FY19 Financial Report, Appendix 4E, briefing and audio webcast

St Barbara Limited (ASX:SBM) (the "Company") reported statutory net profit after tax of $144 million for the year ended 30 June 2019 (2018: $227 million) and cash flow from operating activities of $241 million (2018: $316 million).

Highlights

- Underlying net profit after tax[1] of $142 million for the year (2018: $202 million)
- Record annual production from Simberi mine of 142,177 ounces (2018:134,661 ounces)
- Consolidated All-In Sustaining Cost[1] of $1,080 per ounce (2018: $891 per ounce)
- Total cash at bank and term deposits of $110 million as at 30 June 2019[2]
- 4 cents per share fully franked final dividend declared today (in respect of the 2019 financial year)

Financial Results			**FY19**	**FY18**	**Change**
Underlying EBITDA[1]		A$ million	279	346	(19%)
Underlying net profit after tax[1]		A$ million	142	202	(30%)
Statutory net profit after tax		A$ million	144	227	(36%)
Cash flow from operating activities		A$ million	241	316	(24%)
Earnings per share (basic)		cents	27	44	(39%)
Underlying earnings per share (basic)		cents	27	39	(33%)
Dividends per share	**– interim**	cents	4	4	
	– final	cents	4	8	
	– total declared for year	cents	8	12	(33%)
Realised gold price		A$ / oz	1,762	1,691	4%

Details of the results for the financial year ended 30 June 2019 are set out in the attached Appendix 4E and Directors' and Financial Report.

St Barbara Managing Director and CEO, Mr Bob Vassie, said, "This is a solid result for the Company in a year where mining at Gwalia experienced limited ventilation and the Gwalia Extension Project (GEP) construction activities peaked. It was very pleasing for Simberi to make yet another strong contribution this year. I look forward to the completion of GEP and the doubling of ventilation capacity the project delivers. I also look forward to the contribution of Atlantic Gold from the successful acquisition that completed in July."

Mr Vassie and Mr Garth Campbell-Cowan, Chief Financial Officer, will host a conference call for analysts and institutional investors to discuss the full year financial results at **11:00 am Australian Eastern Standard Time** (UTC + 10 hours) **on Wednesday 21 August 2019.** A live audio webcast of the briefing will be available on St Barbara's website at www.stbarbara.com.au/investors/webcast/ or by clicking here. The audio webcast is 'listen only'. The audio webcast will subsequently be made available on the website.

1 This is a non-IFRS measure which is detailed in the attached FY19 Directors' and Financial Report
2 Net of $780 million Atlantic Gold consideration paid in July 2019

Appendix 4E

For the year ended 30 June 2019

Preliminary Final Report
Financial year ended 30 June 2019

This information should be read in conjunction with the St Barbara Limited 2019 Financial Report attached.

Name of entity

St Barbara Limited

ABN or equivalent company reference

36 009 165 066

Results for announcement to the market		***% Change***		**A$'000**
Revenue and other income	down	4%	to	660,509
Profit after tax from ordinary activities (before significant items) attributable to members - Underlying *(Prior year underlying profit: $201,892,000)*	down	30%	to	141,728
Net profit attributable to members of the parent entity *(Prior year net profit: $226,998,000)*	down	36%	to	144,163

During the year there was a significant item that had a material impact on the income statement of the consolidated entity as set out in the table below:

A$'000	**Year ended 30 June 2019**	Year ended 30 June 2018
Net profit after tax as reported – Statutory Profit	**144,163**	226,998
Significant Items		
Atlantic Gold Corporation acquisition costs	**3,865**	-
Tax adjustments	**(6,300)**	(25,106)
Underlying net profit after tax	**141,728**	201,892

Net tangible asset backing		
Net tangible assets per ordinary security*	$1.81	$1.29

* Calculated as the Company's net tangible assets at period end divided by ordinary shares on issue at period end

Dividends

Subsequent to 30 June 2019, the Board has declared a fully franked dividend of 4 cents per ordinary share to be paid on 25 September 2019. The record date for determining entitlements to the dividend will be 4 September 2019. Elections to participate in the Dividend Reinvestment Plan (**DRP**) for this dividend must be made by 5.00pm AEDT on 5 September 2019. A 1% discount to the 5 day value weighted average price will apply to share allotments made under the DRP.

A summary of dividends paid during the year are provided in the table below:

Details	Cents per share	A$'000	Percentage franked
2018 final dividend	8	41,641	100%
2019 interim dividend	4	20,971	100%
Total	**12**	**62,612**	**100%**

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 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 were issued at a 1% discount to the 5 day volume weighted average price.

Other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position.

During the 2019 financial year the Group recorded strong financial performance despite lower production and profit from the Leonora operations. The key results for the year were:

- Statutory net profit after tax of $144,163,000 (2018: $226,998,000);
- Production at Gwalia and Simberi totalling 362,346 ounces (2018: 403,089 ounces), with lower production from Gwalia compared to the prior year partially offset by record production from Simberi;
- Cash flows from operations of $213,209,000 (2018: $300,553,000), which reflected an increase in sustaining capital expenditure in 2019 at Gwalia and Simberi, and was after growth capital of $75,439,000 (2018: $37,129,000); and
- Total 2019 dividends of $62,612,000 (2018: $51,414,000).

Underlying net profit after tax, representing net profit excluding significant items, was $141,728,000 for the year (2018: $201,892,000). Net significant items in the 2019 financial year included the benefit from an increase in deferred tax assets associated with the Simberi operations, and costs associated with the acquisition of Atlantic Gold Corporation (Atlantic Gold).

Cash on hand and deposits held to maturity within 12 months at 30 June 2019 was $890,199,000 (2018: $342,643,000). The significant increase in cash during the year was attributable to net proceeds from new shares issued to fund the acquisition of Atlantic Gold of $479,558,000. Net cash generated during the year, excluding the net proceeds from the equity issue and movements in deposits held to maturity, was $63,647,000 (2018: $176,048,000).

Total interest bearing borrowings at 30 June 2019 were $Nil (2018: $39,000).

The consolidated result for the year is summarised as follows:

	2019 $'000	2018 $'000
EBITDA(3)(6) (including significant items)	**274,810**	345,514
EBIT(2)(6) (including significant items)	**195,167**	258,238
Profit before tax(4)	**204,294**	262,603
Statutory profit (1) after tax for the year	**144,163**	**226,998**
Total net significant items after tax	**2,435**	25,106
EBITDA (6) (excluding significant items)	**278,675**	345,514
EBIT (6) (excluding significant items)	**199,032**	258,238
Profit before tax (excluding significant items)	**208,159**	262,603
Underlying net profit after tax(5)(6) for the year	**141,728**	**201,892**

(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 consolidated 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.

Details of significant items included in the Statutory Profit for the year are displayed in the table below. Descriptions of each item are provided in Note 3 to the financial report.

	2019 $'000	2018 $'000
Atlantic Gold Corporation acquisition costs	(3,865)	-
Significant items before tax	**(3,865)**	-
Income tax	6,300	25,106
Significant items after tax	**2,435**	25,106

Overview of Operating Results

During the 2019 financial year the Group's operations continued to achieve strong production and cost performance.

Safety of people working across the Group is of paramount importance and the focus has been to maintain a low total recordable injury frequency rate (TRIFR) calculated as a rolling 12 month average. During 2019 the TFIR increased to 5.0 (2018: 2.1) due to 23 low severity recordable injuries, with 15 of these injuries in the most minor category involving no lost time or reduced duties. Nearly all the injuries were hand or forearm laceration or finger injuries. The Group continues to work in an urgent and focused way on preventing future injuries through training programs and improved supervision of employees and contractors. Investigating and learning from incidents to prevent reoccurrence is a key consideration in developing training and supervision programs.

Total production for the Group in the 2019 financial year was 362,346 ounces of gold (2018: 403,089 ounces), and gold sales amounted to 368,444 ounces (2018: 400,956 ounces) at an average gold price of $1,762 per ounce (2018: $1,691 per ounce). The impact of lower production at Gwalia of 220,169 ounces (2018: 268,428 ounces) was partially offset by a new production record at Simberi of 142,177 ounces (2018: 134,661 ounces).

Consolidated All-In Sustaining Cost (AISC) for the Group was $1,080 per ounce in 2019 (2018: $891 per ounce), reflecting the impact of lower production and higher operating costs at Gwalia, and increased sustaining capital expenditure at both Gwalia and Simberi.

Year ended 30 June 2019 $'000	**Leonora Operations**	**Simberi Operations**	**Group**
Revenue	392,678	257,643	650,321
Mine operating costs	(155,236)	(143,839)	(299,075)
Gross Profit	**237,442**	**113,804**	**351,246**
Royalties	(15,663)	(5,778)	(21,441)
EDITDA	**221,779**	**108,026**	**329,805**
Depreciation and amortisation	(59,763)	(18,220)	(77,983)
Profit from operations(1)	**162,016**	**89,806**	**251,822**

(1) Excludes 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. The measure is presented to enable an understanding of the underlying performance of the operations.

The table below provides a summary of the cash contribution, after capital expenditure, from continued operations in Australia and at Simberi.

Year ended 30 June 2019 $'000	**Leonora Operations**	**Simberi Operations**	**Group**
Operating cash contribution	229,907	112,338	342,245
Capital – sustaining	(44,161)	(9,436)	(53,597)
Cash contribution(1)	**185,746**	**102,902**	**288,648**
Capital – Gwalia Extension Project	(59,716)	-	(59,716)
Capital – growth(2)	(11,127)	(4,596)	(15,723)
Cash contribution after growth capital	**114,903**	**98,306**	**213,209**

(1) Cash contribution is non-IFRS financial information, which has not been subject to review or audited 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 capital represents deep drilling expenditure at Gwalia, Gwalia feasibility studies and sulphide drilling at Simberi.

Total net cash contribution from the operations was $213,209,000 (2018: $300,553,000), reflecting the impact of lower production from Gwalia and significant increase in capital expenditure at both operations. Simberi generated record cash flows from operations despite an increase in capital expenditure, mainly to refresh the mining fleet.

Analysis of Leonora Operations

Total sales revenue from the Leonora operations of $392,678,000 (2018: $461,264,000) was generated from gold sales of 222,625 ounces (2018: 271,141 ounces) in the year at an average achieved gold price of $1,762 per ounce (2018: $1,699 per ounce). The reduction in gold ounces sold was attributable to lower production.

A summary of production performance for the year ended 30 June 2019 is provided in the table below.

Details of 2019 Production Performance

	Gwalia	
	2019	2018
Underground ore mined (kt)	**625**	679
Grade (g/t)	**11.1**	12.5
Ore milled (kt)	**652**	711
Grade (g/t)	**10.8**	12.0
Recovery (%)	**98**	98
Gold production (oz)	**220,169**	268,428
Cash cost (1) (A$/oz)	**746**	613
All-In Sustaining Cost (AISC) (2) (A$/oz)	**1,027**	802

(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) All-In Sustaining Cost (AISC) is a non IFRS financial measure which has not been subject to review or audit by the Group's external auditors. It is present to provide a meaningful measure by which to access 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

The Gwalia mine produced 220,169 ounces of gold in 2019 (2018: 268,428 ounces). The lower gold production was attributable to lower ore tonnes mined and lower grade in the 2019 year.

Ore tonnes mined from the Gwalia underground mine decreased to 625,000 tonnes in 2019 (2018: 679,000 tonnes), largely due to a combination of ventilation constraints limiting parallel work activities in the underground and Gwalia Extension Project activities. Gwalia Extension Project development and raise boring activities continued to compete for ventilation and trucking capacity during the year.

Ore mined grade decreased from 12.5 grams per tonne in 2018 to 11.1 grams per tonne in 2019, primarily due to the mining sequence passing through stopes with lower grade compared to the prior year. The Gwalia mill continued to perform consistently in 2019, with the average recovery at 98% (2018: 98%).

Gwalia unit cash operating costs(1) for the year were $746 per ounce (2018: $613 per ounce). The higher unit operating cost in the 2019 financial year was due mainly to the impact of lower production and grade. The unit All-In Sustaining Cost (AISC)(2) for Gwalia was $1,027 per ounce in 2019 (2018: $802 per ounce), with the higher unit cost attributable to the increase in unit cash operating cost and higher sustaining capital expenditure. Total cash operating costs at Gwalia were $164,246,000 (2018: $164,546,000).

Gwalia generated net cash flows in 2019 of $114,903,000 (2018: $217,957,000), after sustaining and growth capital. The reduced cash contribution from Gwalia in 2019 was due to lower production and a significant increase in capital expenditure. Sustaining capital in 2019 increased to $44,161,000 (2018: $33,829,000) mainly due to higher mine development to prepare the mine for a new mining method to lift mining rates. Growth capital in 2019 of $70,843,000 (2018: $36,793,000) consisted of expenditure on the Gwalia Extension Project, continued deep drilling targeting extensions to the Gwalia lode system and feasibility study costs.

Analysis of Simberi Operations

During 2019 the Simberi operations continued its strong performance, setting a new production and cash generation record. Total sales revenue from Simberi in 2019 was $257,643,000 (2018: $217,940,000), generated from gold sales of 145,819 ounces (2018: 129,815 ounces) at an average achieved gold price of A$1,761 per ounce (2018: A$1,673 per ounce). As at 30 June 2019 there were 3,876 ounces of gold inventory (2018: 9,521 ounces).

A summary of production performance at Simberi for the year ended 30 June 2019 is provided in the table below.

Details of 2019 Production Performance

	Simberi	
	2019	2018
Open pit ore mined (kt)	**3,396**	4,199
Grade (g/t)	**1.43**	1.25
Ore milled (kt)	**3,072**	3,586
Grade (g/t)	**1.64**	1.35
Recovery (%)	**87**	85
Gold production (oz)	**142,177**	134,661
Cash cost(1) (A$/oz)	**1,016**	969
All-In Sustaining Cost (AISC)(2) (A$/oz)	**1,162**	1,068

(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) All-In Sustaining Cost (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

Simberi production of 142,177 ounces of gold was the highest since the Group acquired the operations in September 2012 (2018: 134,661 ounces). The production result was driven by significantly higher grade as a result of mining higher-grade zones in the Sorowar pit, and improved recovery in the mill.

Ore mined in 2019 totalled 3,396,000 tonnes (2018: 4,199,000), which was a decrease of 19% on the prior year. The decrease in mining performance in 2019 was largely attributable to low productivity from the Pigibo pit, extended haul distances from the Pigiput and Sorowar North pits and reduced availability with some units in the mining fleet. Waste material moved in 2019 was 8,949,000 tonnes (2018: 9,411,000 tonnes).

Ore mined grade was higher than the prior year at 1.43 grams per tonne gold (2018: 1.25 grams per tonne). The higher grade in 2019 was as a result of mining in higher-grade zones at the base of mining stages in the Sorowar and Pigibo pits.

Ore milled during the year totalled 3,072,000 tonnes (2018: 3,586,000 tonnes), with the lower throughput attributable to harder ore types being processed through the SAG mill and inconsistent performance from the Ball Mill circuit in the first half of the year. The recovery performance of the Simberi mill for the year was an average of 87% (2018: 85%).

Simberi unit cash operating costs for the year were $1,016 per ounce (2018: $969 per ounce). The unit All-In Sustaining Cost (AISC) for Simberi for the year was $1,162 per ounce (2018: $1,068 per ounce), which reflected the impact of higher sustaining capital expenditure in 2019. Total cash operating costs at Simberi during 2019 were higher than prior year at $144,452,000 (2018: $130,487,000) due mainly to the impact of a weaker AUD/USD exchange rate.

In 2019 Simberi generated positive net cash flows of $98,306,000 (2018: $82,596,000), after sustaining and growth capital expenditure. Sustaining capital expenditure of $9,436,000 (2018: $4,081,000) was higher in 2019 due to the refresh of the mining fleet. Growth capital of $4,596,000 (2018: $336,000) comprised sulphide drilling expenditure beneath the Sorowar pit to improve the potential for a sulphide gold processing project and feasibility study costs.

Discussion and analysis of the consolidated income statement

Revenue

Total revenue decreased from $679,204,000 in 2018 to $650,321,000 in 2019. The lower total revenue was due to the reduced production for the Group, partially offset by the higher average gold price of $1,762 per ounce (2018: $1,691 per ounce).

Mine operating costs

Mine operating costs in 2019 were $299,075,000 compared with $275,695,000 in the prior year. The increase in operating costs was mainly attributable to Simberi as a result of higher processing costs, the release of costs associated with gold in safe inventory and the impact of a weaker AUD/USD exchange rate on conversion of Simberi USD denominated results. In addition, prior year operating costs relating to ore stockpiles on hand were deferred to the balance sheet.

Other revenue and income

Interest revenue was $10,073,000 in 2019 (2018: $5,283,000), earned on cash held during the year.

Other income for the year was $115,000 (2018: $2,053,000), representing minor asset sales.

Exploration

Total exploration expenditure during the 2019 year amounted to $31,401,000 (2018: $14,169,000), with an amount of $12,676,000 (2018: $5,020,000) capitalised, relating to deep drilling expenditure at Gwalia and sulphide drilling at Simberi. Exploration expenditure expensed in the income statement in the year was $18,725,000 (2018: $9,149,000). Exploration activities during the year related to investigating highly prospective near mine targets at Simberi and targets on the surrounding islands. The Group continued its 3D Seismic programs at Gwalia and in the Leonora area and regional exploration in Australia.

Corporate costs

Corporate costs for the year of $21,859,000 (2018: $23,840,000) comprised mainly expenses relating to the corporate office and compliance related costs.

Royalties

Royalty expenses for the year were $21,441,000 (2018: $23,015,000). 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 decrease in royalty expenses in 2019 was attributable to lower gold revenue from Gwalia.

Depreciation and amortisation

Depreciation and amortisation of fixed assets and capitalised mine development amounted to $79,643,000 (2018: $87,276,000) for the year. Depreciation and amortisation attributable to the Leonora operations was $59,763,000 (2018: $65,734,000), with the decrease associated mainly with lower amortisation as a result of reduced production. The expense at Simberi was $18,220,000 (2018: $17,516,000), with higher depreciation attributable to increased production.

Expenses associated with acquisition

Expenses associated with acquisition of $3,865,000 (2018: $Nil) relates mainly to advisory fees for the Atlantic Gold acquisition.

Share based payments

Share based payments of $3,099,000 (2018: $3,636,000) relate to employee benefits under the performance rights plan (refer to Note 19)

Other expenses

Other expenditure of $3,855,000 (2018: $608,000) included amounts associated with business development activities and studies.

Net finance costs

Finance costs in the year were $946,000 (2018: $918,000). Finance costs comprised interest paid and payable on finance leases of $1,000 (2018: $15,000), borrowing costs relating to banking facilities and guarantee fees of $60,000 (2018: $50,000) and the unwinding of the discount on the rehabilitation provision of $885,000 (2018: $853,000).

Net foreign exchange gain

A net foreign exchange loss of $3,707,000 was recognised for the year (2018: net gain of $200,000). The foreign exchange loss related to movements in exchange rates associated with US dollar bank accounts and intercompany balances.

Income tax

An income tax expense of $60,131,000 was recognised for the 2019 year (2018: income tax expense of $35,605,000). A tax credit of $5,140,000 (2018: $25,106,000) was booked relating to previously unrecognised PNG deferred tax assets.

The effective tax rate on Australian earnings was 33% (2018: 27%), with the rate applicable to PNG earnings being 23% (2018: negative 5%, representing an income tax credit).

Discussion and analysis of the consolidated cash flow statement

Operating activities

Cash flows from operating activities for the year were $240,774,000 (2018: $315,679,000), reflecting the impact of lower receipts from customers and significantly higher income tax payments.

