



December 2018 Half Year Report and ASX Appendix 4D

Continued strong performance funds growth and further strengthens the balance sheet

St Barbara Ltd (ASX: SBM) reported a statutory profit after tax of \$83 million for the half year to 31 December 2018 (2017 comparative period: \$106 million), with underlying profit after tax¹ of \$77 million (2017: \$98 million).

Key features of the result are:

- Gold production of 187,792 ounces at a Group All-in Sustaining Cost¹ of A\$1,008 per ounce
- EBITDA margin¹ of 45% for the Group and 57% for Gwalia operations
- Net cash contribution¹ of \$150 million generated from Gwalia and Simberi for the half year
- \$0.04 fully franked interim dividend declared today for the half year to December 2018 to be paid in March 2019
- Cash position of \$357 million at 31 December 2018, with no debt²

St Barbara MD & CEO, Bob Vassie, said: "Gwalia and Simberi have continued to perform well in the first half, leading to a modest increase in consolidated guidance for this financial year. The organic growth options at Gwalia and Simberi are progressing well, with the Gwalia Extension Project on track for completion in Q2 December FY2020. The Gwalia Mass Extraction study is due to be completed next month, and sulphide drilling at Simberi continues to identify sulphide and oxide mineralisation. We are excited about the results from the Gwalia Deeps drilling, which suggest there may be a greater gold endowment at depth than previously modelled. In addition, we are actively assessing growth opportunities both in Australia and overseas."

Full details of the financial results are set out in the attached Interim Financial Report and Appendix 4D for the Half Year to 31 December 2018.

1 Non-IFRS measures, refer attached Interim Financial Report for the Half Year to 31 December 2018, pages 3 to 5. In addition, EBITDA margin = EBITDA as a % of Revenue

2 Cash balance comprises \$173 M cash, \$184 M term deposits (with 4 to 12 month maturity) and excludes \$2 M restricted cash.

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Presentation on the December 2018 Half Year Financial Report and webcast

Bob Vassie, Managing Director & CEO, will brief analysts and institutional investors on the Interim Financial Report for the Half Year to 31 December 2018 at 11:00 am Australian Eastern Daylight Time (UTC + 11 hours) on Wednesday 20 February 2019. 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 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.

Appendix 4D

Half Year Report

ST BARBARA LIMITED

ABN or equivalent company reference	Half yearly (tick)	Preliminary final (tick)	Half year/financial year ended ('current period')
36 009 165 066	✓		31 December 2018

Results for announcement to the market

		%		A\$'000
Revenue from ordinary activities	up	1%	to	332,079
Profit from ordinary activities after tax from continuing operations attributable to members (Prior corresponding period profit: \$105,845,000)	down	22%	to	82,562
Net profit attributable to members of the parent entity (Prior corresponding period profit: \$105,845,000)	down	22%	to	82,562
Fully franked dividends paid	up	35%	to	41,641

	31 Dec 18 \$	30 Jun 18 \$
Net Tangible Assets per security	1.39	1.29
Details of joint venture entities and associates	N/A	N/A
Foreign entity accounting standards	N/A	N/A
Audit dispute or qualification	N/A	N/A

Dividends

During the period, a fully franked dividend of \$41,641,000 was paid. \$27,889,000 of this amount was paid in cash, and \$13,752,000 was satisfied by the issue of shares under the Company's dividend reinvestment plan.

Subsequent to 31 December 2018, the Directors recommended the payment of a fully franked dividend of 4 cents per fully paid ordinary share to be paid on 27 March 2019. The record date for determining entitlements to the dividend will be 6 March 2019. Elections to participate in the Dividend Reinvestment Plan (DRP) for this dividend must be made by 5.00pm AEDT on 7 March 2019. A 1.0% discount to the 5 day value weighted average price will apply to share allotments made under the DRP.

Dated: 20 February 2019



Bob Vassie
Managing Director and CEO



Interim Financial Report
for the half year ended 31 December 2018

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Directors' Report

Directors

The Directors present their report on the "St Barbara Group", consisting of St Barbara Limited and the entities it controlled at the end of, or during, the half year ended 31 December 2018.

The following persons were Directors of St Barbara Limited at any time during the period and up to the date of this report:

- T C Netscher
Non-Executive Chairman
- R S Vassie
Managing Director and CEO
- K J Gleeson
Non-Executive Director
- D E J Moroney
Non-Executive Director
- S E Loader (appointed 1 November 2018)
Non-Executive Director

Principal activities

During the period, the principal activities of the Group were mining and the sale of gold, mineral exploration and development. There were no significant changes in the nature of activities of the Group during the period.

Dividends

Dividends paid, or determined to be paid, by the Company to members during the period ended 31 December 2018 are set out in Note 4 to the financial statements.

Overview of group results

The consolidated result for the period is summarised as follows:

	Dec 18 \$'000	Dec 17 \$'000
EBITDA ⁽³⁾⁽⁵⁾	147,911	161,899
EBIT ⁽²⁾⁽⁵⁾	107,776	119,916
Profit before tax ⁽⁴⁾	111,938	121,640
Statutory profit⁽¹⁾ after tax	82,562	105,845
Total net significant items after tax	5,140	7,489
EBITDA ⁽⁶⁾ (excluding significant items)	147,911	161,899
EBIT ⁽⁶⁾ (excluding significant items)	107,776	119,916
Profit before tax (excluding significant items)	111,938	121,640
Underlying net profit after tax⁽⁵⁾⁽⁶⁾	77,422	98,356

Details of significant items included in the statutory profit for the period are reported in the table below. Descriptions of each item are provided in Note 3 to the Financial Report.

	Dec 18 \$'000	Dec 17 \$'000
Significant items before tax	-	-
Income tax	5,140	7,489
Significant items after tax	5,140	7,489

- (1) Statutory profit is net profit after tax attributable to owners of the parent.
- (2) EBIT is earnings before interest revenue, finance costs and income tax expense.
- (3) EBITDA is EBIT before depreciation and amortisation.
- (4) Profit before tax is earnings before income tax expense.
- (5) Underlying net profit after income tax is net profit after income tax ("statutory profit") excluding significant items as described in Note 3 to the financial statements.
- (6) EBIT, EBITDA and underlying net profit after tax are non-IFRS financial measures, which have not been subject to review or audit by the Group's external auditors. These measures are presented to enable understanding of the underlying performance of the Group by users.

