten or twenty. Drill spoil was sampled with a scoop to generate 4m composite samples of approximately 3kg. During RC drilling one meter samples were also generated by the rigs cone splitter system and collected in calico bags, these were left on the ground on top of the corresponding meter of drill spoil. Some of the one meter samples were then submitted for assaying based on the results of the initial 4m composite sampling. The 3kg Aircore composite samples were submitted to Bureau Veritas Minerals Pty Ltd, Perth where they were sorted and dried, crushed to 10mm and pulverised to -75µm. A 40g charge of pulverised 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. The 3kg RC composite samples were submitted to Bureau Veritas Minerals Pty Ltd, Perth where they were sorted and dried, crushed to 10mm and pulverised to -75µm. A 40g charge of pulverised sample was then analysed for Au by Fire Assay with an ICP finish to a detection limit of 1ppb. The same pulp 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 pulverised to -75µm. A 40g charge of pulverised sample was then analysed for Au, Pd & Pt by Fire Assay with an ICP finish to a detection limit of 1ppb. Representative specimens of end of hole Aircore rock chips were stored in plastic chip trays for future reference. For RC drilling a representative specimen of every meter was stored in plastic chip trays for future reference. The EOH Aircore samples as well as a selection of RC samples were submitted to Genalysis and were prepared in the same manner. A 10g charge of pulverised 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). Anomalous RC composite samples are sub-sampled using previously completed one metre samples collected by the rigs cone splitter system. These were submitted to Bureau Veritas Minerals Pty Ltd, Perth where they were sorted and dried, crushed to 10mm and pulverised to -75µm. A 40g charge of pulverised sample was then analysed for Au by Fire Assay with an ICP finish to a detection limit of 1ppb.
<i>Drilling techniques</i>	<ul style="list-style-type: none"> Aircore drilling was carried out by two different Aircore rigs, one using an 85mm bit and the other using a 97mm bit. All holes were drilled to refusal which was generally at the fresh rock interface. Drilling was carried out by Raglan Drilling who utilised truck mounted R/A 180 Rigs with 750 cfm and 350 psi. RC drilling was carried out using a 145mm hammer bit. Drilling was completed by Raglan Drilling who utilised a truck mounted SCHRAMM T685W rig with Sullair 1150/350 on board air.
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> Sample recoveries and condition (wet/dry) were routinely 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>	<ul style="list-style-type: none"> All drill holes were logged in full for lithology, alteration, weathering/regolith and colour. Aircore and RC logging is both qualitative and quantitative.
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> Aircore and RC samples were collected as both dry and wet samples using a sample scoop. All composite samples were sorted, dried, crushed and pulverised to produce a 40g charge prior to fire assay. Samples were collected at 1m intervals and composited in 4m samples using a scoop to sample individual metre samples. QC procedures for 4m composite sampling involved the insertion of certified reference material, field duplicates and blanks at a ratio of 1:50. Bureau Veritas inserted certified standards and replicates and lab repeats.
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> The Aircore composite samples used a 40g charge with an aqua regia digest which is considered appropriate for analysis of the regolith dominated sample medium. The RC composite sampled used a 40g charge for fire assay which is considered appropriate for gold mineralisation in fresh rock material. Certified reference material was inserted into the sample stream at a ratio of 1:50. Field duplicates and blanks were inserted at a ratio of 1:50. Bureau Veritas inserted certified standards and replicates and lab repeats.

Criteria	Commentary
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> Primary geological and sampling data were recorded 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>	<ul style="list-style-type: none"> Prior to drilling, all holes were marked out using a handheld GPS with $\pm 3m$ accuracy for easting, northings and $\pm 10m$ elevation. Upon completion of the program all holes were resurveyed using a dGPS with decimetre accuracy to determine the final collar positions. No downhole surveys were conducted on Aircore holes. All RC holes were surveyed downhole by Raglan drilling at 30-50m intervals. Raglan used a Reflex multishot camera tool. All locations were captured in MGA94 zone 51 grid.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> RC drill holes were on 50m spacing's with line spacing's of 200m, 250m or 300m. AC drill holes were on 50m or 100m spacing's with line spacing's ranging between 250m and 1.2km or as individual scout lines. Aircore and RC results reported are based on the 1m Fire Assay re-splits of original 4m composite samples.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> All RC holes and the majority of Aircore drill holes had a dip and azimuth of $-60/270$. AC holes were drilled vertically in areas were transported cover made drilling difficult. Due to the early stage of the project there is not yet an exact understanding of the primary orientation of mineralisation.