Receipts from customers of $647,566,000 (2018: $681,146,000) reflected the impact of lower gold sales from Gwalia. Payments to suppliers were $336,717,000 (2018: $322,139,000), with the increase mainly attributable to higher production volumes at Simberi.

Payments for exploration expensed in the year amounted to $18,725,000 (2018: $9,149,000). The higher charge in 2019 was related to increased expenditure in Australia and at Simberi and the neighbouring islands.

During the year the Company paid Australian company tax of $61,423,000 (2018: $39,462,000), comprising an amount of $40,933,000 relating to the prior year and instalment payments of $20,490,000 for the 2019 financial year.

Investing activities

Net cash flows used in investing activities amounted to $28,254,000 (2018: $212,988,000) for the year, which included the benefit of cash transferred from deposits held to maturity of $106,200,000 (2018: transfer to deposits held to maturity of $116,200,000).

Higher mine development expenditure of $97,333,000 (2018: $59,134,000) included expenditure related to the Gwalia Extension Project.

Higher expenditure on property, plant and equipment of $20,651,000 in 2019 (2018: $12,043,000) was due to higher expenditure at Gwalia and Simberi.

Exploration expenditure capitalised during the year totalled $12,676,000 (2018: $5,020,000), which related to the deep drilling program at Gwalia to extend the orebody at depth, and sulphide drilling at Simberi.

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

- Underground mine development and infrastructure at Gwalia – $36,075,000 (2018: $27,361,000)
- Gwalia Extension Project – $59,716,000 (2018: $31,773,000)
- Purchase of property, plant and equipment at Gwalia – $9,907,000 (2018: $6,400,000)
- Purchase of property, plant and equipment at Simberi – $9,384,000 (2018: $4,081,000)
- Further investment in Prodigy Gold NL and Duketon Mining Limited shares totalling $3,794,000 (2018: $20,591,000).

Financing activities

Net cash flows related to financing activities in 2019 was a net inflow of $436,885,000 (2018: net outflow of $42,843,000). The financing activities in 2019 included the issue of new equity giving proceeds of $479,558,000 net of transaction fees to assist in funding the acquisition of Atlantic Gold. Financing activities also included the payment of dividends during the year totalling $41,634,000 (2018: $40,997,000).

During the year cash backed banking guarantees increased by $1,000,000 (2018: $1,400,000) to $2,400,000 (2018: $1,400,000).

Discussion and analysis of the consolidated balance sheet

Net assets and total equity

St Barbara's net assets and total equity increased substantially during the year by $591,153,000 to $1,257,023,000 as a result of the new equity raised of $479,558,000 to fund the acquisition of Atlantic Gold, together with the profit for the year.

Current assets increased to $971,469,000 (2018: $420,781,000) due to the significant increase in cash and cash equivalents.

Non-current assets increased during the year by $37,901,000 to $438,264,000 (2018: $400,363,000), mainly due to the increase in mine properties, reflecting the capital expenditure related to the Gwalia Extension Project.

Current trade and other payables increased to $56,549,000 at 30 June 2019 (2018: $39,878,000) due to the timing of payments at year end, and an increase in payables associated with capital project expenditure.

The deferred tax balance was a net liability of $2,071,000 (2018: net asset of $9,904,000). A current provision for tax payable of $23,171,000 was recognised at 30 June 2019 (2018: $39,982,000).

Debt management and liquidity

The available cash balance at 30 June 2019 was $880,199,000 (2018: $226,443,000) including $479,558,000 from equity raised, with an additional $10,000,000 in deposits held to maturity (2018: $116,200,000). A further $2,400,000 was held on deposit as restricted cash and reported within trade receivables (2018: $1,400,000).

Total interest bearing liabilities reduced to $Nil at 30 June 2019 (2018: $39,000).

The AUD/USD exchange rate as at 30 June 2019 was 0.7021 (30 June 2018: 0.7407).

Subsequent Events

Subsequent to year end, the directors have declared a fully franked final dividend in relation to the 2019 financial year of 4 cents per ordinary share, to be paid on 25 September 2019. A provision for this dividend has not been recognised in the 30 June 2019 consolidated financial statements.

On 19 July 2019, the Group successfully acquired Atlantic Gold Corporation (a Canadian listed Corporation) for a total cash value of $780,117,000. This acquisition is to be funded from the net proceeds of the equity raising during the 2019 financial year of $479,558,000 and available cash on hand.

In July 2019 the Group executed a three year $200,000,000 syndicate revolving corporate debt facility.

Statement about the audit status

This preliminary final report is based on the St Barbara Limited and controlled entities financial report as at 30 June 2019, which has been audited by PricewaterhouseCoopers. The 30 June 2019 financial report contains the independent audit report to the members of St Barbara Limited.

Dated: 21 August 2019

Bob Vassie

Managing Director and CEO

St Barbara
LIMITED

Directors' and Financial Report

For the year ended 30 June 2019

Contents

Directors' Report

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 financial year ended 30 June 2019.

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

- T C Netscher
  Non-Executive Chairman
- R S Vassie
  Managing Director & CEO
- S G Dean (appointed 23 July 2019)
  Non-Executive Director
- K J Gleeson
  Non-Executive Director
- S E Loader (appointed 1 November 2018)
  Non-Executive Director
- D E J Moroney
  Non-Executive Director

The qualifications, experience and special responsibilities of the Directors are presented on page 14.

Principal activities

During the year 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 year.

Overview of group results

The consolidated result for the year is summarised as follows:

	2019 $'000	2018 $'000
EBITDA(3)(6)	**274,810**	345,514
EBIT(2)(6)	**195,167**	258,238
Profit before tax(4)	**204,294**	262,603
Statutory profit (1) after tax	**144,163**	226,998
Total net significant items after tax	**2,435**	25,106
EBITDA (6) (excluding significant items)	**278,675**	345,514
EBIT (6) (excluding significant items)	**199,032**	258,238
Profit before tax (excluding significant items)	**208,159**	262,603
Underlying net profit after tax(5)(6)	**141,728**	201,892

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

	2019 $'000	2018 $'000
Atlantic Gold Corporation acquisition costs	**(3,865)**	-
Significant items before tax	**(3,865)**	-
Income tax	**6,300**	25,106
Significant items after tax	**2,435**	25,106

(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 consolidated 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 2019 financial year the Group recorded strong financial performance despite lower production and profit from the Leonora operations. The key results for the year were:

- Statutory net profit after tax of $144,163,000 (2018: $226,998,000);
- Production at Gwalia and Simberi totalling 362,346 ounces (2018: 403,089 ounces), with lower production from Gwalia compared to the prior year partially offset by record production from Simberi;
- Cash flows from operations of $213,209,000 (2018: $300,553,000), which reflected an increase in sustaining capital expenditure in 2019 at Gwalia and Simberi, and was after growth capital of $75,439,000 (2018: $37,129,000); and
- Total 2019 dividends of $62,612,000 (2018: $51,414,000).

Underlying net profit after tax, representing net profit excluding significant items, was $141,728,000 for the year (2018: $201,892,000). Net significant items in the 2019 financial year included the benefit from an increase in deferred tax assets associated with the Simberi operations, and costs associated with the acquisition of Atlantic Gold Corporation (Atlantic Gold).

Cash on hand and deposits held to maturity within 12 months at 30 June 2019 was $890,199,000 (2018: $342,643,000). The significant increase in cash during the year was attributable to net proceeds from new shares issued to fund the acquisition of Atlantic Gold of $479,558,000. Net cash generated during the year, excluding the net proceeds from the equity issue and movements in deposits held to maturity, was $63,647,000 (2018: $176,048,000).

Total interest bearing borrowings at 30 June 2019 were $Nil (2018: $39,000).

The key shareholder returns for the year are presented in the table below.

	2019	2018
Basic earnings per share (cents per share)	**26.99**	44.26
Return on equity	**15%**	40%
Change in closing share price	**(39)%**	66%

Underlying shareholder returns for the year are presented in the table below.

	2019	2018
Underlying basic earnings per share(1)(cents per share)	**26.54**	39.37
Underlying return on equity(1)	**15%**	37%

(1) Underlying basic earnings per share and return on equity 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.

Overview of operating results

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

$'000	Leonora Operations	Simberi Operations	Group
Year ended 30 June 2019			
Revenue	392,678	257,643	650,321
Mine operating costs	(155,236)	(143,839)	(299,075)
Gross Profit	**237,442**	**113,804**	**351,246**
Royalties	(15,663)	(5,778)	(21,441)
EBITDA	**221,779**	**108,026**	**329,805**
Depreciation and amortisation	(59,763)	(18,220)	(77,983)
Profit from operations[(1)]	**162,016**	**89,806**	**251,822**
Year ended 30 June 2018			
Revenue	461,264	217,940	679,204
Mine operating costs	(157,979)	(117,716)	(275,695)
Gross Profit	**303,285**	**100,224**	**403,509**
Royalties	(18,123)	(4,892)	(23,015)
EBITDA	**285,162**	**95,332**	**380,494**
Depreciation and amortisation	(65,734)	(17,516)	(83,250)
Profit from operations[(1)]	**219,428**	**77,816**	**297,244**

(1) Excludes 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.

During the 2019 financial year the Group's operations continued to achieve strong production and cost performance.

Safety of people working across the Group is of paramount importance and the focus has been to maintain a low total recordable injury frequency rate (TRIFR) calculated as a rolling 12 month average. During 2019 the TFIR increased to 5.0 (2018: 2.1) due to 23 low severity recordable injuries, with 15 of these injuries in the most minor category involving no lost time or reduced duties. Nearly all the injuries were hand or forearm laceration or finger injuries. The Group continues to work in an urgent and focused way on preventing future injuries through training programs and improved supervision of employees and contractors. Investigating and learning from incidents to prevent reoccurrence is a key consideration in developing training and supervision programs.

Total production for the Group in the 2019 financial year was 362,346 ounces of gold (2018: 403,089 ounces), and gold sales amounted to 368,444 ounces (2018: 400,956 ounces) at an average gold price of $1,762 per ounce (2018: $1,691 per ounce). The impact of lower production at Gwalia of 220,169 ounces (2018: 268,428 ounces) was partially offset by a new production record at Simberi of 142,177 ounces (2018: 134,661 ounces).

Consolidated All-In Sustaining Cost (AISC) for the Group was $1,080 per ounce in 2019 (2018: $891 per ounce), reflecting the impact of lower production and higher operating costs at Gwalia, and increased sustaining capital expenditure at both Gwalia and Simberi.

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

$'000	Leonora Operations	Simberi Operations	Group
Year ended 30 June 2019			
Operating cash contribution	229,907	112,338	342,245
.Capital – sustaining	(44,161)	(9,436)	(53,597)
Cash contribution[(1)]	**185,746**	**102,902**	**288,648**
Capital – Gwalia Extension Project	(59,716)	-	(59,716)
Capital – growth[(2)]	(11,127)	(4,596)	(15,723)
Cash contribution after growth capital	**114,903**	**98,306**	**213,209**
Year ended 30 June 2018			
Operating cash contribution	288,579	87,013	375,592
Capital – sustaining	(33,829)	(4,081)	(37,910)
Cash contribution[(1)]	**254,750**	**82,932**	**337,682**
Capital – Gwalia Extension Project	(31,773)	-	(31,773)
Capital – growth[(2)]	(5,020)	(336)	(5,356)
Cash contribution after growth capital	**217,957**	**82,596**	**300,553**

(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 capital represents deep drilling expenditure at Gwalia, Gwalia feasibility studies and sulphide drilling at Simberi.

Total net cash contribution from the operations was $213,209,000 (2018: $300,553,000), reflecting the impact of lower production from Gwalia and significant increase in capital expenditure at both operations. Simberi generated record cash flows from operations despite an increase in capital expenditure, mainly to refresh the mining fleet.

Analysis of Leonora operations

Total sales revenue from the Leonora operations of $392,678,000 (2018: $461,264,000) was generated from gold sales of 222,625 ounces (2018: 271,141 ounces) in the year at an average achieved gold price of $1,762 per ounce (2018: $1,699 per ounce). The reduction in gold ounces sold was attributable to lower production.

A summary of production performance for the year ended 30 June 2019 is provided in the table below.

Details of 2019 production performance

	Gwalia	
	2019	2018
Underground ore mined (kt)	**625**	679
Grade (g/t)	**11.1**	12.5
Ore milled (kt)	**652**	711
Grade (g/t)	**10.8**	12.0
Recovery (%)	**98**	98
Gold production (oz)	**220,169**	268,428
Cash cost (1) (A$/oz)	**746**	613
All-In Sustaining Cost (AISC) (2) (A$/oz)	**1,027**	802

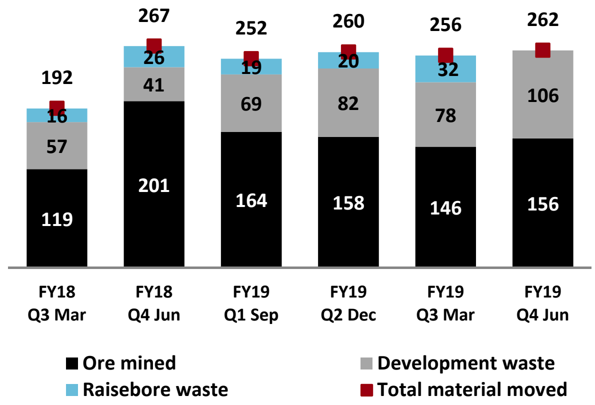
(1) Cash operating costs are mine operating costs including government royalties, and after by-product credits. This is a non-IFRS financial measure which has not been subject to review or audit by the Group's external auditors. It is presented to provide meaningful information to assist management, 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) All-In Sustaining Cost (AISC) is a non IFRS financial measure which has not been subject to review or audit by the Group's external auditors. 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 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.

The Gwalia mine produced 220,169 ounces of gold in 2019 (2018: 268,428 ounces). The lower gold production was attributable to lower ore tonnes mined and lower grade in the 2019 year.

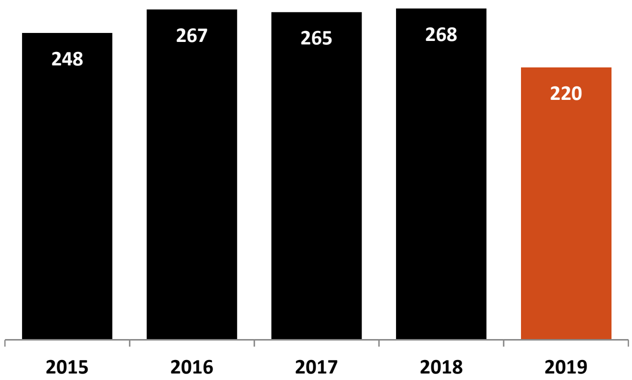
Ore tonnes mined from the Gwalia underground mine decreased to 625,000 tonnes in 2019 (2018: 679,000 tonnes), largely due to a combination of ventilation constraints limiting parallel work activities in the underground and Gwalia Extension Project activities. Gwalia Extension Project development and raise boring activities continued to compete for ventilation and trucking capacity during the year. The following figure shows total tonnes moved, including ore, development waste and raise bore waste over the past eighteen months.

Gwalia total material moved (kt)



Ore mined grade decreased from 12.5 grams per tonne in 2018 to 11.1 grams per tonne in 2019, primarily due to the mining sequence passing through stopes with lower grade compared to the prior year. The Gwalia mill continued to perform consistently in 2019, with the average recovery at 98% (2018: 98%).

Gwalia gold production
(koz)



Gwalia unit cash operating costs(1) for the year were $746 per ounce (2018: $613 per ounce). The higher unit operating cost in the 2019 financial year was due mainly to the impact of lower production and grade. The unit All-In Sustaining Cost (AISC)(2) for Gwalia was $1,027 per ounce in 2019 (2018: $802 per ounce), with the higher unit cost attributable to the increase in unit cash operating cost and higher sustaining capital expenditure. Total cash operating costs at Gwalia were $164,246,000 (2018: $164,546,000).

Gwalia generated net cash flows in 2019 of $114,903,000 (2018: $217,957,000), after sustaining and growth capital. The reduced cash contribution from Gwalia in 2019 was due to lower production and a significant increase in capital expenditure. Sustaining capital in 2019 increased to $44,161,000 (2018: $33,829,000) mainly due to higher mine development to prepare the mine for a new mining method to lift mining rates. Growth capital in 2019 of $70,843,000 (2018: $36,793,000) consisted of expenditure on the Gwalia Extension Project, continued deep drilling targeting extensions to the Gwalia lode system and feasibility study costs.

Analysis of Simberi operations

During 2019 the Simberi operations continued its strong performance, setting a new production and cash generation record. Total sales revenue from Simberi in 2019 was $257,643,000 (2018: $217,940,000), generated from gold sales of 145,819 ounces (2018: 129,815 ounces) at an average achieved gold price of A$1,761 per ounce (2018: A$1,673 per ounce). As at 30 June 2019 there were 3,876 ounces of gold inventory (2018: 9,521 ounces).

A summary of production performance at Simberi for the year ended 30 June 2019 is provided in the table below.

Details of 2019 production performance

	Simberi	
	2019	2018
Open pit ore mined (kt)	**3,396**	4,199
Grade (g/t)	**1.43**	1.25
Ore milled (kt)	**3,072**	3,586
Grade (g/t)	**1.64**	1.35
Recovery (%)	**87**	85
Gold production (oz)	**142,177**	134,661
Cash cost(1) (A$/oz)	**1,016**	969
All-In Sustaining Cost (AISC)(2) (A$/oz)	**1,162**	1,068

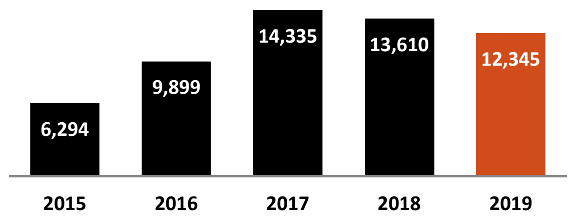
(1) Cash operating costs are mine operating costs including government royalties, and after by-product credits. This is a non-IFRS financial measure which has not been subject to review or audit by the Group's external auditors. It is presented to provide meaningful information to assist management, 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) All-In Sustaining Cost (AISC) is a non IFRS financial measure which has not been subject to review or audit by the Group's external auditors. 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 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 of 142,177 ounces of gold was the highest since the Group acquired the operations in September 2012 (2018: 134,661 ounces). The production result was driven by significantly higher grade as a result of mining higher-grade zones in the Sorowar pit, and improved recovery in the mill.

Ore mined in 2019 totalled 3,396,000 tonnes (2018: 4,199,000), which was a decrease of 19% on the prior year. The decrease in mining performance in 2019 was largely attributable to low productivity from the Pigibo pit, extended haul distances from the Pigiput and Sorowar North pits and reduced availability with some units in the mining fleet. Waste material moved in 2019 was 8,949,000 tonnes (2018: 9,411,000 tonnes).

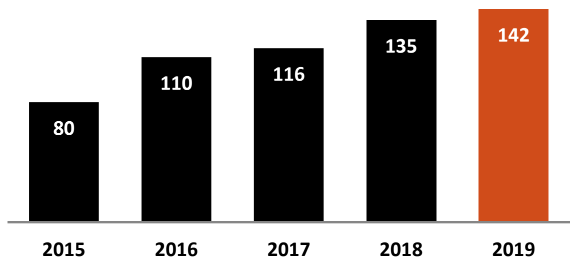
Simberi annual total material moved
(kt)



Ore mined grade was higher than the prior year at 1.43 grams per tonne gold (2018: 1.25 grams per tonne). The higher grade in 2019 was as a result of mining in higher-grade zones at the base of mining stages in the Sorowar and Pigibo pits.

Ore milled during the year totalled 3,072,000 tonnes (2018: 3,586,000 tonnes), with the lower throughput attributable to harder ore types being processed through the SAG mill and inconsistent performance from the Ball Mill circuit in the first half of the year. The recovery performance of the Simberi mill for the year was an average of 87% (2018: 85%).