During the period, the Group reported another strong financial performance, with key achievements being:

- Statutory net profit after tax of \$82,562,000 for the six months ended 31 December 2018 (2017 comparative period: \$105,845,000).
- Continued strong production performance from the Gwalia mine, with production of 115,943 ounces of gold (2017 comparative period: 127,118 ounces) at an All in Sustaining Cost (AISC) of \$947 per ounce (2017: \$838 per ounce). This operating performance translated into a cash contribution for the period of \$96,901,000 (2017 comparative period: \$118,283,000).
- Record performance from the Simberi mine in Papua New Guinea, with this operation producing 71,849 ounces of gold (2017 comparative period: 70,650 ounces) at an AISC of \$1,107 per ounce (2017: \$1,010 per ounce). Simberi generated a cash contribution of \$58,966,000 in the period (2017 comparative period: \$46,893,000).
- Payment of a fully franked dividend of 8 cents per share in September 2018 totalling \$41,641,000, with \$27,889,000 paid in cash and \$13,752,000 issued in new shares as part of the dividend reinvestment plan.

Profit before tax of \$111,938,000 (2017 comparative period: \$121,640,000) was lower than the prior corresponding period due to lower operating margin at Gwalia, partially offset by the stronger results at Simberi, together with increased exploration expenditure.

Underlying net profit after tax, representing net profit excluding after tax significant items of \$5,140,000 was \$77,422,000 (2017 comparative period: \$98,356,000 underlying net profit after excluding significant items of \$7,489,000). The significant item in the period represents a tax credit relating to previously unrecognised PNG deferred tax assets.

Cash on hand and deposits held to maturity were \$356,735,000 at 31 December 2018 (30 June 2018: \$342,643,000). Restricted cash included in trade and other receivables was \$2,400,000 at 31 December 2018 (30 June 2018: \$1,400,000), which represents cash on deposit to secure a bank guarantee facility.

Total interest bearing liabilities decreased to \$5,000 as at 31 December 2018 (30 June 2018: \$39,000) comprising of lease liabilities with only 3 months left to maturity.

The comparative amounts for Profit or Loss items are for the six months ended 31 December 2017, and for Financial Position items balances are as at 30 June 2018.

Overview of operating results

The tables below provide a summary of the profit before tax from operations at Leonora and Simberi.

The tables below provide a summary of the cash contribution from operations at Leonora and Simberi.

Period ended 31 December 2018			
\$'000	Leonora Operations	Simberi Operations	Group
Revenue	198,498	133,581	332,079
Mine operating costs	(76,950)	(71,523)	(148,473)
Gross Profit	121,548	62,058	183,606
Royalties	(7,712)	(2,996)	(10,708)
EBITDA	113,836	59,062	172,898
Depreciation and amortisation	(29,674)	(9,192)	(38,866)
Profit from operations⁽¹⁾	84,162	49,870	134,032
Period ended 31 December 2017			
Revenue	214,289	115,463	329,752
Mine operating costs	(77,795)	(61,406)	(139,201)
Gross Profit	136,494	54,057	190,551
Royalties	(8,336)	(2,554)	(10,890)
EBITDA	128,158	51,503	179,661
Depreciation and amortisation	(31,403)	(9,510)	(40,913)
Profit from operations⁽¹⁾	96,755	41,993	138,748

(1) Excludes impairment, corporate costs, exploration expenses, interest and tax and is non-IFRS financial information, which has not been subject to review or audit by the Group's external auditors.

Total production for the Group in the period was 187,792 ounces of gold (2017 comparative period: 197,768 ounces), and gold sales amounted to 194,730 ounces (2017: 197,362 ounces) at an average gold price of A\$1,702 per ounce (2017: A\$1,660 per ounce). The strong result in the period was attributable to record production from Simberi.

Consolidated AISC for the Group was \$1,008 per ounce in the period (2017 comparative period: \$899 per ounce), reflecting the impact of lower production at Gwalia and higher sustaining capital expenditure.

Period ended 31 December 2018			
\$'000	Leonora Operations	Simberi Operations	Group
Operating cash contribution	113,366	62,090	175,456
Capital – sustaining	(16,465)	(3,124)	(19,589)
Cash contribution⁽¹⁾	96,901	58,966	155,867
Capital – Gwalia Extension Project	(22,478)	-	(22,478)
Capital – Gwalia Mass Extraction Project	(1,440)	-	(1,440)
Growth expenditure ⁽²⁾	(3,221)	(1,319)	(4,540)
Cash contribution after growth capital	69,762	57,647	127,409
Period ended 31 December 2017			
Operating cash contribution	136,055	47,499	183,554
Capital – sustaining	(17,772)	(606)	(18,378)
Cash contribution⁽¹⁾	118,283	46,893	165,176
Capital – Gwalia Extension Project	(14,887)	-	(14,887)
Growth expenditure ⁽²⁾	(2,597)	-	(2,597)
Cash contribution after growth capital	100,799	46,893	147,692

(1) Cash contribution is non-IFRS financial information, which has not been subject to review or audit by the Group's external auditors. This measure is provided to enable an understanding of the cash generating performance of the operations. This amount excludes corporate royalties paid.

(2) Growth expenditure represents deep drilling expenditure at Gwalia which is capitalised; and at Simberi represents expenditure on the sulphides project.

During the period the Group produced significant net cash contribution from operations after growth capital of \$127,409,000 (2017 comparative period: \$147,692,000), which was after funding increased capital expenditure at Gwalia and Simberi. The increase in capital at Gwalia was associated with continued deep drilling and advancement of the Extension Project, together with work on the Gwalia Mass Extraction Project. At Simberi there was a requirement for increased sustaining capital expenditure, mainly related to the mining fleet and drilling expenditure at Sorowar to identify extensions to the sulphide resources.

Analysis of Leonora operations

Total gold sales revenue from the Gwalia mine in the period amounted to \$198,295,000 (2017: \$214,061,000), which was generated from gold sales of 115,724 ounces (2017 comparative period: 128,150 ounces) at an average achieved gold price of A\$1,714 per ounce (2017: A\$1,670 per ounce).

A summary of production performance for the period ended 31 December 2018 is provided in the table below.