<i>Sample security</i>	<ul style="list-style-type: none"> Only trained and experienced contractors and company personnel were allowed to collect the samples; all samples were held within a secure company location before dispatch to Bureau Veritas in Perth for Au analysis.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> 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>	<ul style="list-style-type: none"> 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>	<ul style="list-style-type: none"> There have been numerous historical holders of the project area which covers over $\sim 1,358$ 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>	<ul style="list-style-type: none"> 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>	<ul style="list-style-type: none"> 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 dGPS 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>	<ul style="list-style-type: none"> Broad down hole intercepts are reported as length weighted averages using a cut-off of 500ppb 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. Selvage is only included where its average grade exceeds 500 ppb 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>	<ul style="list-style-type: none"> 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>	<ul style="list-style-type: none"> Included in the body of the report.
<i>Diagrams</i>	<ul style="list-style-type: none"> Diagrams show all drill holes material and immaterial to Exploration Results.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> 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>	<ul style="list-style-type: none"> Data is included in the body of the report.
<i>Further Work</i>	<ul style="list-style-type: none"> Further exploration Aircore and RC drill holes are planned and are discussed in the body of the report.

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Drilling:	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>	<ul style="list-style-type: none"> 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 or quarter core was sampled on nominal 1 or 2-metre intervals with the upper or left - hand side of the core prepped on-site to produce a 200gm or 250gm pulp sample. A 50gm charge was then extracted from the 200gm or 250gm pulp for Au fire assay and ICP - AES base metal analysis.
<i>Drilling techniques</i>	<ul style="list-style-type: none"> 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>	<ul style="list-style-type: none"> 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.
<i>Logging</i>	<ul style="list-style-type: none"> Diamond holes are qualitatively geologically logged for lithology, structure and alteration 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 dry and wet. All holes are fully logged.
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> All drill samples not associated with the Newcrest option and farm-in agreement work program, included reverse circulation rock chips and diamond core. Reverse circulation rock chips were sampled directly from the cyclone as 1 metre intervals or 2 metre interval composites. Reverse circulation rock chips collected for re-assay and geochemical studies of drill holes completed by the Simberi Mining Department were collected by spear. All core was half cut with the upper or left-hand side submitted for assay. All drill samples were 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. All drill core samples associated with the Newcrest option and farm-in agreement work program diamond core was sampled on 2 metre intervals. For HQ and NQ diameters, core was cut in half with the upper or left-hand side of the core routinely submitted for total pulverisation (85% passing 75 µm). For PQ diameter core a further cut was completed, whereby quarter core is submitted to provide a practical sample size. Quality control of sub-sampling consisted of insertion of blank control samples and coarse reject duplicates, both at a ratio of 1:20 samples. Drill samples not associated with the Newcrest option and farm-in agreement work program, including reverse circulation rock chips and diamond 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. All drill core samples associated with the Newcrest option and farm-in agreement work program and some surface samples not associated with the Newcrest option and farm-in agreement work program, samples were sent to ITS PNG Ltd Lae sample preparation facility with 250g pulps sent to Intertek Laboratory in Perth. Pulps residuals are stored in Lae for six months following assay.

Criteria	Commentary
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> • Drill samples not associated with the Newcrest option and farm-in agreement work program including reverse circulation rock chips and diamond core half core samples were analysed for gold using fire assay with a 50g charge and analysis by flame atomic absorption spectrometry (Au-AA26 method). Additional elements (Ag, As, Cu, Fe, Mo, Pb, S, Sb and Zn) were analysed by Aqua Regia digestion using Inductively Coupled Plasma Atomic Emission Spectroscopy (ICP-AES) via method ME-ICP41. 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. • All surface samples associated with the Newcrest option and farm-in agreement work program samples and some surface samples not associated with the Newcrest option and farm-in agreement work program, were sent to Intertek for analysis. Half or quarter core samples were analysed for Au via 50g Fire Assay ICP and AAS finish (FA50/ICP OE04 method) for low detection sample or 50g Fire Assay and AAS finish (FA50/AA method) and then multi-elements (Ag, Al, As, Ba, Be, Bi, Ca, Cd, Ce, Co, Cr, Cs, Cu, Fe, Ga, Ge, Hf, In, K, La, Li, Mg, Mn, Mo, Na, Nb, Ni, P, Pb, Rb, Re, S, Sb, Sc, Se, Sn, Sr, Ta, Te, Th, Ti, Tl, U, V, W, Y, Zn and Zr) via 4 acid digest with HF (4A method) and Inductively Coupled Plasma Optical Emission Spectroscopy (ICP-OES) or Inductively Coupled Plasma Mass Spectroscopy (ICP-MS) via (OM10 method). 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. • Both Intertek Perth and ALS Townsville inserted certified standards and replicates and lab repeats.