Simberi gold production
(koz)



Simberi unit cash operating costs for the year were $1,016 per ounce (2018: $969 per ounce). The unit All-In Sustaining Cost (AISC) for Simberi for the year was $1,162 per ounce (2018: $1,068 per ounce), which reflected the impact of higher sustaining capital expenditure in 2019. Total cash operating costs at Simberi during 2019 were higher than prior year at $144,452,000 (2018: $130,487,000) due mainly to the impact of a weaker AUD/USD exchange rate.

In 2019 Simberi generated positive net cash flows of $98,306,000 (2018: $82,596,000), after sustaining and growth capital expenditure. Sustaining capital expenditure of $9,436,000 (2018: $4,081,000) was higher in 2019 due to the refresh of the mining fleet. Growth capital of $4,596,000 (2018: $336,000) comprised sulphide drilling expenditure beneath the Sorowar pit to improve the potential for a sulphide gold processing project and feasibility study costs.

Discussion and analysis of the consolidated income statement

Revenue

Total revenue decreased from $679,204,000 in 2018 to $650,321,000 in 2019. The lower total revenue was due to the reduced production for the Group, partially offset by the higher average gold price of $1,762 per ounce (2018: $1,691 per ounce).

Mine operating costs

Mine operating costs in 2019 were $299,075,000 compared with $275,695,000 in the prior year. The increase in operating costs was mainly attributable to Simberi as a result of higher processing costs, the release of costs associated with gold in safe inventory and the impact of a weaker AUD/USD exchange rate on conversion of Simberi USD denominated results. In addition, prior year operating costs relating to ore stockpiles on hand were deferred to the balance sheet.

Other revenue and income

Interest revenue was $10,073,000 in 2019 (2018: $5,283,000), earned on cash held during the year.

Other income for the year was $115,000 (2018: $2,053,000), representing minor asset sales.

Exploration

Total exploration expenditure during the 2019 year amounted to $31,401,000 (2018: $14,169,000), with an amount of $12,676,000 (2018: $5,020,000) capitalised, relating to deep drilling expenditure at Gwalia and sulphide drilling at Simberi. Exploration expenditure expensed in the income statement in the year was $18,725,000 (2018: $9,149,000). Exploration activities during the year related to investigating highly prospective near mine targets at Simberi and targets on the surrounding islands. The Group continued its 3D Seismic programs at Gwalia and in the Leonora area and regional exploration in Australia.

Corporate costs

Corporate costs for the year of $21,859,000 (2018: $23,840,000) comprised mainly expenses relating to the corporate office and compliance related costs.

Royalties

Royalty expenses for the year were $21,441,000 (2018: $23,015,000). 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 decrease in royalty expenses in 2019 was attributable to lower gold revenue from Gwalia.

Depreciation and amortisation

Depreciation and amortisation of fixed assets and capitalised mine development amounted to $79,643,000 (2018: $87,276,000) for the year. Depreciation and amortisation attributable to the Leonora operations was $59,763,000 (2018: $65,734,000), with the decrease associated mainly with lower amortisation as a result of reduced production. The expense at Simberi was $18,220,000 (2018: $17,516,000), with higher depreciation attributable to increased production.

Expenses associated with acquisition

Expenses associated with acquisition of $3,865,000 (2018: $Nil) relates mainly to advisory fees for the Atlantic Gold acquisition.

Share based payments

Share based payments of $3,099,000 (2018: $3,636,000) relate to employee benefits under the performance rights plan (refer to Note 19)

Other expenses

Other expenditure of $3,855,000 (2018: $608,000) included amounts associated with business development activities and studies.

Net finance costs

Finance costs in the year were $946,000 (2018: $918,000). Finance costs comprised interest paid and payable on finance leases of $1,000 (2018: $15,000), borrowing costs relating to banking facilities and guarantee fees of $60,000 (2018: $50,000) and the unwinding of the discount on the rehabilitation provision of $885,000 (2018: $853,000).

Net foreign exchange gain

A net foreign exchange loss of $3,707,000 was recognised for the year (2018: net gain of $200,000). The foreign exchange loss related to movements in exchange rates associated with US dollar bank accounts and intercompany balances.

Income tax

An income tax expense of $60,131,000 was recognised for the 2019 year (2018: income tax expense of $35,605,000). A tax credit of $5,140,000 (2018: $25,106,000) was booked relating to previously unrecognised PNG deferred tax assets.

The effective tax rate on Australian earnings was 33% (2018: 27%), with the rate applicable to PNG earnings being 23% (2018: negative 5%, representing an income tax credit).

Discussion and analysis of the consolidated cash flow statement

Operating activities

Cash flows from operating activities for the year were $240,774,000 (2018: $315,679,000), reflecting the impact of lower receipts from customers and significantly higher income tax payments.

Receipts from customers of $647,566,000 (2018: $681,146,000) reflected the impact of lower gold sales from Gwalia. Payments to suppliers were $336,717,000 (2018: $322,139,000), with the increase mainly attributable to higher production volumes at Simberi.

Payments for exploration expensed in the year amounted to $18,725,000 (2018: $9,149,000). The higher charge in 2019 was related to increased expenditure in Australia and at Simberi and the neighbouring islands.

During the year the Company paid Australian company tax of $61,423,000 (2018: $39,462,000), comprising an amount of $40,933,000 relating to the prior year and instalment payments of $20,490,000 for the 2019 financial year.

Investing activities

Net cash flows used in investing activities amounted to $28,254,000 (2018: $212,988,000) for the year, which included the benefit of cash transferred from deposits held to maturity of $106,200,000 (2018: transfer to deposits held to maturity of $116,200,000).

Higher mine development expenditure of $97,333,000 (2018: $59,134,000) included expenditure related to the Gwalia Extension Project.

Higher expenditure on property, plant and equipment of $20,651,000 in 2019 (2018: $12,043,000) was due to higher expenditure at Gwalia and Simberi.

Exploration expenditure capitalised during the year totalled $12,676,000 (2018: $5,020,000), which related to the deep drilling program at Gwalia to extend the orebody at depth, and sulphide drilling at Simberi.

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

- Underground mine development and infrastructure at Gwalia – $36,075,000 (2018: $27,361,000)
- Gwalia Extension Project – $59,716,000 (2018: $31,773,000)
- Purchase of property, plant and equipment at Gwalia – $9,907,000 (2018: $6,400,000)
- Purchase of property, plant and equipment at Simberi – $9,384,000 (2018: $4,081,000)
- Further investment in Prodigy Gold NL and Duketon Mining Limited shares totalling $3,794,000 (2018: $20,591,000).

Financing activities

Net cash flows related to financing activities in 2019 was a net inflow of $436,885,000 (2018: net outflow of $42,843,000). The financing activities in 2019 included the issue of new equity giving proceeds of $479,558,000 net of transaction fees to assist in funding the acquisition of Atlantic Gold. Financing activities also included the payment of dividends during the year totalling $41,634,000 (2018: $40,997,000).

During the year cash backed banking guarantees increased by $1,000,000 (2018: $1,400,000) to $2,400,000 (2018: $1,400,000).

Discussion and analysis of the consolidated balance sheet

Net assets and total equity

St Barbara's net assets and total equity increased substantially during the year by $591,153,000 to $1,257,023,000 as a result of the new equity raised of $479,558,000 to fund the acquisition of Atlantic Gold, together with the profit for the year.

Current assets increased to $971,469,000 (2018: $420,781,000) due to the significant increase in cash and cash equivalents.

Non-current assets increased during the year by $37,901,000 to $438,264,000 (2018: $400,363,000), mainly due to the increase in mine properties, reflecting the capital expenditure related to the Gwalia Extension Project.

Current trade and other payables increased to $56,549,000 at 30 June 2019 (2018: $39,878,000) due to the timing of payments at year end, and an increase in payables associated with capital project expenditure.

The deferred tax balance was a net liability of $2,071,000 (2018: net asset of $9,904,000). A current provision for tax payable of $23,171,000 was recognised at 30 June 2019 (2018: $39,982,000).

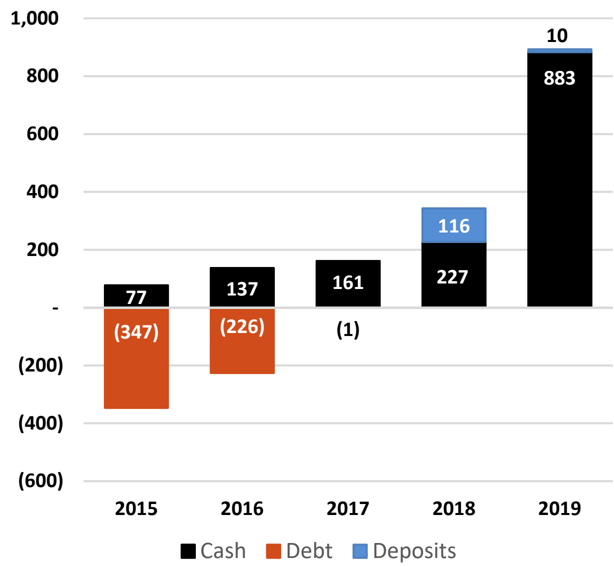
Debt management and liquidity

The available cash balance at 30 June 2019 was $880,199,000 (2018: $226,443,000) including $479,558,000 from equity raised, with an additional $10,000,000 in deposits held to maturity (2018: $116,200,000). A further $2,400,000 was held on deposit as restricted cash and reported within trade receivables (2018: $1,400,000).

Total interest bearing liabilities reduced to $Nil at 30 June 2019 (2018: $39,000).

The AUD/USD exchange rate as at 30 June 2019 was 0.7021 (30 June 2018: 0.7407).

Cash, deposits and debt (1)
(A$M)



(1) Amounts include restricted cash.

Business strategy and future prospects

St Barbara's strategic focus is on developing or acquiring gold deposits in order to diversify the Group's production base to create a portfolio of sustainable long life operations at costs in the bottom third of AISC. In relation to growth by acquisition or development, St Barbara's focus is to actively add, manage and progress assets in all phases of the 'growth pipeline' from exploration through feasibility and construction to production. The Group aligns its decisions and activities to this strategy by focusing on key value drivers: relative total shareholder returns, increase in gold ore reserves, return on capital employed and exploration success.

In relation to current operations, St Barbara's focus is on maximising production at the lowest possible cost from Gwalia and Simberi, and to extend mine life through drilling and capital development where the Group's investment criteria are met.

During the 2019 financial year the Group achieved a number of strategic milestones:

- On 15 May 2019 the Company announced that it had entered into a Canadian Plan of Arrangement Agreement with Atlantic Gold Corporation, a TSX listed low cost gold producer in Nova Scotia, Canada, to acquire 100% of the company. The transaction completed on 19 July 2019. The acquisition provides St Barbara with another operating mine together with a number of organic growth projects and exploration opportunities.
- Continued strong gold production from Gwalia and Simberi. At Simberi performance in 2019 was a new record and was the fifth consecutive record year for the operation.
- Safety performance continued to be a key focus area for the Group, however the Total Recordable Injury Frequency Rate (TRIFR) increased to 5.0 for the year (2018: 2.1). Health and safety plans and strategies are continuously reviewed, and developed, to assist in reducing the Group's TRIFR rate.
- During the year the Gwalia Extension Project (GEP) made good progress and is on schedule to complete in the March 2020 quarter. GEP consists of two main components, a ventilation upgrade and paste aggregate fill, which involves mixing paste from surface with waste crushed underground to fill stope cavities.
- In March 2019 the Company announced the outcomes of the Gwalia Mass Extraction (GMX) feasibility study. GMX comprised a new mining method and consideration of investment in underground grinding, mixing and hydraulic hoisting to lift mining rates. Based on the feasibility study an optimised trucking case was selected as the preferred long term haulage method over the hydraulic hoisting options. Work is continuing to optimise and refine all operational aspects of future operations in line with this methodology.
- During the year the Board paid a final fully franked dividend in relation to the 2018 financial year of 8 cents per ordinary share, an interim fully franked dividend of 4 cents per ordinary share, and has declared a final fully franked dividend in relation to the 2019 financial year of 4 cents per ordinary share.

Strategic drivers for the business include:

- *Optimising cash flow and reducing the cost base:* The Group is focused on optimising cash flow from operations through maximising production and managing costs at its existing operations, enhancing operating capabilities and incorporating new technologies across St Barbara. The Group will continue to identify opportunities to enhance productivity and improve operating performance in a volatile gold market.

- *Improving productivity*: The Group is focused on maintaining consistent operations at Gwalia and Simberi. St Barbara continues to invest to improve infrastructure, mining fleets and capability to ensure consistent and reliable production at its operations and to maintain operating costs at levels that protect profit margins and ensure an adequate return on capital invested.

- *Growing the ore reserve base through the development of existing Mineral Resources and exploration activities:* A number of potential organic growth opportunities have been identified, which could increase production and extend the life of the Gwalia and Simberi operations. During 2019 the deep drilling program continued at Gwalia with the objective to extend the Gwalia mineral resource. At Simberi, a sulphide ore reserve, which has been estimated at 1.4 Moz, provides an opportunity to create a long life production centre at Simberi, with drilling continuing under the Sorowar pit aimed at increasing the sulphide resource. In addition the Group is generating and evaluating exploration targets in the Tabar Island Group in Papua New Guinea and on its tenements in regional Australia.

- *Maintaining a conservative financial profile:* The Group continues to maintain prudent financial management policies with the objective of ensuring adequate liquidity to pursue appropriate investments in the operations and exploration. The Group's financial management policies are aimed at generating net cash flows from operations to meet financial commitments and fund exploration to the extent viable and appropriate. The Group's capital management plan is reviewed and discussed with the Board on a regular basis.

- *Continue and strengthen the Group's commitment to employees and local communities:* The Group considers the capability and wellbeing of its employees as key in delivering the business strategy. Creating and sustaining a safe work environment and ensuring that operations conform to applicable environmental and sustainability standards are an important focus for the Group. The Group invests in the training and development of its employees, talent management and succession planning.

  The Company views such efforts as an important component of instilling St Barbara's values throughout the organisation and retaining continuity in the workforce. The Group has in place a comprehensive talent management framework to strengthen the capacity to attract, motivate and retain capable people. St Barbara places significant importance on gender diversity and is certified by the Workplace Gender Equality Agency (WEGA) as an Employer of Choice for Gender Equality, the only mining company to be certified in 2018-2019. The Group also has an ongoing commitment to work with local communities to improve infrastructure, particularly in health and education, support local businesses, and provide venues for leisure activities, and other opportunities for developing communities in which the Group operates.

Within Australia, the Gwalia underground mine remains the flagship asset of the Group, generating strong cash flows. To optimise the value of the mine using trucking the Gwalia Extension Project was approved by the Board in March 2017 with a budget of $112 million. In March 2019 the Gwalia Mass Extraction (GMX) feasibility study was completed, which confirmed the life of mine operation using existing trucking operational methodology is the preferred haulage method for the future.

In Papua New Guinea, a pre-feasibility study (PFS) for the Simberi sulphide project was completed during 2016. Drilling beneath the Sorowar pit that commenced during the year is seeking to identify further sulphide ore to enhance the sulphide project. In addition the St Barbara Group entered into an Option and Farm-in Agreement with Newcrest PNG Exploration Limited for copper-gold porphyry exploration on the tenements on the Tatau and Big Tabar Islands.

The Group's 2020 financial year budget was developed in the context of a volatile gold market and weakening Australian dollar against the United States dollar. The Group's priorities in the 2020 year are to continue consistent production from Gwalia and Simberi, successfully integrate Atlantic Gold within the St Barbara Group, and further advance organic growth opportunities at these operations.

For the 2020 financial year the Group's operational and financial outlook (representing Leonora and Simberi) is as follows:

- Gold production is expected to be in the range 310,000 to 335,000 ounces from Gwalia and Simberi;
- All-In Sustaining Cost is expected to be in the range of $1,250 per ounce to $1,350 per ounce for the Group;
- Sustaining capital expenditure is expected to be in the range of $59 million to $70 million;
- Growth capital at Gwalia is anticipated to be between $30 million to $35 million; and
- Exploration expenditure is anticipated to be between $20 million and $28 million.

Guidance for the Atlantic Gold operations in 2020 will be determined after due consideration following completion of the acquisition.

The focus for the exploration program in 2020 will be continued deep drilling at Gwalia, exploration in the Greater Gwalia area and in the Leonora region, continued exploration at Pinjin in Western Australia and Back Creek in New South Wales, and to drill targets on the Tatau and Big Tabar islands in Papua New Guinea. The exploration program for Atlantic Gold will be finalised as part of integration within the Group.

Material business risks

St Barbara prepares its business plan using estimates of production and financial performance based on a business planning system and a range of assumptions and expectations. There is uncertainty in these assumptions and expectations, and risk that variation from them could result in actual performance being different to planned outcomes. The uncertainties arise from a range of factors, including the Group's international operating scope, nature of the mining industry and changing economic factors. The material business risks faced by the Group that may have an impact on the operating and financial prospects of the Group as at 30 June 2019 are:

- *Fluctuations in the United States Dollar ("USD") spot gold price:* Volatility in the gold price creates revenue uncertainty and requires careful management of business performance to ensure that operating cash margins are maintained despite a fall in the spot gold price.

  Declining gold prices can also impact operations by requiring a reassessment of the feasibility of a particular exploration or development project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment could cause substantial delays and/or interrupt operations, which may have a material adverse effect on the results of operations and financial condition.

  In assessing the feasibility of a project for development, the Group may consider whether a hedging instrument should be put in place to guarantee a minimum level of return. The Group has also used gold forward contracts to secure revenues during the completion of the turnaround at Simberi and subsequently to ensure a reasonable margin.

  The Group has a centralised treasury function that monitors the risk of fluctuations in the USD gold price and impacts on expenditures from movements in local currencies. Where possible, the exposure to movements in the USD relative to USD denominated expenditure is offset by the exposure to the USD gold price (a natural hedge position).

- *Hedging risk:* The Group has hedging agreements in place for the forward sale of fixed quantities of gold production from its operations. There is a risk that the Group may not be able to deliver the amount of gold required under its hedging arrangements if, for example, there is a production shortage. In this event the Group's financial performance may be adversely affected. Under the hedging agreements, rising gold prices could result in part of the Group's gold production being sold at less than the prevailing spot gold prices at the time of sale.

- *Government regulation:* The Group's mining, processing, development and exploration activities are subject to various laws and statutory regulations governing prospecting, development, production, taxes, royalty payments, labour standards and occupational health, mine safety, toxic substances, land use, water use, communications, land claims of local people and other matters.

  No assurance can be given that new laws, rules and regulations will not be enacted or that existing laws, rules and regulations will not be applied in a manner which could have an adverse effect on the Group's financial position and results of operations. Any such amendments to current laws, regulations and permits governing operations and activities of mining and exploration, or more stringent implementation thereof, could have a material adverse impact on the Group. Failure to comply with any applicable laws, regulations or permitting requirements may result in enforcement actions against the Group, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions.

- *Operating risks and hazards:* The Group's mining operations, consisting of open pit and underground mines, generally involve a high degree of risk, and these risks increase when mining occurs at depth. The Group's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of gold. Processing operations are subject to hazards such as equipment failure, toxic chemical leakage, loss of power, fast-moving heavy equipment, failure of deep sea tailings disposal pipelines and retaining dams around tailings containment areas, rain and seismic events which may result in environmental pollution and consequent liability. The impact of these events could lead to disruptions in production and scheduling, increased costs and loss of facilities, which may have a material adverse impact on the Group's results of operations, financial condition, license to operate and prospects. These risks are managed by a structured operations risk management framework and formalised procedures.