Details of production performance

Six months to 31 December	Gwalia	
	2018	2017
Underground ore mined (kt)	322	359
Grade (g/t)	11.4	11.1
Ore milled (kt)	340	379
Grade (g/t)	10.9	10.7
Recovery (%)	98	97
Gold production (oz)	115,943	127,118
Gold sales (oz)	115,724	128,150
Cash cost ⁽¹⁾ (A\$/oz)	730	645
All-In Sustaining Cost (AISC) ⁽²⁾ (A\$/oz)	947	838

(1) Cash operating costs are mine operating costs including government royalties, and after by-product credits. This is a non-IFRS financial measure which has not been subject to review or audit by the Group's external auditors. It is presented to provide meaningful information to assist management, investors and analysts in understanding the results of the operations. Cash operating costs are calculated according to common mining industry practice using The Gold Institute (USA) Production Cost Standard (1999 revision).

(2) AISC is a non IFRS financial measure which has not been subject to review or audit by the Group's external auditors. It is presented to provide a meaningful measure by which to assess the total sustaining cash cost of production. It is calculated in accordance with the World Gold Council's Guidance Note on Non-GAAP Metrics – All-In Sustaining Costs and All-In Costs (June 2013), which is a non-IFRS financial measure.

Gwalia reported another strong performance in the period with gold production of 115,943 ounces (2017 comparative period: 127,118 ounces). The reduction in production was predominantly due to lower mining volumes during the period.

Ore tonnes mined from the Gwalia underground mine decreased during the period to 322,000 tonnes (2017 comparative period: 359,000 tonnes), largely as a result of development and raise-boring activities associated with the Gwalia Extension Project (GEP). The Paste Aggregate Fill (PAF) installation on two current mine levels and raise-boring of two shafts generated significant waste in the period and caused longer waste haulage. Both projects and higher capital development drew on the already constrained ventilation of the mine and impacted mine volumes.

Ore mined and milled grades were slightly higher than the prior corresponding period at 11.4 and 10.9 grams per tonne respectively. The Gwalia mill continued to perform strongly in the period at an average recovery of 98 percent (2017 comparative period: 97 percent).

Gwalia unit Cash Costs for the period were \$730 per ounce (2017 comparative period: \$645 per ounce), with the higher unit cost predominantly due to the lower production. The unit AISC for Gwalia was \$947 per ounce for the period, which was higher than the \$838 per ounce reported in the prior corresponding period. Total operating cash expenditure at Gwalia in the period totalled \$84,638,000 (2017 comparative period: \$81,991,000).

In the period Gwalia generated net cash flows, after sustaining capital expenditure, of \$96,901,000 (2017 comparative period: \$118,283,000). In the current period, Gwalia incurred sustaining capital expenditure of \$16,465,000 (2017 comparative period: \$17,772,000). The lower level of sustaining capital was attributable mainly due to a decrease in mine development expenditure.

Growth capital related to deep drilling amounted to \$3,221,000 in the period (2017 comparative period: \$2,597,000).

During the 2017 financial year the Board approved the GEP. The Project will enable underground mining at Gwalia to extend to at least 2,000 metres below surface, and provide the foundation for potential further extensions. Capital expenditure associated with the Project in the period totalled \$22,478,000 (2017 comparative period: \$14,887,000). During the period a further amount of \$1,440,000 (2017 comparative period: \$Nil) was spent on studies related to the Gwalia Mass Extraction Project (GMX).

Analysis of Simberi operations

Total gold sales revenue from Simberi in the period was \$133,169,000 (2017 comparative period: \$115,238,000), generated from gold sales of 79,006 ounces (2017 comparative period: 69,212 ounces) at an average achieved gold price of A\$1,685 per ounce (2017: A\$1,640 per ounce).

A summary of production performance at Simberi for the period ended 31 December 2018 is set out in the table below.

Details of production performance

Six months to 31 December	Simberi	
	2018	2017
Open pit ore mined (kt)	2,071	2,034
Grade (g/t)	1.42	1.27
Ore milled (kt)	1,653	1,907
Grade (g/t)	1.55	1.34
Recovery (%)	87	86
Gold production (oz)	71,849	70,650
Gold sales (oz)	79,006	69,212
Cash cost ⁽¹⁾ (A\$/oz)	990	935
All-In Sustaining Cost (AISC) ⁽²⁾ (A\$/oz)	1,107	1,010

(1) Cash operating costs are mine operating costs including government royalties, and after by-product credits. This is a non-IFRS financial measure which has not been subject to review or audit by the Group's external auditors. It is presented to provide meaningful information to assist management, investors and analysts in understanding the results of the operations. Cash operating costs are calculated according to common mining industry practice using The Gold Institute (USA) Production Cost Standard (1999 revision).

(2) AISC is a non-IFRS financial measure which has not been subject to review or audit by the Group's external auditors. It is presented to provide a meaningful measure by which to assess the total sustaining cash cost of operation. It is calculated in accordance with the World Gold Council's Guidance Note on Non-GAAP Metrics – All-In Sustaining Costs and All-In Costs (June 2013), which is a non-IFRS financial measure.

Simberi production for the period of 71,849 ounces was a record for the mine (2017 comparative period: 70,650 ounces). The result for the period benefited from improved head grade, reflecting mining in higher grade zones in the Sorowar and Pigibo mine sequence.

Total material moved in the period was 6,376,000 tonnes (2017 comparative period: 7,161,000 tonnes), which included total ore mined of 2,071,000 tonnes at an average grade of 1.42 grams per tonne (2017 comparative period: 2,034,000 tonnes at 1.27 grams per tonne).

Ore milled decreased to 1,653,000 tonnes in the period (2017 comparative period: 1,907,000 tonnes), due to unplanned outages in the Aerial Rope Conveyor (RopeCon) and ball mill during the period. The Simberi mill achieved an average recovery of 87 percent in the period (2017 comparative period: 86 percent), with capital and management improvements made in the 2018 financial year assisting performance of the mill.

Simberi unit Cash Costs for the period were higher than the prior corresponding period at \$990 per ounce (2017 comparative period: \$935 per ounce) due to increased processing costs arising from the unplanned outages of the RopeCon and ball mill. The unit AISC was \$1,107 per ounce for the period (2017 comparative period: \$1,010 per ounce), which reflected the higher cash cost and increased sustaining capital. Total operating cash expenditure at Simberi during the period was higher than the prior corresponding period at \$71,131,000 (2017: \$66,058,000), reflecting increased production and higher processing costs.

