

5 June 2019

Mr Jon Chow
Adviser, Listings Compliance
ASX Limited

By email: jon.chow@asx.com.au
ListingsComplianceMelbourne@asx.com.au

Dear Jon

St Barbara Limited (ASX Code: SBM) – Response to ASX Aware Query

We refer to your letter dated 3 June 2019 (**Letter**). Capitalised terms used in this letter have the meaning given in your Letter unless otherwise defined. Set out below is the response of St Barbara Limited (ABN 39 009 165 066) (**SBM**) to each of the questions in the Letter.

1. Does SBM consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

No.

2. If the answer to question 1 is “no”, please advise the basis for that view.

SBM is of the view that a reasonable person would not expect the Information to have a material effect on the price or value of its securities.

This view is formed on the basis that:

- the change to production guidance for FY19 announced on Friday 31 May 2019 was attributable to a one-off factor, being a temporary blockage of the paste reticulation circuit at the Gwalia mine, impacting the sequential mining schedule, and occurring at a time when concurrent work activities and resources were required for the remaining Gwalia Extension Project Paste Aggregate Fill construction;
- the impact of this event, combined with the previously reported ventilation constraints, concurrent work activities and sequential mining schedule imposed by the nature of the orebody, led to the delay in mining one particular stope on the 1660 level (i.e. 1660 metres below surface), originally scheduled for production in June 2019, until July 2019. The stope in question comprises 56,000 tonnes of ore with an estimated grade of 8.3 g/t Au representing 14,900 contained ounces of gold;

- the deferred production is not lost. Rather, this is a timing issue, as production of the deferred stope is now scheduled one month later than originally anticipated (in July 2019). Combined with a small positive variation in production guidance for Simberi, this represents a variation in anticipated consolidated revenue for FY 19 of approximately 4% (i.e. 15,000 ounces from previous midpoint guidance of 370,000 ounces);
- the indicative pre-tax profit margin from production of the affected stope (approximately \$12 million, being 15,000 ounces at an indicative A\$820 margin per ounce (margin derived from a notional A\$1,810 per ounce gold price (average gold price realised in Q3 March FY19) less A\$990 per ounce all in sustaining cost guidance midpoint)), represented less than 1% of SBM's market capitalisation of ~\$1.8 billion at close of trade on 30 May 2019, noting that the profit on production from this stope is delayed, not lost.

While SBM's view is that the Information does not constitute a market sensitive difference, SBM considered that it was prudent to announce the Information, due to its concurrent Retail Entitlement Offer (announced on Wednesday, 15 May 2019) that closed on Tuesday, 4 June 2019.

Following the market reaction to the announcement on Friday 31 May 2019 regarding FY19 Gwalia production guidance, SBM announced a withdrawal facility on Tuesday 4 June 2019 enabling applicants who applied for New Shares under the Retail Entitlement Offer, the ability to withdraw their application for New Shares by 5 pm (AEST) on Friday 7 June 2019.

3. When did SBM first become aware of the Information?

The sequence of events leading to the awareness of the Information is as follows:

- In the early hours of Saturday 25 May 2019 (AWST), an underground operator observed a reduced volume of paste from the reticulation circuit filling a stope on the 1660 level;
- On investigation later that morning, a blockage in the paste reticulation circuit was identified somewhere between the 1270 and 1580 levels;
- Over the coming days, there remained a reasonable expectation that the blockage could be cleared, bypassed, and / or alternate ore sources from different lodes or levels be identified to partially or completely cover the impact on production;
- During Thursday 30 May, it was identified that the restoration of the reticulation circuit would take longer than initially anticipated, further delaying paste-filling of open stopes and the subsequent mining of adjacent stopes on the 1660 level that were to follow the open stope being paste-filled. As previously disclosed, the Gwalia mine is currently ventilation constrained, and the nature of the orebody requires a sequential mining schedule;

- At 5:00 pm (AEST) on Thursday 30 May, following discussion with site management, it was determined that it was no longer possible to maintain anticipated FY19 production and the existing production guidance range for Gwalia for FY19 would not be achieved. In light of the concurrent Retail Entitlement Offer, it was considered prudent to update the market. An announcement was prepared overnight and released pre-open on Friday 31 May 2019.