- *Reliance on transportation facilities and infrastructure:* The Group depends on the availability and affordability of reliable transportation facilities and infrastructure (e.g. roads, bridges, airports, power sources and water supply) to deliver consumables to site, and final product to market. Interruption in the provision of such infrastructure (e.g. due to adverse weather; community or government interference) could adversely affect St Barbara's operations, financial condition and results of operations. The Group's operating procedures include business continuity plans which can be enacted in the event any particular infrastructure is temporarily unavailable.

- *Production, cost and capital estimates:* The Group prepares estimates of future production, operating costs and capital expenditure relating to production at its operations. The ability of the Group to achieve production targets, or meet operating and capital expenditure estimates on a timely basis cannot be assured. The assets of the Group are subject to uncertainty with regards to ore tonnes, grade, metallurgical recovery, ground conditions, operational environment, funding for development, regulatory changes, accidents and other unforeseen circumstances such as unplanned mechanical failure of plant and equipment. Failure to achieve production, cost or capital estimates, or material increases to costs, could have an adverse impact on the Group's future cash flows, profitability and financial condition. The development of estimates is managed by the Group using a rigorous budgeting and forecasting process. Actual results are compared with forecasts to identify drivers behind discrepancies which may result in updates to future estimates.

- *Gwalia Extension Project:* The project to install an underground paste aggregate fill plant and ventilation upgrade is important to enabling continuing mining at depth. Any material delays in completing the project, or material defects in the design or construction of the project, may have an adverse impact on the productivity of the mine due to ineffective handling of waste, or prevent mining at depth due to inadequate ventilation. The Group is managing these risks through oversight of a dedicated project team, thorough procurement processes to ensure appropriate qualified and expert suppliers are engaged to design and construct each component, and regular reviews by senior management of project progress on critical path elements.

- *Changes in input costs:* Mining operations and facilities are intensive users of electricity, gas and carbon-based fuels. Energy prices can be affected by numerous factors beyond the Group's control, including global and regional supply and demand, carbon taxes, inflation, political and economic conditions, and applicable regulatory regimes. The prices of various sources of energy may increase significantly from current levels.

  The Group's production costs are also affected by the prices of commodities it consumes or uses in its operations, such as diesel, lime, sodium cyanide and explosives, and increases in labour rates. The prices of such commodities are influenced by supply and demand trends affecting the mining industry in general and other factors outside the Group's control. Increases in the price for materials consumed in St Barbara's mining and production activities could materially adversely affect its results of operations and financial condition.

  The Group's operations use contractors for mining services at those operations, and some of its construction projects are conducted by contractors. As a result, the Group's operations are subject to a number of risks, including:

  − negotiation and renewal of agreements with contractors on acceptable terms;
  − failure of contractors to perform under their agreements, including failure to comply with safety systems and standards, contractor insolvency and failure to maintain appropriate insurance;
  − failure of contractors to comply with applicable legal and regulatory requirements; and
  − changes in contractors.

  In addition, St Barbara may incur liability to third parties as a result of the actions of its contractors. The occurrence of one or more of these risks could have a material adverse effect on its results of operations and financial position.

  The Group manages risks associated with input costs through a centralised procurement function which analyses market trends, supply environment, and operational demand planning, to establish appropriate sourcing strategies for spend categories.

  The Group manages risks associated with contractors through a contractor management system.

- *Exploration and development risk:* Although the Group's activities are primarily directed towards mining operations and the development of mineral deposits, its activities also include the exploration for mineral deposits and the possibility of third party arrangements including joint ventures, partnerships, toll treating arrangements or other third party contracts. An ability to sustain or increase the current level of production in the longer term is in part dependent on the success of the Group's exploration activities and development projects, and the expansion of existing mining operations.

  The exploration for and development of mineral deposits involves significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties that are explored subsequently have economic deposits of gold identified, and even fewer are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to establish rights to mine the ground, to receive all necessary operating permits, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs the Group plans will result in a profitable mining operation.

  Whether a mineral deposit will be commercially viable depends on a number of factors.

  The Group has a disciplined approach to allocating budget to exploration projects. The Group also has investment criteria to ensure that development projects are only approved if an adequate economic return on the investment is expected.

- *Ore Reserves and Mineral Resources:* The Group's estimates of Ore Reserves and Mineral Resources are based on different levels of geological confidence and different degrees of technical and economic evaluation, and no assurance can be given that anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realised or that Ore Reserves could be mined or processed profitably. The quality of any Ore Reserve or Mineral Resource estimate is a function of the quantity of available technical data and of the assumptions used in engineering and geological interpretation, and modifying factors affecting economic extraction. Such estimates are compiled by experienced and appropriately qualified geoscientists using mapping and sampling data obtained from bore holes and field observations, and subsequently reported by Competent Persons under the JORC Code.

  Fluctuation in gold prices, key input costs to production, as well as the results of additional drilling, and the evaluation of reconciled production and processing data subsequent to any estimate may require revision of such estimates.

  Actual mineralisation of ore bodies may be different from those predicted, and any material variation in the estimated Ore Reserves, including metallurgy, grade, dilution, ore loss, or stripping ratio at the Group's properties may affect the economic viability of its properties, and this may have a material adverse impact on the Group's results of operations, financial condition and prospects.

  There is also a risk that depletion of reserves will not be offset by discoveries or acquisitions, or that divestitures of assets will lead to a lower reserve base. The reserve base of the Group may decline if reserves are mined without adequate replacement and the Group may not be able to sustain production beyond current mine lives, based on current production rates.

- *Political, social and security risks:* St Barbara has production and exploration operations in a developing country that is subject to political, economic and other risks and uncertainties. The formulation and implementation of government policies in this country may be unpredictable. Operating in developing countries also involves managing security risks associated with the areas where the Group has activities. The Group has established policies and procedures to assist in managing and monitoring government relations. The Group's operating procedures at its mine in Papua New Guinea includes detailed security plans.

- *Foreign exchange:* The Group has an Australian dollar presentation currency for reporting purposes. However, gold is sold throughout the world based principally on the U.S. dollar price, and most of the Group's revenues are realised in, or linked to, U.S. dollars. The Group is also exposed to U.S. dollars and Papua New Guinea Kina in respect of operations located in Papua New Guinea as certain of its operating costs are denominated in these currencies. There is a "natural" (but not perfect) hedge which matches to some degree U.S. denominated revenue and obligations related to U.S. dollar expenditure. The Group is therefore exposed to fluctuations in foreign currency exchange rates. The Group monitors foreign exchange exposure and risk on a monthly basis through the centralised treasury function and a Management Treasury Risk Committee.

- *Community relations*: A failure to adequately manage community and social expectations within the communities in which the Group operates may lead to local dissatisfaction which, in turn, could lead to interruptions to production and exploration operations. The Group has an established stakeholder engagement framework to guide the management of the Group's community relations efforts. At Simberi there is a dedicated community relations team to work closely with the local communities and government.

- *Insurance:* The Group maintains insurance to protect against certain risks. However, the Group's insurance will not cover all the potential risks associated with a mining company's operations. The Group may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as loss of title to mineral property, environmental pollution, or other hazards as a result of exploration and production is not generally available to the Group, or to other companies in the mining industry on acceptable terms. The Group might also become subject to liability for pollution or other hazards which may not be insured against, or which it may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Group to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

- *Climate change:* Climate change related risks that may impact the Group include physical as well as regulatory and macro-economic impacts. The effects of changes in rainfall patterns, changing storm patterns and intensities have from time to time adversely impacted, and may in the future adversely impact, the cost, production levels and financial performance of the Group's operations. The Group's mining operations have been, and may in the future be, subject from time to time to severe storms and high rainfalls leading to flooding and associated damage, which has resulted, and may result in delays to, or loss of production at its mines (e.g. due to water ingress and flooding at the base of the mine at Leonora WA and tropical storms and/or sea level increases impacting logistics and mining operations at Simberi PNG). Carbon related regulatory impacts on the groups are currently low, but may increase adversely in future, for instance should a carbon trading scheme be introduced. Climate change related impacts on commodity markets are difficult to predict, but might include increased energy cost to the Group.

- *Other natural disasters:* Seismic activity is of particular concern to mining operations. The Simberi mine in Papua New Guinea is in an area known to be seismically active and is subject to risks of earthquakes and the related risks of tidal surges and tsunamis. The Gwalia underground mine may be impacted by potential seismic events associated with operating at depth.

- *Risk of impairment*: If the gold price suffers a significant decline, or the operations are not expected to meet future production levels, there may be the potential for future impairment write downs at any of the operations. The recoverability of the carrying value of the Group's assets is assessed on a regular basis using a range of assumptions and expectations as part of the business planning system.

- *Atlantic acquisition*: St Barbara undertook a detailed due diligence investigation process in relation to the Atlantic Gold acquisition, and was provided extensive information for review by Atlantic Gold. While St Barbara considers that the review was adequate, the information was largely provided by Atlantic Gold and verification of the accuracy, reliability and completeness of all of the information against independent data was not possible. There is no assurance that the due diligence conducted was conclusive and that all material issues and risks in respect of the Atlantic Gold acquisition were identified. An important factor that may impact the long term success of St Barbara is the successful integration of the business of Atlantic Gold into the Group. While a formal integration process has been established with oversight from a management Steering Committee, difficulties may be encountered in connection with the integration process, which could result in the failure of St Barbara realising some of the anticipated benefits of the acquisition, or these benefits being realised later than expected.

Risk management

The Group manages the risks listed above, and other day-to-day risks through an established enterprise wide risk management framework, which conforms to Australian and international standards and guidance. The Group's risk reporting and control mechanisms are designed to ensure strategic, safety, environment, operational, legal, financial, tax, reputational and other risks are identified, assessed and appropriately managed.

The financial reporting and control mechanisms are reviewed during the year by management, the Audit and Risk Committee, the internal audit function and the external auditor.

Senior management and the Board regularly review the risk portfolio of the business and the effectiveness of the Group's management of those risks.

During July 2014, the Company announced that by operation of its internal reporting mechanisms, 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 were identified. 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 year the Australian Federal Police advised that it had concluded its investigation and determined there is no action to be taken against the Company or its current and former employees.

Regulatory environment

Australia

The Group's Australian mining activities are in Western Australia and governed by Western Australian legislation, including the Mining Act 1978, the Mines Safety and Inspection Act 1994, Dangerous Goods Safety Act 2004 and other mining related and subsidiary legislation. The Mining Rehabilitation Fund Act 2012 took effect from 1 July 2013. The Mining Rehabilitation Fund replaces unconditional environmental performance bonds for companies operating under the Mining Act 1978.

The Group is subject to significant environmental regulation, including the Western Australian Environmental Protection Act 1986, Contaminated Sites Act 2003, Wildlife Conservation Act 1950, Aboriginal Heritage Act 1972 and the Commonwealth Environmental Protection and Biodiversity Conservation Act 1999, as well as safety compliance in respect of its mining and exploration activities.

The Group is registered pursuant to the National Greenhouse and Energy Reporting Act 2007 under which it is required to report annually its energy consumption and greenhouse gas emissions. St Barbara also reports to Government pursuant to both the Energy Efficiency Opportunities Act 2006 and the National Environmental Protection (National Pollutant Inventory) Measure (subsidiary legislation to the National Environmental Protection Measures (Implementation) Act 1998). The Group has established data collection systems and processes to meet these reporting obligations. The Group's Australian operations are also required to comply with the Australian Federal Government's Clean Energy Act 2011, effective from 1 July 2012.

Papua New Guinea

The primary Papua New Guinea mining legislation is the Mining Act 1992, which governs the granting and cessation of mining rights. Under the Mining Act, all minerals existing on, in or below the surface of any land in Papua New Guinea, are the property of the State. The Mining Act establishes a regulatory regime for the exploration for, and development and production of, minerals and is administered by the Minerals Resources Authority. Environmental impact is governed by the Environment Act 2000, administered by the Department of Environment and Conservation. The PNG government has been reviewing the Mining Act since 2014. There is no public timeframe for completion of the review.

Directors' Report

Information on Directors

Timothy C (Tim) Netscher
BSc (Eng) (Chemical), BCom, MBA, FIChE, CEng, MAICD

Independent Non-Executive Chairman
Appointed as a Director 17 February 2014
Appointed as Chairman 1 July 2015

Special responsibilities:

- Member of the Health, Safety, Environment and Community Committee (Chair until 12 February 2019)
- Member of the Audit and Risk Committee
- Member of the Remuneration and Nomination Committee

Mr Netscher is an experienced international mining executive with extensive operational, project development, transactional and sustainability experience gained in senior executive and board roles over many years. His key executive positions during the past 25 years included Managing Director and CEO of Gindalbie Metals Ltd, Senior Vice President Asia Pacific Region of Newmont Inc., Managing Director of Vale Coal Australia, President of P T Inco and Executive Director of Refining & New Business at Impala Platinum Ltd.

Mr Netscher's experience covers a wide range of resources including platinum group metals, nickel, coal, iron ore, uranium and gold in Africa, Asia, USA and Australia.

Other current listed company directorships:

- Gold Road Resources Limited
  - Non-Executive Chairman
  - Member of Audit & Risk Committee
  - Member of Remuneration & Nomination Committee
- Western Areas Limited
  - Non-Executive Director
  - Member of Audit & Risk Committee
  - Chairman of Remuneration Committee

Former listed company directorships in last three years:

- Toro Energy Limited (resigned September 2016)
  - Non-Executive Chairman
  - Member of Audit & Risk Committee
  - Member of Remuneration Committee

Other previous relevant experience:

- Non-Executive Chairman of Deep Yellow Limited
- Director of Queensland Resources Council
- Director of Minerals Council of Australia
- Director of Chamber of Minerals and Energy of Western Australia

Robert S (Bob) Vassie
B. Mineral Technology Hons (Mining), GAICD, FAusIMM

Managing Director and Chief Executive Officer
Appointed as Managing Director and CEO 1 July 2014

Special responsibilities:

- Nil (attends Board Committee Meetings by invitation)

Mr Vassie is a mining engineer with over 30 years' international mining industry experience and has 18 years' experience in a range of senior management roles with Rio Tinto, culminating in Global Practice Leader –Mining Technology and then Managing Director – Strategic Optimisation. Immediately prior to joining St Barbara, he was MD and CEO of Ivanhoe Australia Ltd. He has particular experience in operations management, resource development strategy, mine planning, feasibility studies, business improvement, corporate restructuring and strategic procurement.

Other current listed public company directorships:

- Alita Resources Limited (formerly Alliance Mineral Assets Limited) (appointed December 2018)
  - Non-Executive Director

Former listed company directorships in last three years:

- Tawana Resources NL (ceased December 2018 per scheme of arrangement with Alliance Mineral Assets Limited)
  - Non-Executive Director

Other current relevant experience:

- Director of Minerals Council of Australia (MCA)
- Chair of MCA Gold Forum
- WGEA Pay Equity Ambassador
- Member of the Australasian Institute of Mining and Metallurgy (AusIMM) Council for Diversity and Inclusion

Steven G Dean
FCA, AusIMM, CIMMP

Independent Non-Executive Director[1]
Appointed as a Director 23 July 2019

Special responsibilities:

- Member of the Remuneration & Nomination Committee

Following the successful completion of the acquisition of Atlantic Gold Corporation on 19 July 2019, Steven Dean, former Chairman, Chief Executive Officer and co-founder of Atlantic Gold, was appointed to the Board of St Barbara Limited as an Non-Executive Director effective 23 July 2019.

Steven has extensive experience internationally in mining, including as President of Teck Cominco Limited (now Teck Resources Ltd, (TSX: TECK.A and TECK.B, NYSE: TECK). Teck is Canada's largest diversified resource company, is the largest producer of metallurgical coal in North America and a major producer of copper, zinc, and energy from 13 mines in Canada, United States, Chile and Peru.

Prior to joining Teck, Steven was a founding member of management of the Normandy Poseidon Group, (which became Normandy Mining) which was the largest Australian gold producer and a significant producer of base metals and industrial minerals until its acquisition by Newmont Mining in 2002, as well as co-founder of PacMin Mining Corporation which became a subsidiary of Teck Corporation in 1999. He was also a co-founder and former chairman of Amerigo Resources Ltd, and is the former Chairman and a director of Sierra Metals Inc. (TSX:SMT), and Chairman of Oceanic Iron Ore Corp. (TSX-V:FEO).

Other current listed company directorships:

- Non-Executive Director of Sierra Metals Inc. (TSX:SMT)
- Chairman of Oceanic Iron Ore Corp. (TSX-V:FEO)
- Chairman of Artemis Gold Inc (Canada)

Former listed company directorships in last three years:

- Chairman, CEO & Director of Atlantic Gold Corporation (TSX-V:AGB) (Resigned July 2019)

Kerry J Gleeson
LLB (Hons), FAICD

Independent Non-Executive Director
Appointed as a Director 18 May 2015

Special responsibilities:

- Chair of Remuneration & Nomination Committee
- Member of the Audit and Risk Committee
- Member of the Health, Safety, Environment and Community Committee

Ms Gleeson is an experienced non-executive director following a 25-year career as a senior executive and as a lawyer in both UK and Australia. She has significant experience in international governance, strategic mergers and acquisitions and complex corporate finance transactions, as well as in risk and crisis management.

Ms Gleeson was a member of the Group Executive at Incitec Pivot Limited for ten years until 2013, including as Company Secretary and General Counsel, with involvement across its international operations in explosives and chemicals, mining, transport and logistics. Ms Gleeson led Incitec Pivot's Corporate Affairs function across government, media and regulatory affairs as well as leading international crises responses and major environmental remediation projects, and the Group's Culture & Values and Diversity programs.

Prior to joining Incitec Pivot, she was a corporate finance and transactional partner in an English law firm, focussing on mergers and acquisitions and initial public offerings (IPOs) and, on relocating to Australia 20 years ago, was appointed a senior corporate lawyer with Australian law firm, Blake Dawson Waldron (now Ashurst).

Other current listed company directorships: Nil

Former listed company directorships in last three years:

- McAleese Limited (resigned September 2016)
  - Member of Audit, Business Risk and Compliance Committee

Other current relevant experience:

- Non-Executive Director, Trinity College, University of Melbourne
  - Chair of the Pathways School Business Committee
  - Member of the Finance Committee
- A member of the Director Advisory Panel of the Australian Securities and Investments Commission

1 Mr Dean was formerly the President and CEO of Atlantic Gold Corporation, acquired by St Barbara Ltd on 19 July 2019, and under ASX Corporate Governance Council Principles and Recommendations may not be considered independent. Due to the all-cash nature of the acquisition, and the absence of performance-based remuneration for Mr Dean, the Board does not consider that his former role will interfere with his capacity to bring an independent judgement to bear on issues before the Board or act in the best interests if the Group as a whole.

Stefanie (Stef) E Loader
BSc Hons (Geology), GAICD

Independent Non-Executive Director
Appointed as a Director 1 November 2018

Special responsibilities:

- Chair of the Health, Safety, Environment and Community Committee (appointed Chair 13 Feb 2019, Member prior to this date)
- Member of the Audit and Risk Committee
- Member of the Remuneration & Nomination Committee

Ms Stefanie (Stef) Loader is a company director, geologist and former mining executive with experience in mining operations, mineral exploration and project development. In her extensive executive career, Stef has worked in seven countries across four continents.

Ms Loader's experience covers a wide range of commodities and regions including copper and gold in Australia, Laos, Chile and Peru, and diamonds in Canada and India. Ms Loader held the role of Managing Director of Northparkes copper and gold mine for CMOC International and Rio Tinto from 2012 to 2017 and Chair of the NSW Minerals Council from 2015 to 2017. Ms Loader has also served in the office of the CEO for Rio Tinto supporting the Executive Committee and as Exploration Executive.

Ms Loader advises organisations, as a director and consultant, in the areas of leadership, strategy and regional economic development and was recognised as one of the Australian Financial Review 100 Women of Influence in 2013.