In the period Simberi generated net cash flows, after sustaining capital expenditure, of \$58,966,000 (2017 comparative period: net cash flows of \$46,893,000). Current period net cash flows benefited from the sale of gold bullion on hand at 30 June 2018.

Discussion and analysis of the condensed statement of profit or loss

Revenue

Total revenue increased to \$332,079,000 (2017 comparative period: \$329,752,000) mainly due to a higher average gold price of A\$1,702 per ounce (2017 comparative period: A\$1,660 per ounce). The higher average gold price compensated for lower Group gold sales of 194,730 ounces (2017 comparative period: 197,362 ounces).

Mine operating costs

Mine operating costs were \$148,473,000 in the period (2017 comparative period: \$139,201,000), with the higher operating costs mainly attributable to Gwalia and increased production at Simberi.

Other revenue and income

Interest revenue was \$4,634,000 (2017 comparative period: \$2,203,000), representing interest earned on cash and deposits held to maturity during the period.

Exploration

Total exploration expenditure during the period amounted to \$10,691,000 (2017 comparative period: \$6,836,000), with an amount of \$3,221,000 relating to deep drilling at Gwalia (2017 comparative period: \$2,597,000) capitalised to exploration and evaluation. Exploration expenditure expensed in the profit or loss statement in the period amounted to \$7,470,000 (2017 comparative period: \$4,239,000). Exploration activities during the period focused on investigating highly prospective near mine targets at Simberi and targets on the surrounding islands, continuing the deep drilling program at Gwalia and regional exploration in Australia.

Corporate costs

Corporate costs for the period of \$10,955,000 (2017 comparative period: \$11,609,000) comprised mainly expenses relating to the corporate office, compliance costs and business development activities.

Royalties

Royalty expenses for the period were \$10,708,000 (2017 comparative period: \$10,890,000). Royalties paid in Western Australia are 2.5% of gold revenues, plus a corporate royalty of 1.5% of gold revenues. Royalties paid in Papua New Guinea are 2.25% of gold revenues earned from the Simberi mine. The marginal decrease in royalty expenses was attributable to the lower gold revenue from Leonora.

Depreciation and amortisation

Depreciation and amortisation of fixed assets and capitalised mine development for the period amounted to \$40,135,000 (2017 comparative period: \$41,983,000). Depreciation and amortisation attributable to the Leonora Operations was \$29,674,000 (2017 comparative period: \$31,403,000). The expense at Simberi was \$9,192,000 (2017 comparative period: \$9,510,000).

Other expenses

Other expenditure of \$3,975,000 (2017 comparative period: \$1,683,000) included costs related to share based payments and expenses for other Group projects.

Net finance costs

Finance costs in the period were \$472,000 (2017 comparative period: \$479,000).

Net foreign currency loss

A net foreign exchange loss of \$2,854,000 was recognised for the period (2017 comparative period: loss of \$439,000), which related mainly to foreign exchange movements on US dollar cash balances and US dollar denominated intercompany loans.

Income tax

An income tax expense of \$29,376,000 was recognised for the period (2017 comparative period: \$15,795,000), which comprised an income tax expense of \$20,857,000 on Australian taxable income and an income tax expense relating to PNG operations of \$8,519,000.

The income tax expense recognised for PNG is net of a tax credit of \$5,140,000 (2017 comparative period: \$7,489,000) relating to previously unrecognised PNG deferred tax assets booked in the period. This tax credit was recognised based on the current life of mine plan for the Simberi operations. There are no remaining unbooked deferred tax assets in relation to PNG.

Discussion and analysis of the condensed statement of cash flow*Operating activities*

Cash flows from operating activities for the period were lower at \$94,519,000 (2017 comparative period: \$128,421,000), mainly due to increased payments to suppliers and employees and higher income tax payments of \$51,447,000 (2017 comparative period: \$31,250,000). Receipts from customers in the period were \$330,472,000 (2017 comparative period: \$332,119,000).

Payments to suppliers and employees were \$181,663,000 (2017 comparative period: \$170,350,000), with the higher expenditure due to increased expenditure at Gwalia and Simberi. Payments for exploration expensed in the period amounted to \$7,470,000 (2017 comparative period: \$4,239,000), which related to exploration activities in Western Australia and at Simberi and its neighbouring islands.

Investing activities

Net cash flows used in investing activities in the period amounted to \$120,845,000 (2017 comparative period: \$48,819,000). The higher expenditure was mainly due to the transfer of \$68,000,000 of cash to deposits held to maturity (2017 comparative period: \$Nil) and expenditure related to the Gwalia growth project; development of mine properties at Gwalia of \$37,695,000 (2017 comparative period: \$29,674,000) included expenditure on the Gwalia Extension Projects of \$23,918,000 (2017 comparative period: \$14,887,000).

The higher expenditure on the purchase of plant and equipment of \$6,865,000 (2017 comparative period: \$4,313,000), was mainly due to increased expenditure at Simberi on its mining fleet.

Exploration expenditure capitalised during the period totalled \$3,221,000 (2017 comparative period: \$2,597,000), all of which related to the deep drilling program at Gwalia.

Investing expenditure during the period was in the following major areas:

- Underground mine development and infrastructure at Gwalia: \$13,777,000 (2017 comparative period: \$14,787,000).
- Gwalia Extension Project: \$22,478,000 (2017 comparative period: \$14,887,000).
- Gwalia Mass Extraction Project: \$1,440,000 (2017 comparative period: \$Nil).
- Purchase of property, plant and equipment at Gwalia: \$2,688,000 (2017 comparative period: \$3,145,000).
- Purchase of property, plant and equipment at Simberi: \$3,124,000 (2017 comparative period: \$606,000)
- Investments in Catalyst Metals Limited, Peel Mining Limited, Prodigy Gold NL and Australian Potash Ltd totalling \$5,064,000 (2017 comparative period: \$12,235,000).

Financing activities

Net cash flows related to financing activities in the period were a net outflow of \$28,911,000 (2017 comparative period: net outflow of \$26,336,000).