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> • 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>	<ul style="list-style-type: none"> • 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. 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>	<ul style="list-style-type: none"> • 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>	<ul style="list-style-type: none"> • 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>	<ul style="list-style-type: none"> • 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 samples sent to Intertek are stored in locked and guarded storage facilities until receipted at the Laboratory
<i>Audits or reviews</i>	<ul style="list-style-type: none"> • 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>	<ul style="list-style-type: none"> SBM has 100% ownership of the three tenements over the Simberi Islands; ML136 on Simberi Island, EL609 which covers the remaining area of Simberi Island, as well as Tatau Island and Big Tabar Island and 4 sub-block EL2462 which covers part of Tatau and Mapua Island.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> 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>	<ul style="list-style-type: none"> 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, porphyry Cu-Au, epithermal quartz Au-Ag and carbonate-base metal Au mineralisation is present. The current drilling is targeting porphyry Cu-Au mineralisation associated with multi-phase intrusive stocks.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> 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 mineralised intercepts lengths and depth as well as hole depth.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> For gold only epithermal mineralisation, 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. Appropriate data aggregation methods for copper-gold porphyry mineralisation currently being drilled will be determined upon receipt of results due in the March 2018 quarter.
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> 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>	<ul style="list-style-type: none"> Diagrams show all drill holes material and immaterial to Exploration Results.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> Details of all holes material to Exploration Results will be reported in intercept tables, and all other drill holes drilled during the reporting period are highlighted on diagrams included in the report.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> Included in the body of the report. Core holes are routinely measured for bulk density determinations to be used for potential future resource modelling.
<i>Further work</i>	<ul style="list-style-type: none"> 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>	<ul style="list-style-type: none"> For the Regional and Tupinda soil survey, samples were collected by first removing organic litter from the surface. A hand auger was then used to collect a C-horizon sample from typically between 140cm to 190cm depth. Sampling teams were supervised by a geologist who determined the depth of the sample collected. A bulk sample of ≥2kg was then collected in a calico bag. A reference sample of soil and any weathered rock fragments is placed in a plastic chip tray for ASD analysis. Rock chip samples (2 to 5kg) are cleaned of any organic material and placed in a calico bag. A small reference rock chip sample is placed in a plastic chip tray for ASD analysis.
<i>Drilling techniques</i>	<ul style="list-style-type: none"> N/A
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> N/A
<i>Logging</i>	<ul style="list-style-type: none"> All rock chip and float were qualitatively logged for lithology, alteration, weathering and colour. Regional soil sample sites were recorded for land use, vegetation type, slope (degrees) and slope direction. For regional soil samples, the depth (from, to) collected was recorded in centimetres. Regional soil samples were logged for regolith (weathering) type, colour, tone and moisture content by a geologist. A digital photograph is taken showing the soil profile laid out and the location of the sample material highlighted.
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> Rock chip, float and soil samples collected were taken to a restricted area at the company's on-site sample preparation facility on Simberi Island and dried in a dedicated oven at low Temperature (60°C) for 24 hours to reduce weight for transport. Since 1st August 2017, all surface samples associated with the Newcrest option and farm-in agreement work program are sent to Intertek in Lae (PNG) for sample preparation and analysis. All surface samples not associated with the Newcrest option and farm-in agreement work program are sent to ALS Laboratory in Brisbane for analysis. At ALS, sample preparation involves drying, jaw crush to 70% passing -6mm, pulverise in LM5 or LM2 to a minimum 85% passing -75um. At Intertek, sample preparation involves drying, jaw crush to 95% passing -4.75mm, pulverise in LM5 or LM2 to a minimum 95% passing -106um.