Other current listed company directorships:

- Non-executive director of Clean TeQ Holdings Ltd (ASX TSX:CLQ)

Former listed company directorships in last three years: Nil

Other current relevant experience:

- Deputy chair of CatholicCare Wilcannia-Forbes Ltd

Other previous relevant experience:

- Chair of the NSW Minerals Council from 2015 to 2017.

David E J Moroney
BCom, FCA, FCPA, GAICD

Independent Non-Executive Director
Appointed as a Director 16 March 2015

Special responsibilities:

- Chair of the Audit and Risk Committee
- Member of the Health, Safety, Environment and Community Committee
- Member of the Remuneration & Nomination Committee

Mr Moroney is an experienced finance executive with more than 30 years' experience in senior corporate finance roles, including 15 years in the mining industry, and extensive international work experience with strong skills in finance, strategic planning, governance, risk management and leadership. Mr Moroney's executive positions included CFO of Co-Operative Bulk Handling, CFO of First Quantum Minerals Ltd, General Manager Group Business Services at Wesfarmers Ltd, CFO of Wesfarmers CSBP Ltd, Deputy CFO/Executive GM Accounting of Normandy Mining Ltd and CFO at Aurora Gold Ltd.

Mr Moroney's experience covers a wide range of resources including diamonds, copper, cobalt, nickel, silver and gold in Africa, Asia, Scandinavia and Australia.

Other current listed company directorships: Nil

Former listed company directorships in last three years: Nil

Other current relevant experience:

- Non-Executive Independent Director, WA Super (Western Australia's largest public offer superannuation fund)
  - Chair of Risk Committee
  - Member of Audit & Compliance Committee
  - Member of Human Resources Committee

Other previous relevant experience:

- Non-Executive Director, Hockey Australia Ltd (National Sporting Organisation for Hockey enabling Australian national hockey teams the Kookaburras and Hockeyroos)
- Non-Executive Director, Geraldton Fishermen's Co-Operative Ltd (largest exporter of lobster in the southern hemisphere)
- National Councillor, Group of 100 Inc.
- Non-Executive Director, CPA Australia Ltd

Information on Executives

Robert S (Bob) Vassie
B. Mineral Technology Hons (Mining), GAICD, FAusIMM
Managing Director and Chief Executive Officer

Mr Vassie is a mining engineer with over 30 years' international mining industry experience and has 18 years' experience in a range of senior management roles with Rio Tinto, culminating in Global Practice Leader –Mining Technology and then Managing Director – Strategic Optimisation. Immediately prior to joining St Barbara, he was MD and CEO of Ivanhoe Australia Ltd. He has particular experience in operations management, resource development strategy, mine planning, feasibility studies, business improvement, corporate restructuring and strategic procurement.

Garth Campbell-Cowan
B.Comm, Dip-Applied Finance & Investments, FCA
Chief Financial Officer

Mr Campbell-Cowan is a Chartered Accountant with over 30 years' experience in senior management and finance positions across a number of different industries.

He was appointed to the position of Chief Financial Officer in September 2006 and is responsible for the Group's Finance function, covering financial reporting and accounting, treasury, taxation, internal audit, capital management, procurement and information technology. Mr Campbell-Cowan also has executive responsibility for business development. Prior to joining the Group, his executive roles included four years as Director of Corporate Accounting at Telstra, five years as GM Finance and Tax at Newcrest Mining Ltd and five years as Manager Group Policy and Special Projects at ANZ Bank.

Rowan Cole
B.Comm, CA, CIA, MBA, GAICD, FGIA, Dip Inv Rel, Dip Marketing
Company Secretary

Mr Cole joined St Barbara in 2010 as General Manager Corporate Services and was appointed as Deputy Company Secretary in 2012 and as Company Secretary in 2014. In addition to company secretarial duties and compliance, Mr Cole is responsible for the in-house legal function, investor and external relations, insurance and risk management and sustainability reporting.

He has over 30 years' experience across chartered accounting, retail banking, private and public companies. His executive roles include five years as Chief Financial and Risk Officer of former diversified IT company UXC Ltd, General Manager of Australia's first national indigenous credit union, First Nations Advantage Credit Union, and Strategic Development Manager of Advantage Credit Union (now part of CUA). Mr Cole's experience commenced with accounting firm KPMG and includes external, internal and IT audit, risk management, customer service delivery, marketing, strategy formulation, execution and measurement, process and business improvement, financial and business reporting in senior roles including general manager, head of risk and compliance, chief audit executive and chief financial and risk officer.

Meetings of Directors

The number of meetings of Directors (including meetings of Committees of Directors), and the numbers of meetings attended by each of the Directors of the Company during the financial year was:

	Board Meetings				Board Committees					
	Scheduled		Supplementary		Audit & Risk		Remuneration & Nomination		Health, Safety, Environment & Community	
	A	H	A	H	A	H	A	H	A	H
K Gleeson	7	7	18	19	4	4	4	4	4	4
S Loader	5	5	13	13	3	3	2	2	3	3
D Moroney	7	7	19	19	4	4	4	4	4	4
T Netscher	7	7	17	17	4	4	4	4	4	4
R Vassie	7	7	19	19	4	4	4	4	4	4

Table 1: Meetings of Directors

A = Number of meetings attended
H = Number of meetings held during the time the Director held office or was a member of the committee during the year and was eligible to attend

In addition to the meetings of Directors, Directors attended additional meetings with Management associated with the acquisition of Atlantic Gold Corporation and in consideration of other potential acquisitions.

Directors' interests

The relevant interest of each Director in the shares and rights over such instruments issued by the companies within the Group and other related bodies corporate as notified by the Directors to the ASX in accordance with S205G(1) of the Corporations Act 2001, as the date of this report is as follows:

	Ordinary shares	Rights over ordinary shares
S Dean[1]	-	-
K Gleeson	27,858	-
S Loader	30,000	-
D Moroney	105,438	-
T Netscher	60,967	-
R Vassie	1,869,053	64,914 [2] 351,095 [3]

Table 2: Directors' Interests

No Directors have an interest in options over shares issued by companies within the Group.

1 Appointed 23 July 2019
2 These rights were determined by the Board on 21 August 2019 to have vested as at 30 June 2019 and are pending issue as shares as at the date of this report.
3 The vesting of these rights is subject to future performance conditions as described in the Remuneration Report.

Remuneration Report (Audited)

Contents

1. Introduction and Key Management Personnel

This Remuneration Report describes the remuneration strategy and practices that applied for the 2019 financial year. The report provides details of remuneration paid for the 2019 financial year to Non-Executive Directors and the Executives named in this report with the authority and responsibility for planning, directing and controlling the activities of the Group, collectively referred to as Key Management Personnel (KMP). The individuals identified below as KMP are the same as reported in the 2018 Remuneration Report, with the inclusion of Ms Loader, appointed as a Non-Executive Director on 1 November 2018.

Following completion of the Atlantic Gold acquisition after the end of the 2019 financial year, Mr Dean was appointed as a Non-Executive Director on 23 July 2019, and will be a KMP in respect of the 2020 financial year.

Key Management Personnel during 2019

Non-Executive Directors	
Tim Netscher	Independent Non-Executive Chairman
Kerry Gleeson	Independent Non-Executive Director
David Moroney	Independent Non-Executive Director
Stef Loader	Independent Non-Executive Director *(appointed 1 November 2018)*
Executives	
Robert (Bob) Vassie	Managing Director & Chief Executive Officer
Garth Campbell-Cowan	Chief Financial Officer
Rowan Cole	Company Secretary

The Remuneration Report (as part of the Annual Report) complements, and should be read in conjunction with, information contained in the Company's corresponding Corporate Governance Statement and Sustainability Report, both available at www.stbarbara.com.au

2. 2019 Remuneration Summary

The outcomes described in this Remuneration Report reflect the Group's operational, financial and strategic achievements over the three-year period to 30 June 2019, which are described more fully later in the report.

Key achievements during the 2019 financial year include:

- the acquisition of Atlantic Gold Limited in Nova Scotia, Canada, which completed in July 2019, diversifying the Group's production with a low cost, cash generating mine with a mine life to 2031 with upside potential
- the $112 million Gwalia Extension Project (GEP), first announced in March 2017, progressed and is on schedule for completion in December 2019. GEP provides dual benefits of increasing ventilation and keeps the majority of waste underground
- in addition, the feasibility study for the Gwalia Mass Extraction Project concluded during the year, and indicated that an optimised trucking case was the preferred option to the hydraulic options considered by the study, based on risk and return on capital assessments
- Simberi achieved its fifth annual record gold production, and continued successful drilling to inform an updated study of the potential sulphide project.

Additional achievements over the three-year period to 30 June 2019 include:

- Generated a total NPAT of $529 million, and net operating cash flow[1] of $575 million
- Paid and declared fully-franked dividends of $0.26 per share (including the $0.04 FY19 final fully-franked dividend declared today)
- Increased mine life at Gwalia from 2024 to 2031, with the Gwalia deposit still open at depth
- Increased mine life at Simberi from 2018 to 2021, with the potential for the sulphide study to extend this further.

The Group's operational, financial and strategic performance for the 2019 financial year is reflected in the STI[2] outcomes awarded to Executives, with the corresponding performance for the three-year period from 1 July 2016 to 30 June 2019 (i.e. financial years 2017, 2018 and 2019) reflected in the LTI[3] outcomes awarded to Executives.

The Board considers that the Executive remuneration structure in place during this period has been appropriate and aligned with the achievements of the Group, and that Executives have justifiably earned the at-risk incentives awarded this year.

2.1 Key remuneration outcomes for the 2019 financial year

STI[4] Outcomes *(Section 7.1)*	The STI outcome for each of the Executives was 60% of the maximum potential STI based on an assessment of Group and individual measures. This reflects the Group's operating and financial performance during 2019 and the achievement of the strategic and growth objectives.
LTI[5] Outcomes *(Section 7.2)*	33% of the FY17 Performance Rights in respect of the 3-year LTI held by Executives were assessed at 30 June 2019 to have vested. This is consistent with the operational and strategic performance during the corresponding 3-year

1 Net cash inflow from operating activities less cash outflow from investing activities
2 Short term incentive
3 Long term incentive
4 Short term incentive
5 Long term incentive

	period to 30 June 2019 outlined in the summary above and set out in detail in this report. The remaining un-vested FY17 Performance Rights lapsed. No Performance Rights have been deferred for retesting in a subsequent financial year.
Executive Remuneration *(Section 9)*	As advised in the 2018 Remuneration Report, following a review of relevant resource industry market remuneration, effective 1 July 2018 fixed remuneration increased by 3% for the MD & CEO, 3.5% for the Chief Financial Officer, and 10% for the Company Secretary, to better align his salary with relevant market remuneration data, and to recognise the broad nature of the role which also encompasses head of investor relations, legal, risk and insurance.
NED Remuneration *(section 8)*	Following a review of comparable resource industry remuneration levels for Non-Executive Directors, aggregate Non-Executive Director (NED) fees increased by approximately 10% from 2018 to 2019 on a like-for-like basis. An additional Non-Executive Director was appointed on 1 November 2018.

2.2 Changes in the Executive remuneration framework during the 2019 financial year

	There were no changes to the Executive remuneration framework during the 2019 financial year.

2.3 Changes to Executive remuneration for the 2020 financial year

Executive fixed remuneration *(section 5.5)*	A review of total fixed remuneration (TFR) for Executives is underway, with reference to relevant resource industry market remuneration data, noting the significant increase in size and complexity of the Group resulting from acquisition of Atlantic Gold. For the 2020 financial year only, an enhanced STI (where target is 75% of TFR rather than 50%) will apply to each of the Executives to underpin the focus on key strategic projects, including maximising value from the Atlantic Gold acquisition.

2.4 Changes to Non-Executive Director Remuneration for the 2020 financial year

Non-Executive Directors fees *(section 8)*	Following a review of comparable resource industry remuneration levels for Non-Executive Directors, the Board has resolved to maintain the existing Non-Executive Director fees for the 2020 Financial Year.

The Board actively monitors market practices and recommendations from industry participants on remuneration structure and disclosure, and may amend the remuneration framework accordingly at any time. The Chair of the Remuneration and Nomination Committee actively meets with proxy advisors to discuss and seek feedback on remuneration practices.

The Board needs to ensure that the remuneration framework attracts, retains and encourages high performance by its key employees, whilst remaining aligned with shareholder experience. One aspect receiving increased attention by some stakeholders is the potential deferral of STI into subsequent years, including by way of deferred equity. This is being monitored closely, and is explored further in the next section of this report.

3. Executive Remuneration Strategy

The Group's Executive remuneration strategy is designed to attract, reward and retain high calibre, high performing, and team orientated individuals capable of delivering the Group strategy. The remuneration strategy and related employment policies and practices are aligned with the Group strategy.

The objectives of the remuneration strategy for the 2019 financial year were to ensure that:

- total remuneration for Executives and each level of the workforce was market competitive;
- key employees were retained;
- total remuneration for Executives and managers comprised an appropriate proportion of fixed remuneration and performance-linked at-risk remuneration;
- performance-linked at-risk remuneration encouraged and rewarded high performance aligned with sustainable value creation for shareholders, through an appropriate mix of short and long term incentives;
- the integrity of the remuneration review processes delivered fair and equitable outcomes.

The Group's remuneration strategy and practices are influenced by the Australian gold mining industry and the peer companies with which it competes for talent.

The gold price is the primary determinant of the share price of gold companies, including St Barbara. The gold price is volatile, as illustrated by the chart below. The ASX all ordinaries gold index (ASX:XGD) was over four times more volatile (measured by standard deviation divided by average) than the ASX 200 (ASX:XJO) over the previous five years.

The nature of the industry and the share price volatility has resulted in certain key features of the Group's performance-linked at-risk remuneration, in the form of the annual short term incentive (**STI**) and the long term incentive (**LTI**) which measures performance over three financial years.

Executive remuneration outcomes are aligned with shareholder experience, as the STI and LTI link personal remuneration outcomes with the achievement of targets which drive Group performance and shareholder return. The mix of fixed and at-risk remuneration varies according to the role of each Executive, with the highest level of at-risk remuneration applied to those roles that have the greatest potential to influence and deliver Group outcomes and drive shareholder return.

In setting the remuneration strategy, the Board is cognisant of the link between remuneration and setting and maintaining a positive company culture. In this regard, St Barbara's remuneration plan allows for the claw-back of executive incentives in the event of poor executive or organisational behaviour.

The criteria used to assess the STI include production, costs and safety - key elements that are within management's control and underpin the overall financial result of the Group. The Board is aware of a trend in some larger ASX companies to partially defer payment of STI to subsequent years as share rights, notionally to more closely align the STI with a company's share price performance. The Board has determined no deferral of STI is appropriate at this time as deferral of STI is extremely rare amongst the resources companies with which St Barbara competes for talent, and is considered a disincentive to current and prospective employees. In addition, the corresponding LTI is closely aligned with the Company's share price performance, and provides a significant retention incentive.

The LTI aligns Executive remuneration with shareholder experience. The vesting conditions for the LTI comprise two measures, relative total shareholder return (RTSR) where total shareholder return (TSR) is positive, and return on capital employed (ROCE) in excess of thresholds above the weighted average cost of capital.

RTSR was first adopted as an LTI measure at the 2010 Annual General Meeting, with ROCE first adopted at the 2012 Annual General Meeting. These two metrics were selected, and have been retained, as the most appropriate measures to reflect management's influence on shareholder wealth. RTSR eliminates the impact of fluctuations in gold price to illustrate how effective management have been in creating value from the Group's gold assets compared against industry peers. ROCE measures the efficiency with which management uses capital in seeking to increase shareholder value. The LTI performance measures are reviewed annually for their continued relevance and consistency against general market practice and peer company LTI metrics.

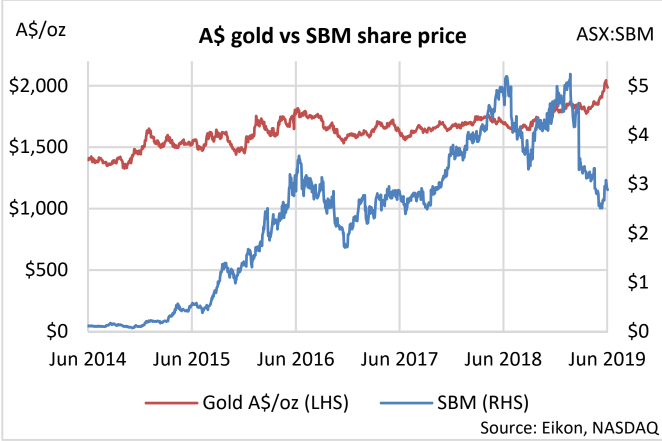


Figure 1: A$ gold vs SBM share price

The remuneration strategy and structure are directly linked to the development of strategies and budgets in the Group's annual planning cycle shown in the timetable below.

Annual Planning Timetable

Month	Strategy & Reporting	Remuneration
January		Review STI & LTI design framework
February	Half Year Financial Report	
March	Annual strategy update	
April to June	Budget setting framework	Set remuneration review framework
July		Measure STI outcomes and determine award
August	Annual Financial Report	Measure LTI outcomes (in conjunction with audited financial report) and action any vested entitlements Set STI targets for following financial year
September	Annual Report	
October	Annual General Meeting	Shareholder approval of LTI to be issued to MD & CEO

Table 3: Annual Planning Timetable

4. *Remuneration Governance - Remuneration & Nomination Committee*

Remuneration strategy and policies are approved by the Board. They are aligned with, and underpin, the Group strategy. On behalf of the Board, the Remuneration & Nomination Committee (the "Committee" for this section) oversees and reviews the effectiveness of the remuneration strategy, policies and practices to ensure that the interests of the Group, shareholders and employees are taken into account. The charter for the Committee is approved by the Board and is available on the Group's website at www.stbarbara.com.au.

The Committee is responsible for making recommendations to the Board on all aspects of remuneration arrangements for Key Management Personnel.

In addition, the Committee oversees and reviews proposed levels of annual remuneration for the Group as a whole as well as other key employee related policies for the Group. It also receives reports on organisation capability and effectiveness, skills, training and development and succession planning for key roles.

The members of the Committee are all independent, Non-Executive Directors and as at the date of this report comprised:

K Gleeson	Non-Executive Director Chair of the Committee since 1 July 2015 Member of the Committee since 18 May 2015
T Netscher	Non-Executive Chairman Member of the Committee since 23 February 2015
D Moroney	Non-Executive Director Member of the Committee since 16 March 2015
S Loader	Non-Executive Director Member of the Committee since 1 November 2018
S Dean	Non-Executive Director Member of the Committee since 23 July 2019

In forming remuneration recommendations, each year the Committee obtains and considers industry specific independent data and professional advice as appropriate. All reports and professional advice relating to the Managing Director and CEO's remuneration are commissioned and received directly by the Committee.

In financial year 2019, the Committee engaged Godfrey Remuneration Group Pty Ltd for assistance and advice totalling less than $15,000 (excluding GST) on equity plans for employees generally and a proposed 'fee-sacrifice' equity plan for Non-Executive Directors. In August 2019, the Committee engaged HRascent to review the remuneration of Executives following the acquisition of Atlantic Gold.

In accordance with the Committee's charter, where a remuneration consultant is appointed in relation to remuneration of Key Management Personnel, the Committee directly engages the consultant and receives the reports of the consultant.

The Committee has delegated authority to the Managing Director and CEO for approving remuneration recommendations for employees other than Key Management Personnel, within the parameters of approved Group wide remuneration levels and structures.

5. Remuneration Structure

Executive remuneration comprises:

- Total fixed remuneration (TFR)
- A performance-linked at-risk short term incentive (STI)
- A performance linked at-risk long-term incentive (LTI).