The main movements in financing cash flows in the period included:

- Dividend payment of 8 cents per share totalling \$27,889,000 cash payment component (2017 comparative period: \$24,826,000).
- Movement of \$1,000,000 to restricted cash (2017 comparative period: \$1,200,000) held on deposit with Westpac Bank to secure bank guarantees in favour of various service providers.

Discussion and analysis of the condensed statement of financial position*Net assets and total equity*

The Group's net assets and total equity increased during the period by \$63,512,000 to \$729,382,000 due to the further strong operating results from the Group and increase in cash reserves.

Total current assets increased to \$445,402,000 as at 31 December 2018 (30 June 2018: \$420,781,000) due mainly to the increase in cash and inventories.

Total non-current assets increased marginally to \$408,445,000 (30 June 2018: \$400,363,000)

The deferred tax balance was a net asset of \$4,106,000 (30 June 2018: net asset of \$9,904,000). This is represented by a net deferred tax liability of \$24,790,000 relating to temporary differences on Australian taxable income. A net deferred tax asset of \$28,896,000 was recognised in relation to the PNG jurisdiction, representing the benefit of using available deferred tax assets to reduce future Simberi tax payments. Given the sustained operating performance of Simberi it is probable that future taxable profits will be generated to utilise the deferred tax asset booked.

A current provision for tax payable of \$10,954,000 was recognised at 31 December 2018 (30 June 2018: \$39,982,000). This provision relates to tax payable on Australian taxable income for the period.

Debt management and liquidity

The available cash balance at 31 December 2018 was \$172,535,000 (30 June 2018: \$226,443,000), with an additional \$184,200,000 in deposits held to maturity (30 June 2018: \$116,200,000). A further \$2,400,000 was held on deposit as restricted cash and reported within trade receivables (30 June 2018: \$1,400,000).

Total interest bearing liabilities decreased to \$5,000 as at 31 December 2018 (30 June 2018: \$39,000) comprising of lease liabilities due to mature within 3 months.

The AUD/USD exchange rate as at 31 December 2018 was 0.7054 (30 June 2018: 0.7407).

Auditor's independence

A copy of the Auditor's Independence Declaration required under section 307C of the Corporations Act 2001 is set out on page 10 and forms part of this Directors' Report.

Events occurring after the end of the financial period

Except as noted below, the Directors are not aware of any matter or circumstance that has arisen since the end of the reporting period that, in their opinion, has significantly affected or may significantly affect in future periods the Company's operations, the results of those operations or the state of affairs:

- Subsequent to year end, the Directors have declared an interim fully franked dividend of 4 cents per ordinary share to be paid on 27 March 2019. A provision for this dividend has not been recognised in the 31 December 2018 financial statements.

Rounding of amounts

St Barbara Limited is a Company of the kind referred to in ASIC Corporations (Rounding in the Financial/Directors' Report) Instrument 2016/191 issued by the Australian Securities and Investment Commission (ASIC). As a result, amounts in this Directors' Report and the accompanying Financial Report have been rounded to the nearest thousand dollars, except where otherwise indicated.

This report is made in accordance with a resolution of Directors.

For and on behalf of the Board

Dated at Melbourne this 20th day of February 2019.



Bob Vassie

Managing Director and CEO



Auditor's Independence Declaration

As lead auditor for the review of St Barbara Limited for the half-year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of St Barbara Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'John O'Donoghue'.

John O'Donoghue
Partner
PricewaterhouseCoopers

Melbourne
20 February 2019

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Interim Financial Report

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About this report

St Barbara Limited (the "Company") is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange. The consolidated financial statements of the Company as at and for the six months ended 31 December 2018 comprise the Company and its subsidiaries (together referred to as the "Group"). The Group is a for-profit entity primarily involved in mining and sale of gold, mineral exploration and development.

This general purpose financial report for the half year reporting period ended 31 December 2018 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This consolidated half year financial report does not include all the notes of the type normally included in the annual financial report. Accordingly, this report is to be read in conjunction with the audited annual financial report for the year ended 30 June 2018.

The consolidated financial report has been presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$000) as specified in the ASIC Corporations Instrument 2016/191 unless otherwise stated.

The comparative amounts for Profit or Loss items are for the six months ended 31 December 2017, and for Financial Position items balances are as at 30 June 2018.

The Board of Directors approved the consolidated half year financial report on 20 February 2019.

The AUD:USD exchange rate as at 31 December 2018 was 0.7054 (30 June 2018: 0.7407).

Condensed statement of profit or loss and other comprehensive income
for the half year ended 31 December 2018

	Notes	CONSOLIDATED	
		2018 \$'000	2017 \$'000
Operations			
Revenue	1	332,079	329,752
Mine operating costs	1	(148,473)	(139,201)
Gross profit		183,606	190,551
Interest revenue		4,634	2,203
Other income		267	208
Exploration expensed		(7,470)	(4,239)
Corporate costs		(10,955)	(11,609)
Royalties		(10,708)	(10,890)
Depreciation and amortisation		(40,135)	(41,983)
Other expenses		(3,975)	(1,683)
Operating profit		115,264	122,558
Finance costs		(472)	(479)
Net foreign exchange loss		(2,854)	(439)
Profit before income tax		111,938	121,640
Income tax expense	2	(29,376)	(15,795)
Net profit after tax		82,562	105,845
Profit attributable to equity holders of the Company		82,562	105,845
Other comprehensive income⁽¹⁾			
Items that may be reclassified subsequently to profit and loss:			
Changes in fair value of financial assets		1,362	12,244
Foreign currency translation differences - foreign operations		6,616	397
Income tax on other comprehensive income		(409)	(3,624)
Other comprehensive profit net of tax		7,569	9,017
Total comprehensive income attributable to equity holders of the Company		90,131	114,862
Earnings per share:			
Basic earnings per share (cents per share)		15.84	20.76
Diluted earnings per share (cents per share)		15.75	20.51

(1) The condensed other comprehensive income comprises items of income and expense that are recognised directly in reserves or equity. These items are not recognised in the condensed statement of profit or loss in accordance with the requirements of the relevant accounting standards. Comprehensive income attributable to equity holders of the company comprises the result for the year adjusted for the other comprehensive income.