Normally, the impact of an event such as a paste-fill blockage can be managed within a financial year. In this instance, however, due to the late stage in the financial year, and in light of the sequential mining schedule, the stage of development of other stopes, ventilation considerations in completing concurrent work activities and resources required for the remaining Gwalia Extension Project Paste Aggregate Fill construction, it was not possible to vary the mine sequence to replace the delay in production of this single stope in FY19.

4. If the answer to question 1 is “yes” and SBM first became aware of the Information before the relevant date, did SBM make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe SBM was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps SBM took to ensure that the information was released promptly and without delay.

N/A

5. Please confirm that SBM is complying with the Listing Rules and, in particular, Listing Rule 3.1.

SBM confirms it is complying with the Listing Rules and, in particular, Listing Rule 3.1.

6. Please confirm that SBM’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of SBM with delegated authority from the board to respond to ASX on disclosure matters.

SBM confirms that this response has been authorised and approved by the Board.

Yours sincerely

Sent electronically without signature

Rowan Cole
Company Secretary



3 June 2019

Mr Rowan Cole
Company Secretary
St Barbara Limited
Level 10, 432 St Kilda Road
Melbourne VIC 3004

By email: rowan.cole@stbarbara.com.au

Dear Mr Cole

St Barbara Limited ('SBM'): Aware Query

ASX refers to the following:

- A. SBM's announcement entitled "St Barbara to acquire Atlantic Gold and equity raising" lodged on the ASX Market Announcement Platform and released on 15 May 2019, disclosing the proposed acquisition of 100% of the issued capital of Atlantic Gold Corporation for cash to be partially funded via an underwritten 1 for 3.1 pro rata accelerated non-renounceable entitlement offer to raise approximately A\$490m before costs ("Offer").

Under the Offer, eligible SBM shareholders are invited to subscribe for 1 new fully paid ordinary share in SBM for every 3.1 existing fully paid ordinary shares in SBM held as at 7.00pm AEST on Friday 17 May 2019, at the offer price of A\$2.89 per new share, which represents a:

- 13.0% discount of the closing price of SBM of \$3.32 on Tuesday 14 May 2019; and
 - 10.1% discount to the theoretical ex-rights price of A\$3.22 as at Tuesday 14 May 2019.
- B. The results of the Institutional component of the Offer were announced on 17 May 2019. The Retail component of the Offer is due to close at 5.00pm AEST on 4 June 2019.
- C. SBM's announcement entitled "Revised FY19 Production Guidance" lodged on the ASX Market Announcements Platform and released at 9.30 AM on 31 May 2019 (the 'Announcement'), disclosing revised consolidated gold production guidance for FY19 which is now approximately 355,000 ounces from previously announced production guidance of 365,000 to 375,000 ounces ('Information').
- D. The SBM share price traded between a high of \$3.01 and a low of \$2.57 in the period between the announcement of the Offer and the day before the Announcement.
- E. The SBM share price which has traded between high of \$2.70 and low of \$2.48 since the Announcement closing at \$2.58 today which is still well below the price under the Offer. There is also a significant increase in volume traded post the Announcement.
- F. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- G. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."

H. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

“3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- It would be a breach of a law to disclose the information;*
- The information concerns an incomplete proposal or negotiation;*
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- The information is generated for the internal management purposes of the entity; or*
- The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed.”

Request for Information

Having regard to the above, in particular that the Information was disclosed two business days prior to the closing of the Retail Entitlement Offer, ASX asks SBM to respond separately to each of the following questions and requests for information:

1. Does SBM consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. When did SBM first become aware of the Information?
4. If the answer to question 1 is “yes” and SBM first became aware of the Information before the relevant date, did SBM make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe SBM was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps SBM took to ensure that the information was released promptly and without delay.
5. Please confirm that SBM is complying with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that SBM’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of SBM with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than 9.30 AM **AEST Wednesday, 5 June 2019**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, SBM’s obligation is to

disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require SBM to request a trading halt immediately.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at ListingsComplianceMelbourne@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to SBM’s obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that SBM’s obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Suspension

If you are unable to respond to this letter by the time specified above ASX will likely suspend trading in SBM’s securities under Listing Rule 17.3.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Kind regards

Jon Chow
Adviser, Listings Compliance (Melbourne)