The premise behind the combination of fixed remuneration plus performance-linked at risk short term and long term incentives is to link the remuneration of Executives to the success of the Group and thereby align the interests of Executives and shareholders.

Incentive remuneration is based on the principle that a significant part of Executives' reward should be related firstly to Group performance, secondly to the performance of the business unit in which the Executive works (if not at Group-level), and last (and least) to the performance of the Executive as an individual. Incentive remuneration rewards objective results rather than effort, and needs to be aligned with returns experienced by shareholders.

Short-term incentives aim to reward achievement of Board approved annual plans and budgets. Long-term incentives aim to reward Executives for delivering growth in shareholder value over the medium to longer term.

The STI and LTI are integral to a competitive total remuneration package in the market, and should not be misinterpreted as 'bonuses' paid on top of fixed remuneration 'for doing the job'. An Executive not eligible for incentives would not be fulfilling the minimum requirements of their role.

Each of these components is considered in more detail below.

Composition of Executive Remuneration

The mix of fixed and at risk remuneration for Executives for 2019 is as follows:

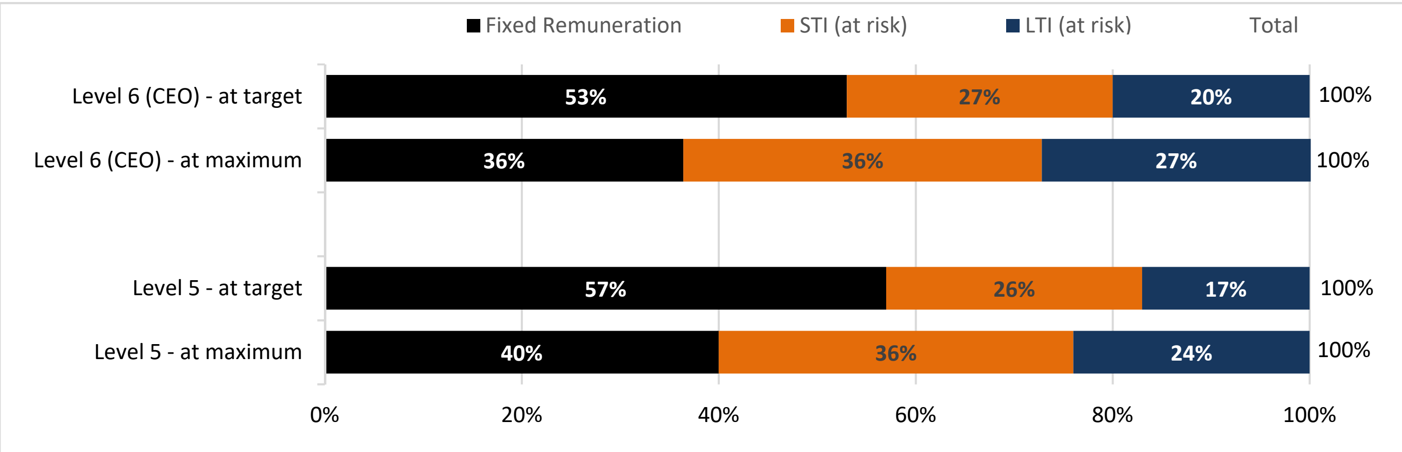


Figure 2: Composition of Executive Remuneration

Figures are rounded to nearest whole percent and may not add.

(1) **STI** as a % of Fixed Remuneration at 'target' is: Level 6 (CEO) 50%, Level 5 (CFO & Co Sec) 45%. STI at 'maximum' = 2 x 'target'.

'Target' is the mid-point (50%) of the 'maximum' (100%) STI available for the rated performance of each individual. Less than target performance will result in less than the target allocation, potentially down to zero, and significant outperformance can lead to achieving 'maximum' (100%) of the STI.

See **Section 7.1** for STI earned in 2019.

(2) **LTI** as a % of Fixed Remuneration at 'target' is: Level 6 (CEO) 37.5%, Level 5 (CFO & Co Sec) 30%. LTI at 'maximum' = 2 x 'target'.

'Target' is the mid-point (50%) of the maximum (100%) LTI available. The LTI allocation is fixed at grant, but the proportion of the grant that ultimately vests, if any, is subject to performance measurement under the relevant LTI plan.

See **Section 7.2** for LTI vested during 2019.

The relationship between 'target' and 'maximum' remuneration of the CEO for 2019 is as follows:

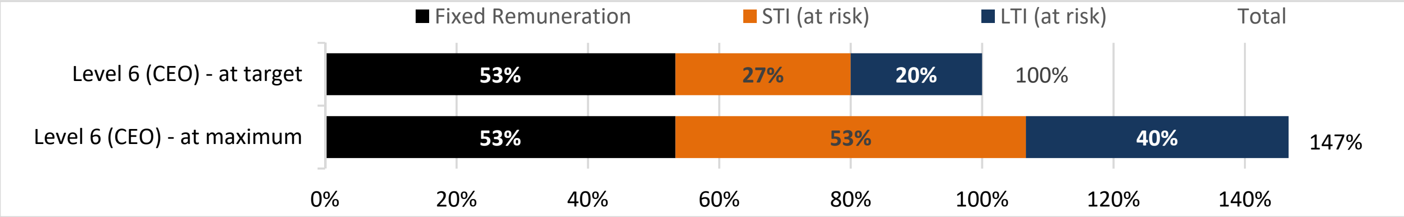


Figure 3 Relationship of STI and LTI at target and maximum for CEO remuneration

Figures are rounded to nearest whole percent and may not add.

Payment profile of Executive Remuneration

The timing of payments of Executive remuneration for 2019 is as follows (illustrated using Level 6 (CEO) at target):

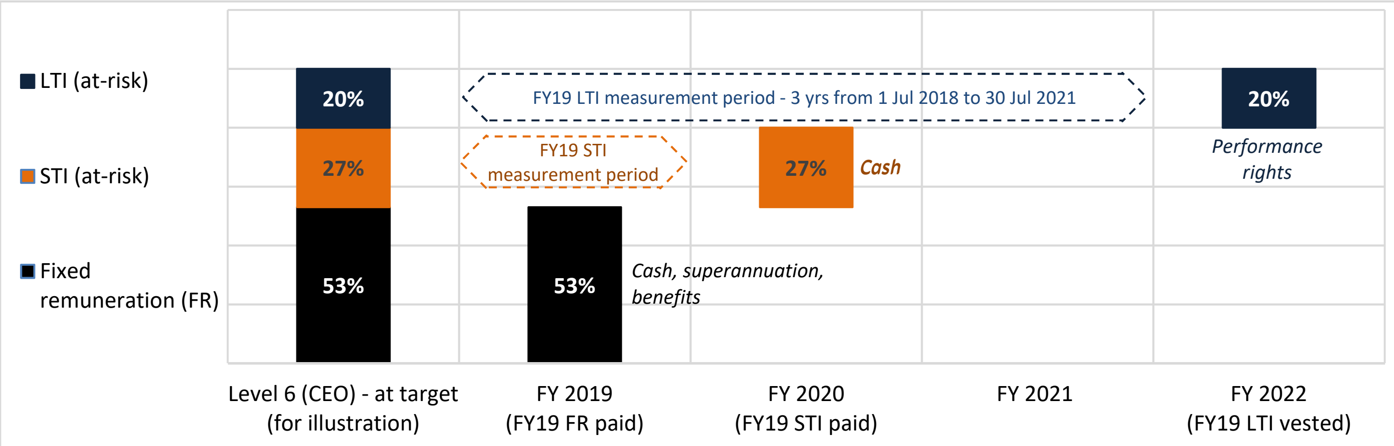


Figure 4 Payment profile of Executive Remuneration

Fixed remuneration for 2019 was paid during 2019.

STI performance for 2019 is assessed as part of this report after the end of the 2019 financial year and is paid in the 2020 financial year.

LTI performance for 2019 is assessed after the end of the 3 year performance period (1 July 2018 to 30 June 2021) and, if determined to have vested, the corresponding performance rights vest in the 2022 financial year.

5.1 Fixed Remuneration = Base salary + superannuation + benefits

Fixed remuneration is paid in cash, superannuation and benefits during the financial year.

The base salary for each Executive is influenced by the nature and responsibilities of the role, the knowledge, skills and experience required for the position, and the Group's need to compete in the market place to attract and retain the right person for the role.

Each Executive undergoes an annual performance appraisal as part of the Group's work performance system, in which individual and Group performance is assessed in detail against their respective pre-determined measures. The performance appraisal for the Chief Financial Officer and Company Secretary is assessed by the Managing Director and CEO and reported to the Remuneration & Nomination Committee and subsequently to the Board for review, including recommended remuneration outcomes that flow from that appraisal. The performance appraisal for the Managing Director and CEO is undertaken by the Chairman, reported to the Remuneration & Nomination Committee and subsequently to the Board, for review.

Benefits vary between Executives and include car parking, certain professional memberships and living away from home and travel expenses, plus any associated fringe benefits tax.

In considering remuneration for Executives, the Remuneration & Nomination Committee considers relevant industry trend data and other relevant remuneration information, which in recent years has included Aon Hewitt Gold and General Mining Industries Remuneration Report (Australasia), Aon Hewitt CEO Remuneration Report (Australasia), National Rewards Group HR Practice and Benchmarking Survey Report, and National Rewards Group Senior Executive Survey.

5.2 Performance Linked Remuneration – STI

The STI is linked to specific personal and corporate objectives over the financial year. Performance of the STI objectives is assessed subsequent to the end of the financial year, with the amount determined to be achieved paid in cash or shares.

The Remuneration & Nomination Committee is responsible for recommending to the Board Executive STIs and then later assessing the extent to which the Group STI measures and the individual KPIs of the Executives have been achieved, and the amount to be paid to each Executive. To assist in making this assessment, the Committee receives detailed reports and presentations on the performance of the business from the Managing Director & CEO.

The Board retains overall discretion on whether a STI should be paid or the amount varied in any given year.

As noted earlier in this report, deferral of STI is extremely rare amongst the resources companies with which the Group competes for talent, and is considered a disincentive to current and prospective employees. The current weighting between STI and LTI is considered to provide appropriate alignment with long-term share price performance and retention of Executives.

The STI is an annual "at risk" component of remuneration for Executives. It is payable based on performance against key performance indicators (**KPI**) set at the beginning of the financial year.

For each KPI there are defined "threshold", "target" and "stretch" measures which are capable of objective assessment:

Threshold performance	represents the minimum level of acceptable performance acknowledging extrinsic risks assumed in achievement of the full year budget (where the budget is normally more demanding year on year) for quantifiable measures which are within the control of STI participants such as safety, production and all-in sustaining cost (as proxies for profitability and cash generation), as well as the achievement of near term goals linked to the annual strategy.
Target performance	represents challenging but achievable levels of performance beyond achievement of budget measures.
Stretch (or maximum) performance	requires significant performance above and beyond normal expectations and if achieved is anticipated to result in a substantial improvement in key strategic outcomes, operational or financial results, and/or the business performance of the Group.

STIs are structured to remunerate Executives for achieving annual Group targets as well as their own individual performance targets designed to favourably impact the business. The proportion of the STI earned is calculated by adding the average result of the Group targets with the average result of an individual's performance targets, where target performance equals one. For the FY19 STI, the results are weighted to 80% Group targets and 20% individual targets. Group and individual targets are established by reference to the Group Strategy. The net amount of any STI after allowing for applicable taxation, is payable in cash.

The Board has absolute discretion to reduce, withhold or cancel any unpaid STI in relation to overpaid incentive remuneration, fraud, defalcation or gross misconduct, or a material misstatement in the Group's financial statements.

The calculation of STI earned can be summarised as follows:

STI earned = STI value at risk x [(80% x average result of Group STI targets) plus (20% x average result of Individual STI targets)], where target performance = 1.

Details of the 2019 financial year STI are set out in **Section 7.1** of this report.

For the 2020 financial year only, an enhanced STI (where target is 75% of TFR rather than 50%) will apply to each of the Executives to underpin the focus on key strategic projects, including maximising value from the Atlantic Gold acquisition.

5.3 Performance Linked Remuneration – LTI

LTIs are structured to remunerate Executives for the long-term performance of the Group relative to its peers. The LTIs involve the granting of rights, which only vest upon achievement of performance measures over a three-year period. Performance rights on issue carry no dividend or voting rights. On vesting, each performance right is convertible into one ordinary share.

As noted earlier, the gold industry is much more volatile than the economy in general. The primary LTI performance measure of relative total shareholder return means that LTI awards will not increase merely due to an increase in gold price, but only on better than average industry performance.

The Board has absolute discretion to reduce, withhold or cancel all tranches of unvested LTI Rights in relation to overpaid incentive remuneration, fraud, defalcation or gross misconduct, or a material misstatement in the Group's financial statements.

Further, the Rights Plan also provides for the recovery of damages from vested Rights in circumstances of fraud, defalcation or gross misconduct.

Vesting conditions of each tranche of performance rights issued are approved by the Board and set out in the relevant Notice of Annual General Meeting. Details of the LTI relevant to the 2019 financial year are set out in Section 7.2 of this report.

5.4 Summaries of service agreements for Executives

Remuneration and other terms of employment for Executives are formalised in service agreements. These agreements provide, where applicable, for the provision of performance related cash payments, other benefits including allowances, and participation in the St Barbara Limited Performance Rights Plan.

All service agreements with Executives comply with the provisions of Part 2 D.2, Division 2 of the Corporations Act.

These service agreements may be terminated early by either party giving the required notice and subject to termination payments detailed in the agreement. Other major provisions of the agreements relating to remuneration are set out below.

R S Vassie – Managing Director and CEO

- Term of agreement – permanent employee, commenced 1 July 2014.
- Other than for serious misconduct or serious breach of duty, the Company or Mr Vassie may terminate employment at any time with 6 months' notice.

G Campbell-Cowan – Chief Financial Officer

- Term of agreement – permanent employee, commenced 1 September 2006.
- Other than for gross misconduct or for poor performance as judged by the Company in its absolute discretion, the Company may terminate the employment at any time with payment of a termination benefit equal to 8 months' notice. Mr Campbell-Cowan may terminate employment at any time with 6 weeks' notice.

R Cole – Company Secretary

- Term of agreement – permanent employee, commenced 10 October 2010.
- Other than for gross misconduct or for poor performance as judged by the Company in its absolute discretion, the Company may terminate the employment at any time with payment of a termination benefit equal to 6 months' notice. Mr Cole may terminate employment at any time with 6 weeks' notice.

5.5 Future Developments in Remuneration

The Group continuously monitors its remuneration structure, practices and disclosure in light of market developments to ensure that collectively they continue to:

- attract, reward and retain high performing, team oriented individuals capable of delivering the Group strategy;
- encourage and reward individual and team performance aligned with value creation for shareholders;
- appropriately inform shareholders of what remuneration is paid and why.

The Chair of the Remuneration Committee actively meets with proxy advisors to discuss and seek feedback on remuneration practices.

Almost exclusively, the Group competes with Australian gold industry peer companies to attract and retain the individuals necessary to maintain its success. This drives the need to closely monitor and respond to the remuneration practices of its peers, and offer a competitive and comparable remuneration packages. This means the Group's remuneration practices are consistent with the Australian gold mining industry and the peer companies with which it competes for talent, rather than practices that may be used by broader industrial companies.

There are no planned changes to the remuneration structure for Executives at the time of this report.

A review of total fixed remuneration (TFR) for Executives is underway, with reference to relevant resource industry market remuneration data, noting the significant increase in size and complexity of the Group resulting from acquisition of Atlantic Gold.

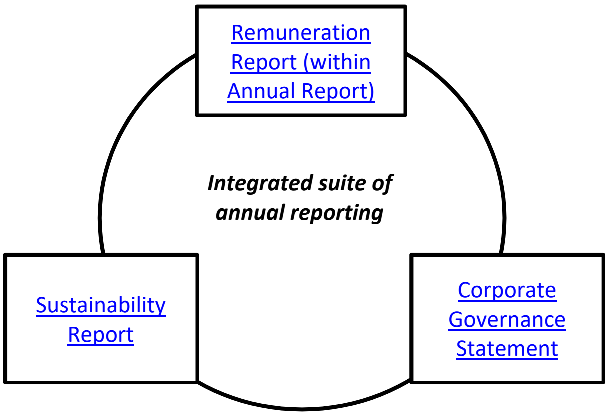
In FY19, total fixed remuneration of the three Executives was between P50 and P75 of the benchmark data, which is consistent with the Company's remuneration strategy of targeting 90% of P75.

6. *Relationship between Group Performance and Remuneration - past five years*

The Board has regard to the overall performance of the Group over a number of years in assessing and ensuring proper alignment of the performance linked "at risk" remuneration framework to deliver fair and proper outcomes consistent with the Group's performance.

Full details of the Group's operational and financial performance are set out in the Directors' Report immediately preceding the Remuneration Report, and in the Financial Report, immediately following the Remuneration Report. For convenience, a summary of key operating and financial measures is reproduced in the Remuneration Report.

The Group's ongoing environmental, social and governance ('ESG') performance is critical to maintaining its licence to operate, which in turn is fundamental to its ongoing financial performance. Details of the Group's environmental and social performance are set out in the annual Sustainability Report and details of the Group's governance framework and compliance are set out in the annual Corporate Governance Statement, both available at stbarbara.com.au.



6. *Relationship between Group Performance and Remuneration - past five years [continued]*

In assessing the Group's performance and shareholder return, consideration is given to the following measures in respect of the current financial year and the previous four financial years.

Earnings	2015 $'000	2016 $'000	2017 $'000	2018 $'000	2019 $'000
Sales revenue	552,581	610,115	641,702	679,204	650,321
EBITDA[1]	167,557	298,106	293,302	345,514	274,810
Statutory net profit/(loss) after tax	39,682	169,388	157,572	226,998	144,163
Underlying net profit/(loss) after tax[1]	41,964	127,357	160,366	201,892	141,728

Table 4: Five-year financial performance

The table below provides the share price performance of the Group's shares in the current financial year and the previous four financial years.

Share price history	2015 $ / share	2016 $ / share	2017 $ / share	2018 $ / share	2019 $ / share
Period end share price					
• Closing price on last trading day	0.57	2.95	2.91	4.83	2.94
• 10-day VWAP used for RTSR and Employee Rights pricing	0.51	2.92	2.89	4.92	2.91
Dividends paid and declared for financial year[2]	-	-	0.06 (fully-franked)	0.12 (fully-franked)	0.08 (fully-franked)
Average share price for the year	0.21	1.56	2.71	3.58	4.01
Market capitalisation	$0.28 B	$1.46 B	$1.45 B	$2.51 B	$2.05 B

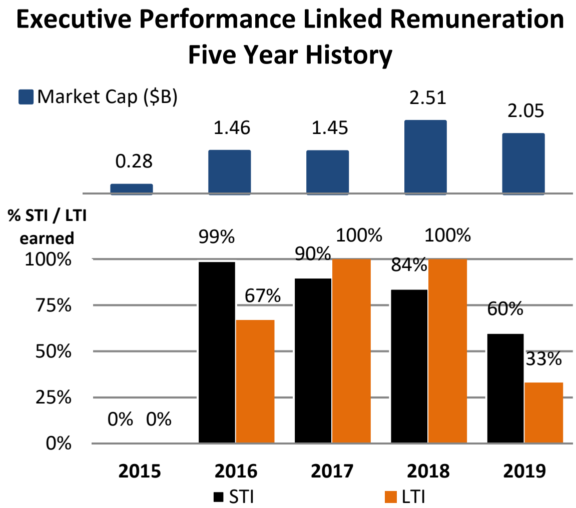
Table 5: Five-year share price history

During the 2019 financial year, the Group's daily closing share price ranged between $2.51 to $5.24 per share (2018: $2.47 to $4.97 per share).