The above condensed statement of profit or loss and other comprehensive income should be read in conjunction with the notes to the financial statements.

Condensed statement of financial position
as at 31 December 2018

	Notes	CONSOLIDATED	
		31 Dec 2018 \$'000	30 June 2018 \$'000
Assets			
Current assets			
Cash and cash equivalents		172,535	226,443
Deposits held to maturity		184,200	116,200
Trade and other receivables		13,203	11,615
Inventories		73,637	64,549
Deferred mining costs		1,827	1,974
Total current assets		445,402	420,781
Non-current assets			
Property, plant and equipment		106,063	112,161
Financial assets	6	43,024	37,872
Deferred mining costs		6,269	7,058
Mine properties		189,094	175,352
Exploration and evaluation		30,979	28,182
Mineral rights		2,870	3,891
Deferred tax assets	2	28,896	35,847
Other assets		1,250	-
Total non-current assets		408,445	400,363
Total assets		853,847	821,144
Liabilities			
Current liabilities			
Trade and other payables		42,084	39,878
Interest bearing borrowings		5	39
Rehabilitation provision		610	610
Other provisions		14,328	17,853
Current tax liability	2	10,954	39,982
Total current liabilities		67,981	98,362
Non-current liabilities			
Rehabilitation provision		30,429	29,094
Deferred tax liabilities	2	24,790	25,943
Other provisions		1,265	1,875
Total non-current liabilities		56,484	56,912
Total liabilities		124,465	155,274
Net assets		729,382	665,870
Equity			
Contributed equity	5	915,891	898,430
Reserves		(32,623)	(37,753)
Accumulated losses		(153,886)	(194,807)
Total equity		729,382	665,870

The above condensed statement of financial position should be read in conjunction with the notes to the financial statements.

Condensed statement of changes in equity

for the half year ended 31 December 2018

	CONSOLIDATED				
	Contributed Equity \$'000	Foreign Currency Translation Reserve \$'000	Other Reserves \$'000	Accumulated Losses \$'000	Total \$'000
Notes					
Balance at 1 July 2017	887,254	(58,673)	2,937	(370,391)	461,127
<i>Transactions with owners of the Company recognised directly in equity:</i>					
Share-based payments expense	-	-	1,118	-	1,118
Performance rights issued	739	-	(739)	-	-
Dividends paid	-	-	-	(24,826)	(24,826)
Dividends reinvested	5,971	-	-	(5,971)	-
<i>Total comprehensive income for the period</i>					
Profit attributable to equity holders of the Company	-	-	-	105,845	105,845
Other comprehensive gain for the period	-	397	8,620	-	9,017
Balance at 31 December 2017	893,964	(58,276)	11,936	(295,343)	552,281
Balance at 1 July 2018	898,430	(52,458)	14,705	(194,807)	665,870
<i>Transactions with owners of the Company recognised directly in equity:</i>					
Share-based payments expense	-	-	1,270	-	1,270
Performance rights issued	3,709	-	(3,709)	-	-
Dividends paid	-	-	-	(27,889)	(27,889)
Dividends reinvested	13,752	-	-	(13,752)	-
<i>Total comprehensive income for the period</i>					
Profit attributable to equity holders of the Company	-	-	-	82,562	82,562
Other comprehensive gain for the period	-	6,616	953	-	7,569
Balance at 31 December 2018	915,891	(45,842)	13,219	(153,886)	729,382

The above condensed statement of changes in equity should be read in conjunction with the notes to the financial statements.

Condensed statement of cash flow
for the half year ended 31 December 2018

	Notes	CONSOLIDATED	
		2018 \$'000	2017 \$'000
Cash flows from operating activities:			
Receipts from customers (inclusive of GST)		330,472	332,119
Payments to suppliers and employees (inclusive of GST)		(181,663)	(170,350)
Payments for exploration and evaluation		(7,470)	(4,239)
Interest received		4,634	2,203
Interest paid		(1)	(48)
Finance charges – finance leases		(6)	(3)
Borrowing costs paid		-	(11)
Income tax paid	2	(51,447)	(31,250)
Net cash inflow from operating activities		94,519	128,421
Cash flows from investing activities:			
Movement in deposits held to maturity		(68,000)	-
Payments for property, plant and equipment		(6,865)	(4,313)
Payments for development of mining properties		(37,695)	(29,674)
Payments for exploration and evaluation		(3,221)	(2,597)
Investments in financial assets		(5,064)	(12,235)
Net cash used in investing activities		(120,845)	(48,819)
Cash flows from financing activities:			
Movement in restricted cash		(1,000)	(1,200)
Principal repayments - finance leases		(22)	(310)
Dividend payment		(27,889)	(24,826)
Net cash used in financing activities		(28,911)	(26,336)
Net (decrease)/increase in cash and cash equivalents		(55,237)	53,266
Cash and cash equivalents at the beginning of the period		226,443	160,909
Net movement in foreign exchange rates		1,329	399
Cash and cash equivalents at the end of the period		172,535	214,574

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing or financing activities, which are recoverable from, or payable to, the taxation authority are classified as part of receipts from customers and payments to suppliers and employees.

The above condensed statement cash flow should be read in conjunction with the notes to the financial statements.

A. Key results

1 Segment information

	Leonora		Simberi		Total segments	
	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gold Revenue	198,295	214,061	133,169	115,238	331,464	329,299
Silver Revenue	203	228	412	225	615	453
Total Revenue	198,498	214,289	133,581	115,463	332,079	329,752
Mine operating costs	(76,950)	(77,795)	(71,523)	(61,406)	(148,473)	(139,201)
Gross profit	121,548	136,494	62,058	54,057	183,606	190,551
Royalties ⁽¹⁾	(7,712)	(8,336)	(2,996)	(2,554)	(10,708)	(10,890)
Depreciation and amortisation	(29,674)	(31,403)	(9,192)	(9,510)	(38,866)	(40,913)
Segment profit before income tax	84,162	96,755	49,870	41,993	134,032	138,748
Capital expenditure						
Sustaining	16,465	17,772	3,124	606	19,589	18,378
Growth ⁽²⁾	3,221	2,597	1,319	-	4,540	2,597
Gwalia Extension Project	22,478	14,887	-	-	22,478	14,887
Gwalia Mass Extraction Project	1,440	-	-	-	1,440	-
Total capital expenditure	43,604	35,256	4,443	606	48,047	35,862
	31 Dec	30 Jun	31 Dec	30 Jun	31 Dec	30 Jun
	2018	2018	2018	2018	2018	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment assets	314,330	300,171	133,364	128,420	447,694	428,591
Segment non-current assets	285,044	279,969	69,767	79,558	354,811	359,527
Segment liabilities	31,322	31,714	31,541	27,924	62,863	59,638

(1) Royalties include state and government royalties and corporate royalties.