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> Previous regional soil and rock chip samples were prepared and analysed by ALS Brisbane and ALS Townsville. Samples were coarse crushed, dried at 105°C, whole sample pulverised (85% passing 75 microns) and then riffle split. Pulps were analysed for Au via 30g Fire Assay and AAS finish (Au-AA21 method) and then multi-elements (Ag, Al, As, Ba, Be, Bi, Ca, Cd, Ce, Co, Cr, Cs, Cu, Fe, Ga, Ge, Hf, In, K, La, Li, Mg, Mn, Mo, Na, Nb, Ni, P, Pb, Rb, Re, S, Sb, Sc, Se, Sn, Sr, Ta, Te, Th, Ti, U, V, W, Y, Zn and Zr) via multi acid digest with HF (GEO-4A01 method) and Inductively Coupled Plasma Mass Spectroscopy (ICPMS) via (MEMS61L method). Since 1st August 2017, all surface samples associated with the Newcrest option and farm-in agreement work program were prepared and analysed by Intertek Lae and Intertek Townsville. Samples were analysed for Au via 50g Fire Assay and AAS finish (FA50/AA method) and then multi-elements (Ag, Al, As, Ba, Be, Bi, Ca, Cd, Ce, Co, Cr, Cs, Cu, Fe, Ga, Ge, Hf, In, K, La, Li, Mg, Mn, Mo, Na, Nb, Ni, P, Pb, Rb, Re, S, Sb, Sc, Se, Sn, Sr, Ta, Te, Th, Ti, U, V, W, Y, Zn and Zr) via 4 acid digest with HF (4A method) and Inductively Coupled Plasma Optical Emission Spectroscopy (ICP-OES) or Inductively Coupled Plasma Mass Spectroscopy (ICP-MS) via (OM10 method). Regional soil sample field duplicates are collected in the field while collecting the original sample. Field duplicates are collected from a new hole dug less than 1m from the primary sample site at the same depth as the primary sample. Field duplicates are collected so that 5% of samples (1 in 20) are a duplicate. Standards (OREAS45d, OREAS45e) are inserted into the sample sequence so that 5% of samples (1 in 20) are a standard. For rock chip sample QC, Standards (OREAS45d, OREAS45e) are inserted into the sample sequence so that 5% of samples (1 in 20) are a standard.
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> N/A
<i>Location of data points</i>	<ul style="list-style-type: none"> All regional soil and rock chip sampling sites were surveyed by a hand held GPS for Easting, Northing and RL using WGS84, or using Tabar Island Grid (TIG).
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> Regional soil sample sites are located on a 200m x 200m off-set grid. Subject to results, follow-up soil samples may be collected on 100m x 100m spacing in selected areas. A fine 100m x 100m spacing was used at Tupinda on Big Tabar Island. In some areas samples cannot be collected due to the presence of sacred sites or swamps. Rock chip sample locations are dictated by the presence of outcrop and are usually restricted to creeks, cliffs and breaks in slope.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> N/A
<i>Sample security</i>	<ul style="list-style-type: none"> Only trained company personnel were allowed to collect the samples. All samples were held within a secure company building before dispatch. Prior to 1st August 2017, samples were dispatched to ALS in Brisbane for sample preparation and then Au and multi-element analysis. After 1st August 2017, samples were prepared at Intertek Lae and then analysed at Intertek Townsville.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> 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>	<ul style="list-style-type: none">SBM has 100% ownership of the three tenements over the Simberi Islands; ML136 on Simberi Island, EL609 which covers the remaining area of Simberi Island, as well as Tatau Island and Big Tabar Island and 4 sub-block EL2462 which covers part of Tatau and Mapua Island.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none">CRA, BHP, Tabar JV (Kennecott, Nord Australalex 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>	<ul style="list-style-type: none">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, porphyry Cu-Au, epithermal quartz Au-Ag and carbonate-base metal Au mineralisation is present. The current surface sampling is targeting porphyry Cu-Au mineralisation.
<i>Drill hole Information</i>	<ul style="list-style-type: none">N/A
<i>Data aggregation methods</i>	<ul style="list-style-type: none">N/A
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none">N/A
<i>Diagrams</i>	<ul style="list-style-type: none">Figures show all sample sites material and immaterial to Exploration Results.
<i>Balanced reporting</i>	<ul style="list-style-type: none">All rock chip, float and soils sample locations with any significant results are shown in Figures.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none">Included in the body of the report.
<i>Further work</i>	<ul style="list-style-type: none">Included in the body of the report.

End of report