The table below provides the percentage of performance linked remuneration awarded to Executives in the current financial year and the previous four financial years.

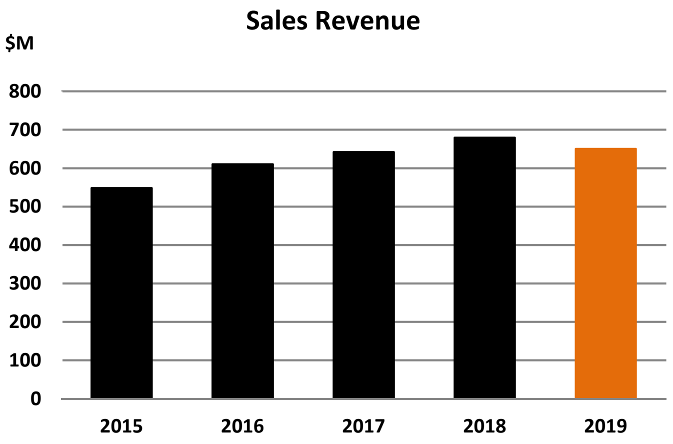
Performance Linked Remuneration	2015	2016	2017	2018	2019
% of maximum potential STI earned	66%	99%	90%	84%	60%
% of maximum potential LTI earned	0%	67%	100%	100%	33%

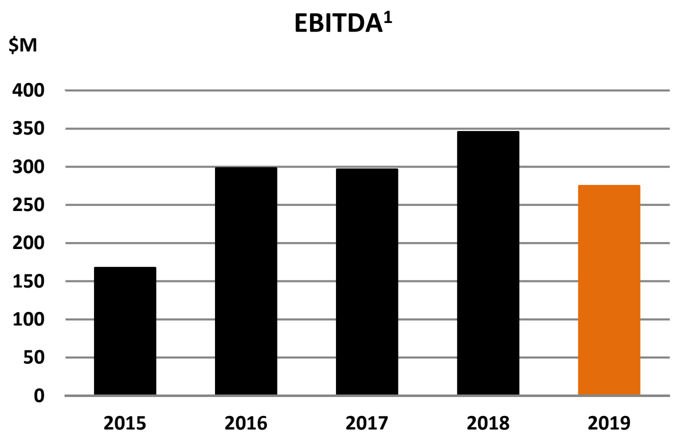
Table 6: Five-year performance-linked remuneration history

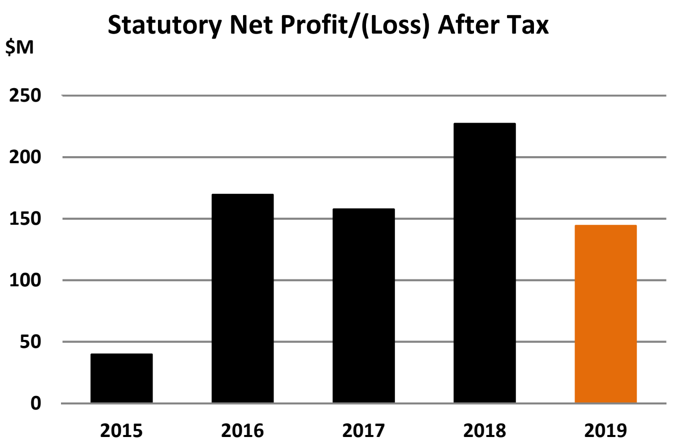


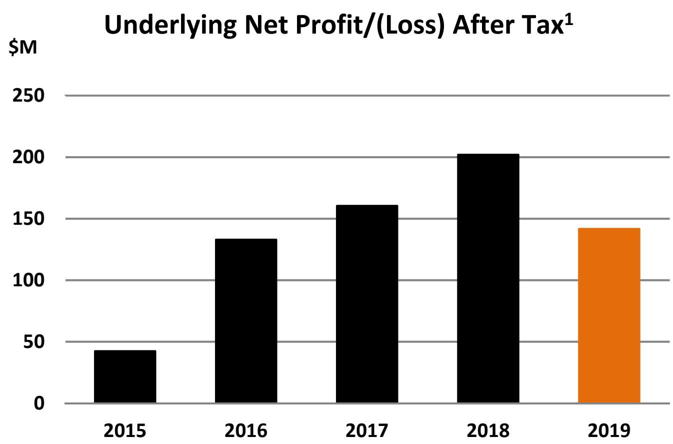
1 Non-IFRS financial measures, refer to page 3.
2 Interim and final dividend allocated to relevant financial year (eg: FY19 interim and final dividends allocated to 2019 (i.e. FY19)).

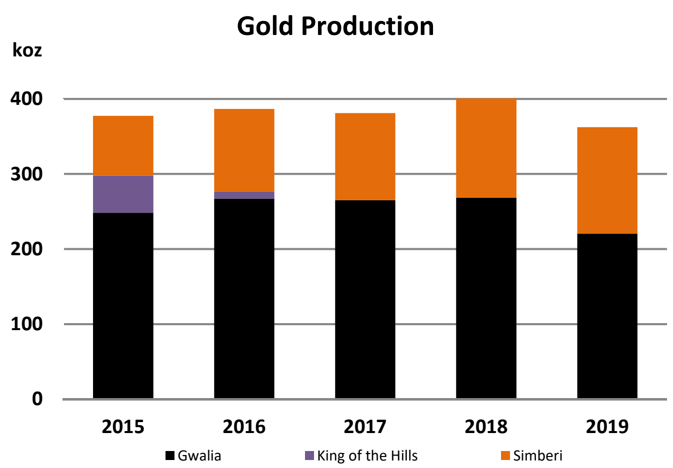
5 Year Group Performance

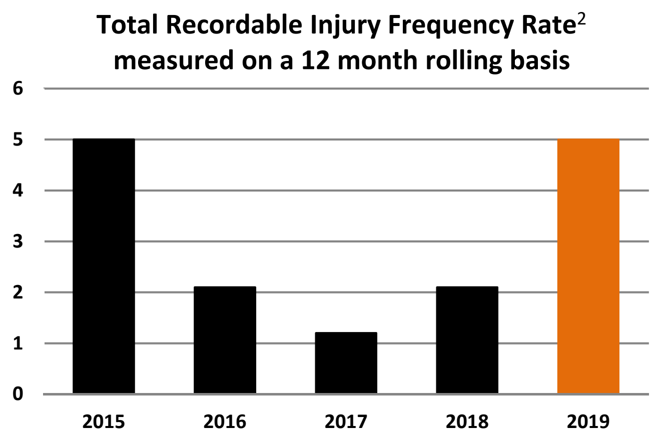












1. Underlying net profit after tax is statutory net profit after tax excluding significant items. EBITDA is earnings before interest revenue, finance costs, depreciation and amortisation and income tax expense, and includes revenues and expenses associated with discontinued operations. These are non-IFRS 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.
2. Total recordable injury frequency rate for each million hours worked on a 12 month rolling basis.

7. Executive Remuneration Outcomes and Remuneration Disclosure

7.1 Performance Linked Remuneration - STI

The STI was assessed for the financial year ended 30 June 2019.

Highlights of the Group's achievements in 2019 include:

Safety and People	• WGEA Employer of Choice for Gender Equality for the 5th consecutive award
	• Organisational culture monitored monthly using a range of measures, including:
	  o Employee engagement score 73% (2018: 83%)[1]
	  o Employee turnover 7.2% (2018: 7.0%)
	• Safety performance (measured by LTIFR of 1.1) significantly better than industry peers[2]

Strategy & Growth	• Structured and disciplined approach to strategy and growth, evaluated several potential acquisitions that failed to satisfy strict criteria • A$780 million acquisition of Atlantic Gold Corporation announced on 15 May 2019 and completed on 19 July 2019, which achieved all five strategic objectives, and in particular adds a low cost, cash generating operation with a mine life to 2031 in a favourable mining jurisdiction. Comprehensive integration programme underway.
Operations	• $112 million Gwalia Extension Project (GEP) approved in March 2017 on schedule and within revised budget for anticipated completion in December 2019. The project consists of two main components, a ventilation upgrade and paste aggregate fill. At the time of approval, this project extended mining at Gwalia to at least 2,000 mbs in FY 2024. • Gwalia Mass Extraction (GMX) Feasibility Study results released on schedule in March 2019, indicating that optimised trucking was the preferred option compared to the hydraulic hoisting options considered, based on risk and capital assessments. GMX supports a Life of Mine Plan to FY 2031. • Fifth record annual production from the Simberi mine of 142,177 oz (2018: 134,661 oz) • Simberi to continue mining into FY21, with low-grade stockpiles accumulated until then to be processed in FY21.
Financial	• Net profit after tax of $144 million (2018: $227 million) and cash flow from operating activities of $241 million (2018: $316 million) • Cash at bank and deposits increased to $410 million (2018: $343 million), excluding $480 million net proceeds raised in May 2019 Entitlement Offer to partially fund Atlantic Gold acquisition • $490 million accelerated non-renounceable rights offer successfully completed with proceeds used towards acquisition of Atlantic Gold • $200 million credit facility established to ensure 'safety net' associated with possible capital requirements for all three operations (Gwalia, Simberi and Atlantic Gold) following the acquisition of Atlantic Gold • $0.04 per share fully franked divided in respect of half- year paid in March 2019 • $0.04 per share fully franked divided in respect of full financial year announced in August 2019
Exploration, Ore Reserves and Mineral Resources	• Gwalia deep drilling program has continued to achieve success at depth and providing a better interpretation of the Gwalia orebody, including new mineralisation identified at southern extensions of Gwalia lode system at approximately 2,100 to 2,200 metres below surface • Exploration in Gwalia region has been successful at Jesse Alma, Cricket Pitch and Horse-Paddock Well • Drilling continues to identify mineralisation under Sorowar pit seeking to identify further sulphide ore to inform the sulphide project at Simberi • Joint venture agreements negotiated in relation to Lake Wells (ASX: APC) and Horn Island (ASX: AQX)

The STI outcome for each of the Executives was 60% (2018: 84%) of the maximum potential STI based on an assessment of Group and individual measures, and reflects the Group's continued operating and financial performance during 2019 and the achievement of the strategic and growth objectives.

The table below describes the STIs available to, and achieved by, Executives during the year. Amounts shown as "Actual STI" represent the amounts accrued in relation to the 2019 financial year, based on achievement of the specified performance criteria. No additional amounts vest in future years in respect of the STI plan for the 2019 financial year. The Board has discretion whether to pay the STI in any given year, irrespective of whether Company and individual STI targets have been achieved. The Board also has discretion to pay the STI in cash or shares.

1 % favourable responses to New Provident (external provider) employee engagement survey

2 LTIFR = Lost Time Injury Frequency Rate (12 month avg.) , the number of lost time injuries per million hours worked. Most recent peer performance: 1.9 (WA gold industry, Safety performance in the Western Australian mineral industry 2017-18), 2.9 (WA underground, Safety performance in the Western Australian mineral industry 2016-2017)

2019	Maximum potential STI		Actual STI included in remuneration	% of maximum potential total STI earned[1]	% of maximum potential total STI foregone
	Target $	Stretch[2] $	$	%	%
R S Vassie	434,099	868,198	520,919	60%	40%
G Campbell-Cowan	238,097	476,194	285,716	60%	40%
R Cole	180,180	360,360	216,216	60%	40%

Table 7: 2019 STI

The Group's STI measures for the 2019 financial year are key proxies of the primary objective of the Group, being the safe, profitable production of gold and execution of strategy. The measures are equally weighted and comprised the following:

STI Measure	Target	Weighting	Result	% of max. achieved
(a) Total Recordable Injury Frequency Rate	7 Recordable Injuries[3] and no fatalities	25%	23 Recordable Injuries recorded with no fatalities, below threshold (14)	0%
(b) Gold production	368,000 ounces	25%	362,346 ounces produced, between threshold (340,000 oz) and target (368,000 oz)	45%
(c) All In Sustaining Costs	A$1,088/oz	25%	AISC A$1,080/oz achieved, between target (A$1,088/oz) and maximum (A$997/oz)	55%
(d) Execution of Strategy	Major acquisition identified	25%	Acquisition of Atlantic Gold and associated entitlement offer successfully achieved	100%
Overall Group STI Performance				50%

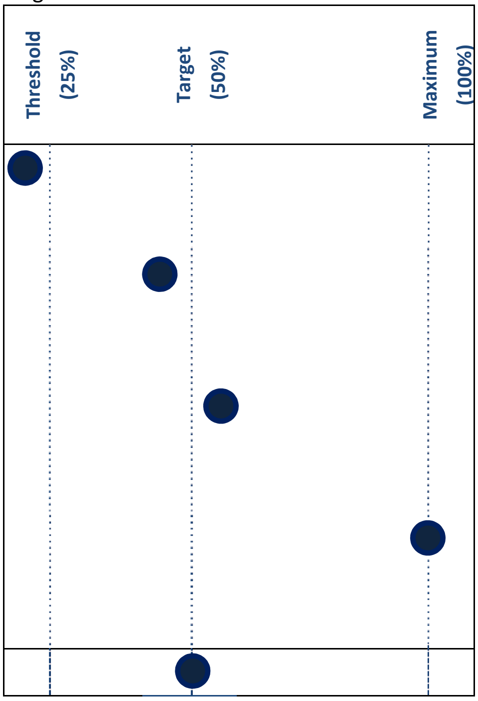


Table 8: 2019 STI Performance

For 2019, the Board determined to assess the personal component of Executive's STI by their personal contribution to the Company's strategy and growth objectives. All three of the Executives contributed collectively in the execution of the Company's strategy and growth objectives and accordingly the Board considered it appropriate to award each Executive the same STI percentage. Some of the detailed measures and outcomes are commercially sensitive and are described in general terms only.

Summary of Executive individual STI performance assessed by Board	% of maximum achieved
• Validation, renewal and pursuit of 'stronger for longer' five-year strategy • Leadership and oversight of successful acquisition strategy and associated capital raising and debt facility • Rigorous, structured evaluation of multiple inorganic growth opportunities worldwide, culminating in the acquisition of Atlantic Gold Corporation in July 2019 as described previously. A noted by the Chairman at the 2018 Annual General Meeting, "We have a valuation driven approach which has examined a number (i.e. several) of opportunities over the last 12 months, but we have yet to uncover a merger of acquisition that has survived our due diligence and made sense for shareholders. Going forward we will continue to apply the same disciplined approach. Having the discipline to walk away from a potentially value destructive transaction is at least as important as completing a good, value accretive transaction". Structured and disciplined approach to strategy and growth, evaluated several potential acquisitions that failed to satisfy strict criteria • Leadership and oversight of organic growth projects including Gwalia Extension Project (GEP), Simberi sulphide drilling and broader exploration described previously. Gwalia Mass Extraction (GMX) Feasibility Study results released on schedule in March 2019, indicated that optimised trucking was the preferred option compared to the hydraulic hoisting options considered, based on risk and capital assessments. This decision avoided uneconomic use of capital and increased risk of pumping option under evaluation.	100%

1 The total STI % comprises 80% Group STI measures plus 20% Individual STI measures, i.e. 80% x 50% + 20% x 100% = 60%.
2 Inclusive of STI "Target".
3 Recordable Injury (RI) includes fatalities, lost time injuries, medical treatment injuries. It does not include first aid injury.

Summary of Executive individual STI performance assessed by Board	% of maximum achieved
• Drilling continues to identify mineralisation under Sorowar pit seeking to identify further oxide and sulphide ore to inform the sulphide project • Independently measured success in advancing values-based organisational culture and employee engagement	

7.2 Performance Linked Remuneration – LTI outcomes

The three-year performance period for the FY17 Performance Rights ended on 30 June 2019.

Over the three-year performance measurement period of the FY17 Performance Rights commencing on 1 July 2016, the Group:

- Has generated a total NPAT of $533 million
- Paid off $226 million in debt and increased cash and deposits by $263 million from operations (excludes proceeds from equity raising)
- Paid and declared dividends of $0.26 per share (including the $0.04 FY19 final dividend declared today)
- Increased mine life at Gwalia from 2024 to 2031
- Increased mine life at Simberi from 2018 to 2021, with the potential for the sulphide study to extend this further
- Acquired Atlantic Gold Corporation, providing a low cost, cash generating operation with a mine life to 2031, which increases Reserves by 1.9 Moz and Resources by 2.3 Moz[1] respectively of contained gold.

Consistent with the performance of the Group over the last three years, and an assessment against the performance measures, 33% of the rights held by Executives under the FY17 LTI that matured on 30 June 2019 were assessed to have vested.

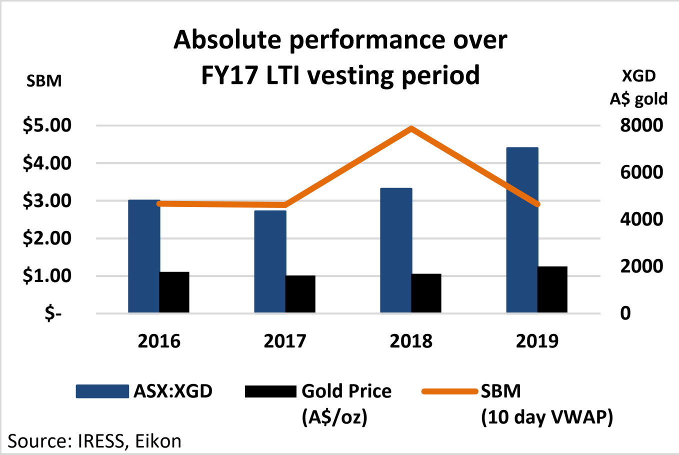
Selected highlights of the Group's performance during the 3-year performance period from 1 July 2016 to 30 June 2019 are set out below:

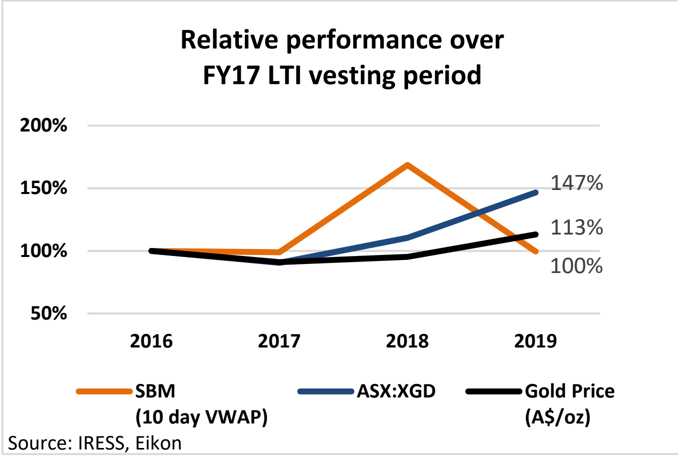
		30 June 2016[2]	30 June 2019	Change	Change (%)
Share price (10 day VWAP)	$	$2.92	$2.91	-$0.01	+8% TSR inc $0.22 dividends paid during period[3]
Dividend declared for financial year	cents	Nil	$0.08[4]	+$0.08	commenced 2017
Market Cap	$B	$1.46 B	$2.05 B	$0.59 B	+40%
Net profit after tax (underlying)	$M	$127 M	$142 M	+$15 M	+12%
Cash and deposits	$M	$137 M	$410 M[5]	+$273 M	+199%
Interest bearing borrowings	$M	$226 M	Nil	-$226 M	-100%
Safety	TRIFR[1]	2.1	5.0	+2.9	138% decline

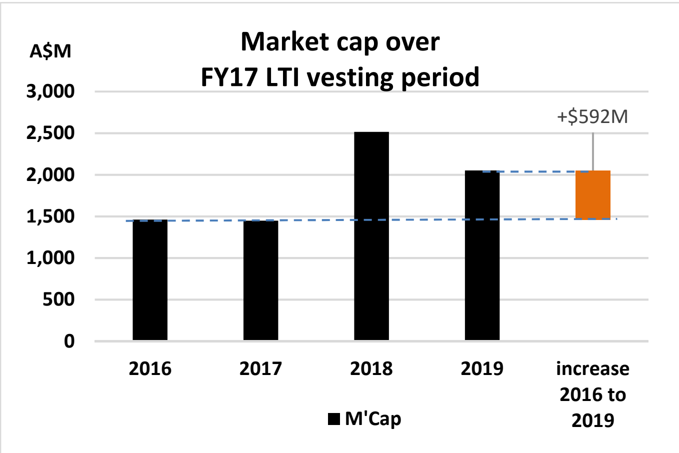
Additional key highlights of the Group's achievements during the three year FY17 Performance Rights vesting period (from 1 July 2016 to 30 June 2019) include:

- Year on year record production from the Simberi mine
- Gwalia extension project approved in March 2017, extended life of mine to 2024, due for completion December 2019
- Gwalia mass extraction project pre-feasibility study announced in 2018, further extended life of mine to 2031, life extension maintained with continued trucking validated and to be further optimised
- Deep drilling at Gwalia mine continues to intersect mineralisation and better inform the deposit[6]
- Simberi strategic review concluded in 2016, over $220 million cash contribution since decision to retain, option and farm-in agreement established with Newcrest
- Winner of 'Digger of the Year' award (2017)
- 2 million ounces of St Barbara production at Gwalia 2008-2018
- Cash balance including deposits held to maturity increased from $137 M to $410 M (excluding capital raising)
- Total of $0.26 per share dividends paid and announced since dividends reintroduced in August 2017

1 Atlantic Gold TSX announcements 13 and 25 March 2019
2 30 June 2016 figures used to illustrate 'starting' balances for the 3 year LTI performance period from 1 July 2016 to 30 June 2019 (e.g. from the corresponding Notice of 2016 Annual General Meeting, total shareholder return for the period is calculated from 'the 10 day VWAP calculation up to, and including, the last business day of the financial period immediately preceding the period that the performance rights relate to'.
3 Excludes $0.04 final fully-franked dividend announced 21 August 2019 in respect of the 2019 financial year
4 Includes $0.04 final fully-franked dividend announced 21 August 2019 in respect of the 2019 financial year.
5 Total $890 M less $480 M net proceeds from equity raising
6 For results, refer to ASX release 24 July 2019 *'Quarterly Report Q4 June FY19'*.