(2) Growth capital at Gwalia represents deep drilling expenditure reported as part of exploration. At Simberi growth capital represents expenditure associated with the sulphides project.

Reconciliation of reportable segment revenues, profit or loss, assets, and other material items:

	Consolidated		Consolidated	
	2018	2017	31 Dec	30 Jun
	\$'000	\$'000	2018	2018
	\$'000	\$'000	\$'000	\$'000
Operations				
Total profit for reportable segments	134,032	138,748	447,694	428,591
Other income and revenue	4,901	2,411	163,224	226,318
Exploration expensed	(7,470)	(4,239)	184,200	116,200
Unallocated depreciation and amortisation	(1,269)	(1,070)	11,364	9,199
Finance costs	(472)	(479)	44,274	37,872
Corporate costs	(10,955)	(11,609)	3,091	2,964
Net foreign exchange loss	(2,854)	(439)	Consolidated total assets	853,847
Other expenses	(3,975)	(1,683)		821,144
Consolidated profit before income tax	111,938	121,640		

The Group has two operational business units: Leonora operations and Simberi operations. The operational business units are managed separately due to their separate geographic regions. The results of all segments are reviewed regularly by the Group's Executive Leadership Team, in particular production, cost per ounce and capital expenditures.

Performance of each reportable segment is measured based on segment profit before income tax (excluding corporate expenses), as this is deemed to be the most relevant in assessing performance after taking into account factors such as cost per ounce of production.

2 Tax

Income tax expense

	Consolidated	
	2018	2017
	\$'000	\$'000
Current tax expense	21,880	15,191
Under/(over) provision in respect of the prior year	559	158
Deferred income tax expense	6,937	446
Total income tax expense	29,376	15,795

Numerical reconciliation of income tax expense to prima facie tax payable

	2018	2017
	\$'000	\$'000
Profit before income tax	111,938	121,640
Tax at the Australian tax rate of 30%	33,581	36,492
Tax effect of amounts not deductible/(taxable) in calculating taxable income:		
Equity settled share based payments	381	(12,277)
Sundry items	11	(931)
Recognition of previously unbooked deferred tax assets in PNG	(5,140)	(7,489)
Permanent differences arising from foreign exchange within the tax consolidation group	543	-
Income tax expense	29,376	15,795

Current tax liability

As at 31 December 2018 the Company recognised a current tax liability of \$10,954,000 (June 2018: \$39,982,000).

Income tax payments

	2018	2017
	\$'000	\$'000
Income tax instalment payments	11,447	-
Final tax payment	40,000	31,250
Total tax payments	51,447	31,250

Deferred tax balances

	Consolidated	
	31 Dec 2018	30 Jun 2018
	\$'000	\$'000
Deferred tax assets		
Tax losses	26,991	9,001
Provisions and accruals	47,162	49,902
Property, plant and equipment	96,160	133,341
Other	134	119
Total	170,447	192,363
Tax effect @ 30%	51,134	57,709

Deferred tax liabilities

Accrued income	292	272
Mine properties – exploration	44,106	42,168
Mine properties – development	14,264	23,494
Consumables	64,483	58,797
Capitalised convertible notes costs	2,212	2,554
Unrealised foreign exchange gains	17,604	19,631
Investments at fair value	13,799	12,434
Total	156,760	159,350
Tax effect @ 30%	47,028	47,805
Net deferred tax balance	4,106	9,904

Comprising of:

Australia – net deferred tax liabilities	(24,790)	(25,943)
PNG – net deferred tax assets	28,896	35,847
Net deferred tax balance	4,106	9,904

Deferred tax assets have not been recognised in respect of the following items:

Tax losses – PNG Operations	-	16,745
Tax effect @ 30%	-	5,024

Accounting judgements and estimates

At each reporting date, the Group performs a review of the probable future taxable profit in each jurisdiction. The assessments are based on the latest life of mine plans relevant to each jurisdiction and the application of appropriate economic assumptions, such as gold price and operating costs. Any resulting recognition of deferred tax assets is categorised by type (e.g. tax losses or temporary differences) and recognised based on which would be utilised first according to that particular jurisdiction's legislation.

At 31 December 2018 tax losses not recognised (tax effected) relating to entities associated with Simberi operations in PNG and Australia were reduced to nil.

3 Significant items

Significant items are those items where their nature or amount is considered material to the financial report. Such items included within the consolidated results for the period are detailed below.

	Consolidated 2018 \$'000	2017 \$'000
Total significant items – pre tax	-	-
Tax Effect		
PNG deferred tax asset recognised ⁽¹⁾	5,140	7,489
Total significant items – post tax	5,140	7,489

(1) PNG deferred tax asset recognised

Prior to 30 June 2016, there had been no deferred tax asset recognised in relation to the PNG jurisdiction, as it had been previously determined that it was not probable that the Simberi operation would generate future taxable profits. At 30 June 2016, following the successful completion of the turnaround in performance of the Simberi operation, a net deferred tax asset was recognised. At 31 December 2018 a further \$5,140,000 was recognised as a deferred tax asset based on the current life of mine plan. There are no further unbooked deferred tax assets relating to PNG.

4 Dividends

	Consolidated 2018 \$'000	2017 \$'000
Ordinary shares:		
Final dividend for the year ended 30 June 2018 of 8 cents per share fully franked – paid (Jun 2017: 6 cents per share).	41,641	30,797
Total dividends provided for or paid	41,641	30,797
Dividends paid in cash or satisfied by the issue of shares under the dividend reinvestment plan during the period were as follows:		
Paid in cash	27,889	24,826
DRP – satisfied by issue of shares	13,752	5,971
Total dividends provided for or paid	41,641	30,797
Interim dividend for the 31 December 2018 period of 4 cents per share fully franked (Dec 2017: 4 cents per share).	20,972	20,617

Dividend Reinvestment Plan

The Company's Dividend Reinvestment Plan (DRP) continues to be available to eligible shareholders, whereby holders of ordinary shares may elect to have all or parts of their dividend entitlements satisfied by the issue of new ordinary shares instead of receiving in cash.

DRP shares in relation to the 2018 final dividend were issued at a 1.5% discount to the 5 day volume weighted average price.

DRP shares in relation to the 2019 interim dividend will be issued at a 1.0% discount to the 5 day volume weighted average price.

Interim Dividend

Subsequent to 31 December 2018 half year report date, the Directors recommended the payment of an interim dividend of 4 cents per fully paid ordinary share fully franked. The aggregate amount of the proposed dividend is expected to be paid on 27 March 2019 out of retained earnings at 31 December 2018, and has not been recognised as a liability at the end of the period.

B. Other disclosures

5 Contributed equity

Details	Number of shares	\$'000
Opening balance 1 July 2018	516,541,773	898,430
Vested performance rights	3,974,617	3,709
Dividend reinvestment plan	3,774,209	13,752
Closing balance 31 December 2018	524,290,599	915,891

6 Fair value of financial assets

As at 31 December 2018, the Group's Level 1 financial instruments comprise financial assets (shares) of \$43,024,000 (30 June 2018: \$37,872,000), which are traded in an active market and their fair values are based upon quoted market prices at the end of the reporting period. The accumulated fair value adjustments are recognised in other comprehensive income as gains or losses.

These financial assets relate to the Company's investment in the following Australian Securities Exchange listed companies:

- Peel Mining Limited (PEX)
- Catalyst Metals Limited (CYL)
- Prodigy Gold NL (PRX)
- Duketon Mining Limited (DKM)

7 Events occurring after the balance sheet date

The Directors are not aware of any matter or circumstance that has arisen since the end of the financial year that, in their opinion, has significantly affected or may significantly affect in future years the Company's or the Group's operations, the results of those operations or the state of affairs, except as described in this note:

- Subsequent to year end, the Directors have declared an interim fully franked dividend of 4 cents per ordinary share to be paid on 27 March 2019. A provision for this dividend has not been recognised in the 31 December 2018 financial statements.

8 Contingencies

In 2014, the Company announced that its internal reporting mechanisms had identified the provision of benefits to a foreign public official that may violate its Anti-Bribery and Anti-Corruption Policy or applicable laws in Australia or in foreign jurisdictions. The amount of the benefits provided to the foreign public official was not material to the Company. The Company self-reported the matter to relevant authorities, including the Australian Federal Police.

During the reporting period the Australian Federal Police advised the Company that it had concluded its investigation and determined there is no action to be taken against the Company or its current or former employees.

9 Basis of preparation

Significant accounting policies

The accounting policies applied by the Group in this consolidated half year financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2018. Except for the change in AASB 9 and AASB 15 which were effective as at 1 January 2018 without restatement of prior years.

The Group has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current half-year report with no material impacts to the financial statement. Accounting policies are applied consistently by each entity in the Group.

AASB 9 Financial instruments: the Company determined that investments in equities of listed companies will continue to be accounted for at Fair Value in Other Comprehensive Income in future periods through an irrevocable election. As a result, future gains or losses on disposal will not affect the profit or loss statement. All other items will continue to be accounted for consistently with the previous accounting standards.

AASB 15 Revenue for contracts with customers: the Group recognises sales revenue related to the transfer of promised goods and services when control of the goods and services passes to the customer. The amount of revenue recognised reflects the consideration to which the Group is entitled to in exchange of those good and services.

AASB 16 Leases was issued in February 2016 with a mandatory application date for the Group of 1 July 2019. The Group will apply the modified retrospective transition approach and not restate comparative amounts; the cumulative effect of first adoption of AASB 16 will be recognised as at 1 July 2019.

The Group's assessment of AASB 16 has involved a review of current supplier agreements and other contractual arrangements to assess their accounting treatment under the new standard. This indicates that non-cancellable operating leases and 'right-of-use-assets' incorporated within certain supplier contracts currently engaged by the Group will be material to the financial statements upon adoption of the new standard. The impact of AASB 16 on the profit or loss statement in the 2020 financial year is estimated to be a reduction in mine operating costs and a related increase in depreciation and interest expenses.

In relation to other non-cancellable operating leases, such as office leases, the impact of AASB 16 is not expected to be material. Further, the Group does not currently intend to bring short term leases (12 months or less) or low value leases on to the balance sheet. The costs related to these items will continue to be expensed directly to the profit or loss statement.

Critical accounting judgement and estimates

The preparation of the half year financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this consolidated half year financial report, the significant estimates and judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the most recent annual financial report.

Directors' declaration

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 11 to 19 are in accordance with the *Corporations Act 2001*, including:
 - i) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*; and
 - ii) giving a true and fair view of the Group's financial position as at 31 December 2018 and of its performance for the six month period ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



Bob Vassie

Managing Director and CEO

Melbourne
20 February 2019



Independent auditor's review report to the members of St Barbara Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of St Barbara Limited (the Company), which comprises the condensed statement of financial position as at 31 December 2018, the condensed statement of profit or loss, condensed statement of other comprehensive income, condensed statement of changes in equity, and condensed statement of cash flow for the half-year ended on that date, selected explanatory notes and the directors' declaration for the St Barbara Limited Group (the Group). The Group comprises the Company and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of St Barbara Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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Liability limited by a scheme approved under Professional Standards Legislation.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of St Barbara Limited is not in accordance with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 December 2018 and of its performance for the half-year ended on that date;
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read "JOE", written over a faint, larger signature.

John O'Donoghue
Partner

Melbourne
20 February 2019

Corporate Directory

BOARD OF DIRECTORS

T C Netscher	Non-Executive Chairman
R S Vassie	Managing Director & CEO
K J Gleeson	Non-Executive Director
D E J Moroney	Non-Executive Director
S E Loader	Non-Executive Director

COMPANY SECRETARY

R R Cole

REGISTERED OFFICE

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STOCK EXCHANGE LISTING

Shares in St Barbara Limited are quoted on the Australian Securities
Exchange
Ticker Symbol: SBM

SHARE REGISTRY

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AUDITOR

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