Calculation of the number of FY17 Performance Rights vested in 2019

115,738 (33%) of the 350,721 FY17 Performance Rights available to Executives vested at 30 June 2019, and 67% FY17 Performance Rights lapsed at 30 June 2019. The Performance Rights vested represent less than 0.02% of total shares on issue at 30 June 2019. The FY17 rights were issued in December 2016 at a 10 day VWAP price calculated under the Rights Plan Rules and Notice of 2016 Annual General Meeting of $2.92 each.

The FY17 Performance Rights were assessed as follows:

(a)		RTSR
	Weighting:	67%
	Actual score:	TSR of 7%, 45th percentile of comparator group (details below)
	Calculation:	0% (for achieving 45th percentile)
(b)		ROCE
	Weighting:	33%
	Actual ROCE:	40.9% (details below)
	Calculation:	100% (for achieving above upper threshold of WACC 5.6% +7.0% = 12.6%
(c)	Combined score	
		(0% x 67%)
		+ (100% x 33%)
		= 33%

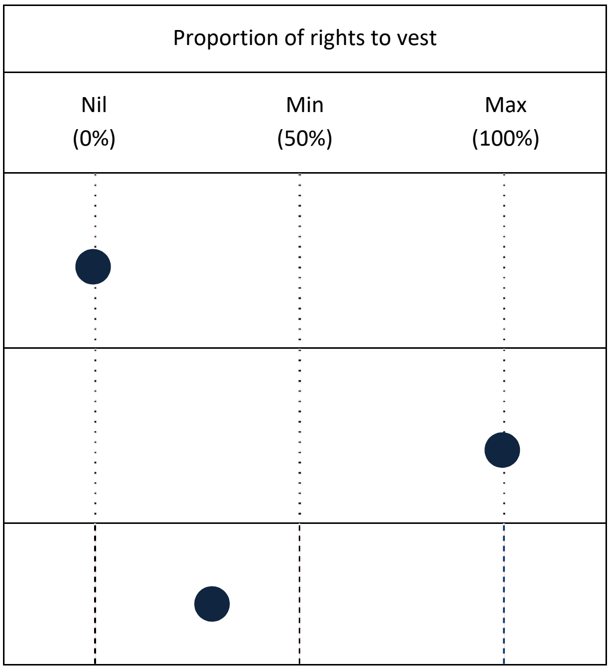


Table 9 FY17 Performance Rights Assessment

RTSR Calculation for FY17 Performance Rights

The result of the RTSR component of the FY17 Performance Rights for the period 1 July 2016 to 30 June 2019 was:

Relative TSR Performance	Percentage of Performance Rights to vest	Result
Below 50th percentile	0%	St Barbara achieved a TSR of 7% for the period, and ranked at the 45th percentile of the comparator group of companies for the period. As a result, 0% of the Performance Rights linked to RTSR vested.
50th percentile	50%	
Between 50th & 75th percentiles	Pro-rata from 50% to 100%	
75th percentile and above	100%	

The 50th percentile threshold represented a TSR of 9%. St Barbara would have achieved the P50 TSR with a closing 10-day VWAP of $2.98, $0.07 (2.4%) higher than the closing VWAP of $2.91. The entitlement offer announced on 15 May 2019 associated with the acquisition of Atlantic Gold Corporation offered shares at $2.89, which represented a 13% discount to the previous closing price of $3.32 on 14 May 2019, and a 10% discount to the theoretical ex-rights price[1] of $3.22 on 14 May 2019. To maintain alignment with shareholder experience, no discretion has been applied to the RTSR outcome to seek to reflect the impact of the entitlement offer.

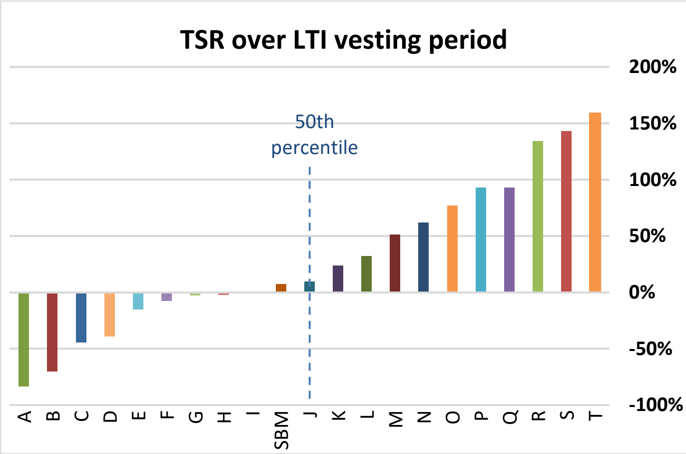


Figure 5 Chart of TSR results for comparator companies (table below)

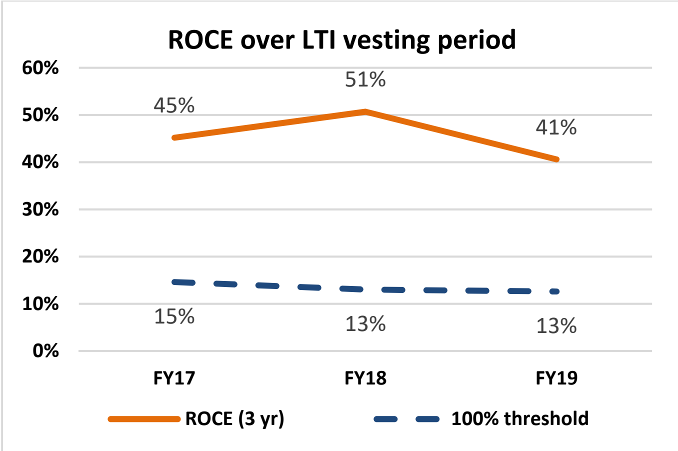


Figure 6 Chart of ROCE (calculated on the next page)

The comparator group of companies for FY17 Performance Rights comprised:

Alacer Gold Corp. (ASX: AQG)	Kingsrose Mining Limited (ASX: KRM)[2]	Regis Resources Limited (ASX: RRL)
Beadell Resources Limited (ASX: BDR)[3]	Medusa Mining Limited (ASX: MML)	Resolute Mining Limited (ASX: RSG)
Evolution Mining Limited (ASX: EVN)	Northern Star Resources Ltd (ASX: NST)	Saracen Mineral Holdings Limited (ASX: SAR)
Focus Minerals Ltd (ASX: FML)	OceanaGold Corporation (ASX: OGC)	Silver Lake Resources Limited (ASX: SLR)
Gryphon Minerals Limited (ASX: GRY)[4]	Oz Minerals (ASX: OZL)	Tanami Gold NL (ASX: TAM)
Intrepid Mines Limited (ASX: IAU)	Perseus Mining Limited (ASX: PRU)	Troy Resources Limited (ASX: TRY)
Kingsgate Consolidated Limited (ASX: KCN)	Ramelius Resources Limited (ASX: RMS)	

1 The Theoretical Ex-Rights Price ("TERP") was the theoretical price at which St Barbara shares should have traded after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only based on St Barbara share price of A$3.32 as at market close on 14 May 2019 and the actual price at which St Barbara shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP.

2 Kingsrose Mining Limited went into trading halt on 12 December 2016, was suspended from trading on 13 December 2016, and appointed a voluntary administrator on 28 December 2016. The RTSR assessment incorporates a pro rata calculation of Kingsrose TSR to the last day of trade, 9 December 2016.

3 Beadell Resources Limited was acquired by Great Panther (TSX: GPR) under a scheme of arrangement and was suspended from quotation at close of trade on 18 February 2019 and subsequently delisted from the ASX on 19 February 2019. The RTSR assessment incorporates a pro rata calculation comprising Beadell TSR to the last day of trade, 18 February 2019, and the arithmetic average of the remaining comparator companies (excluding Kingsrose & Gryphon) for the remainder of the vesting period.

4 Gryphon Minerals Limited was acquired by Teranga Gold Corporation (TSX: TGZ, ASX: TGZ) under a scheme of arrangement and was suspended from quotation at close of trade on 29 September 2016 and subsequently delisted from the ASX on 13 October 2016. The RTSR assessment incorporates a pro rata calculation comprising Gryphon TSR to the last day of trade, 29 September 2016, and the arithmetic average of the remaining comparator companies (excluding Kingsrose) for the remainder of the vesting period.

ROCE Calculation for FY17 Performance Rights

The result of the ROCE component over the three-year vesting period commencing 1 July 2016 and ending on 30 June 2019 was:

ROCE	Percentage of Performance Rights to vest	Result
Less than or equal to the average annual WACC over the three year period commencing on 1 July 2016	0%	St Barbara achieved a ROCE for the period of 40.9% (see calculation below), which is above the upper threshold of WACC for the period of 5.6% +7.0% = 12.6%. As a result, 100% of the Performance Rights linked to ROCE vested
WACC (calculated as above) + 3%	50%	
WACC (calculated as above) + between 3% and 7%	Pro-rata from 50% to 100%	
WACC (calculated as above) + 7%	100%	

ROCE is calculated as EBIT before significant items expressed as a percentage of average total capital employed (net debt and total equity)[1].

Measure	2017	2018	2019
EBIT (excluding significant items)	234,992	258,238	199,032
EBIT (discontinued operations)[2]	-	-	-
EBIT (sum of above)	234,992	258,238	199,032
Capital employed – opening balance			
Total equity	300,614	461,127	665,870
Net debt[3]	89,629	-	-
Capital employed – opening balance	390,243	461,127	665,870
Capital employed– closing balance			
Total equity	461,127	665,870	1,257,023
Net debt[3]	-	-	-
Capital employed– closing balance	461,127	665,870	1,257,023
Capital employed – average for period	425,685	563,499	961,447
ROCE (EBIT ÷ average total capital employed) for year	55.2%	45.8%	20.7%
ROCE average of the 3 years in the vesting period	45.2%	50.7%	40.6%
WACC average of the 3 years in the vesting period	7.6%	6.0%	5.6%

Table 10 ROCE calculation

WACC is calculated using the widely available formula of (relative weight of equity x required rate of return) + (relative weight of debt x cost of debt)[4]. In this instance, WACC is calculated on a pre-tax basis to match the pre-tax nature of EBIT. The full calculation of WACC is not disclosed as it is considered to be commercial in confidence, however, the primary variables include:

- reported balance sheet figures for debt and equity.
- government 10 year bond rate as proxy for risk free premium.
- ASX All Ordinaries Index as proxy for market portfolio and to determine relative volatility.

On this basis, average WACC of the 3 years commencing 1 July 2016 and ending on 30 June 2019 is 5.6% (2018: 6.0%).

7.3 *Rights Vested and On Issue*

7.3 (a) There are three LTI tranches relevant to the 2019 financial year, which are summarised below:

Grant year / tranche name	Description	Performance Conditions & Weighting		Performance Period	Status
FY17 Performance Rights	Granted as LTI remuneration in 2017 and disclosed in the 2016 Notice of AGM and 2017 Remuneration Report	RTSR ROCE	67% 33%	1 July 2016 to 30 June 2019	Assessed as at 30 June 2019 and reported above
FY18 Performance Rights	Granted as LTI remuneration in 2018 and disclosed in the 2017 Notice of AGM and 2018 Remuneration Report	RTSR ROCE	67% 33%	1 July 2017 to 30 June 2020	To be assessed and reported in the 2020 Remuneration Report

1 ROCE is not an IFRS measure and is calculated in the table above.
2 EBIT for discontinued operations calculated as profit or loss on discontinued operations before tax excluding impairments.
3 Net debt comprises cash and cash equivalents, interest bearing borrowings – current and interest bearing borrowings – non-current. The minimum net debt figure applied to the calculation is nil (i.e. where the Company is in a net cash position).
4 WACC is not an IFRS measure. The above parameters can be used to calculate WACC using commonly available formula.

Grant year / tranche name	Description	Performance Conditions & Weighting		Performance Period	Status
FY19 Performance Rights	Granted as LTI remuneration in 2019 and disclosed in the 2018 Notice of AGM and 2019 Remuneration Report	RTSR ROCE	67% 33%	1 July 2018 to 30 June 2021	To be assessed and reported in the 2021 Remuneration Report

Table 11 LTI tranches relevant to 2019 financial year

The three LTI tranches are illustrated on a timeline below:

Financial year

	FY17	FY18	FY19	FY20	FY21
FY17 Performance Rights	*Issued in FY17*	*3 yr vesting period*	*Tested June 2019*		
FY18 Performance Rights		*Issued in FY18*	*3 yr vesting period*	*To be tested June 2020*	
FY19 Performance Rights			*Issued in FY19*	*3 yr vesting period*	*To be tested June 2021*

Figure 7 Current LTI Tranche Timeline

7.3 (b) Summary of rights on issue

The number of rights over ordinary shares in the Company held directly, indirectly or beneficially during the financial year by each Executive, including their related parties, and the number of rights that vested, are set out below:

2019	Grant year / tranche name	Grant Date	Price on issue date	Held at 1 July 2018	Granted as compen-sation during the year	Vested during the year [1]	Forfeited during the year	Held at 30 June 2019 [2]	Financial year in which grant may vest[3]
R S Vassie	FY17	12 Dec 2016	$2.92	196,708	-	64,914	131,794	-	2019
	FY18	30 Nov 2017	$2.89	218,748	-	-	-	218,748	2020
	FY19	24 Oct 2018	$4.92	-	132,347 [4]	-	-	132,347	2021
G Campbell-Cowan	FY17	21 Oct 2016	$2.92	102,392	-	33,789	68,603	-	2019
	FY18	16 Nov 2017	$2.89	106,133	-	-	-	106,133	2020
	FY19	24 Oct 2018	$4.92	-	64,524	-	-	64,524	2021
R Cole	FY17	21 Oct 2016	$2.92	51,621	-	17,035	34,586	-	2019
	FY18	16 Nov 2017	$2.89	75,570	-	-	-	75,570	2020
	FY19	24 Oct 2018	$4.92	-	48,829	-	-	48,829	2021

Table 12 Summary of rights on issue

7.3 (c) Rights granted in 2019

Details on rights over ordinary shares in the Company that were granted as remuneration to each Executive in the 2019 financial year are as follows:

2019	Grant year / tranche identifier	Grant date	Number of performance rights granted during 2019	Issue price per performance right	Expiry date	Fair value per performance right at grant date ($ per share)[5]
R S Vassie	FY19	24 Oct 2018	132,347 [6]	$4.92	30 Jun 2021	$4.29
G Campbell-Cowan	FY19	24 Oct 2018	64,524	$4.92	30 Jun 2021	$4.29
R Cole	FY19	24 Oct 2018	48,829	$4.92	30 Jun 2021	$4.29

Table 13 Rights granted in 2019

1 These rights were determined by the Board on 21 August 2019 to have vested as at 30 June 2019 and are pending issue as shares as at the date of this report.
2 The vesting of rights held at 30 June 2019 is subject to future performance conditions.
3 If FY17 rights do not vest at 2019, they may be retested at 2020 and 2021. If FY18 rights do not vest at 2020, they may be retested at 2021 and 2020.
4 Approved by shareholders at the Annual General Meeting held on 24 October2018.
5 For accounting purposes, the estimated fair value of performance rights at grant date was determined using a Black-Scholes valuation to which a Monte Carlo simulation was applied to determine the probability of the market conditions associated with the rights being met. Fair values at grant date are based on the prevailing market price on the date the performance right is granted. The assessed fair value at the grant date of performance rights is allocated equally over the period from grant date to vesting date. This methodology complied with the requirements of Australian Accounting standard AASB 2 Share-based Payments.
6 Approved by shareholders at the Annual General Meeting held on 24 October2018.

7.3 (d) Details of FY18 Performance Rights granted during 2018

FY18 Performance Rights were granted under the St Barbara Limited Rights Plan (2015), and details of the performance conditions were set out in the Notice of 2017 Annual General Meeting. Performance rights issued to Mr Vassie, Managing Director and CEO, were also approved by shareholders at the 2017 Annual General Meeting.

Key Features of FY18 Performance Rights

Performance conditions	Relative Total Shareholder Returns (67% weighting); Return on capital employed in excess of the weighted average cost of capital (33% weighting).
Other conditions	Continuing employment
Issue price	10 day VWAP at start, 30 June 2017, $2.89
Measurement period	1 July 2017 to 30 June 2020
Vesting date	30 June 2020

(i) RTSR

RTSR is measured against a defined peer group of companies which the Board considers compete with the Company for the same investment capital, both in Australia and overseas, and which by the nature of their business are influenced by commodity prices and other external factors similar to those that influence the TSR performance of the Company. At the discretion of the Board, the composition of the comparator group may change from time to time.

The comparator group of companies for FY18 Performance Rights comprises:

Alacer Gold Corp (ASX: AQG)	Perseus Mining Limited (ASX: PRU)
Beadell Resources Limited (ASX: BDR)	Ramelius Resources Limited (ASX: RMS)
Evolution Mining Limited (ASX: EVN)	Regis Resources Limited (ASX: RRL)
Focus Minerals Ltd (ASX: FML)	Resolute Mining Limited (ASX: RSG)
Intrepid Mines Limited (ASX: IAU)	Saracen Mineral Holdings Limited (ASX: SAR)
Kingsgate Consolidated Limited (ASX: KCN)	Silver Lake Resources Limited (ASX: SLR)
Medusa Mining Limited (ASX: MNL)	Tanami Gold NL (ASX: TAM)
Northern Star Resources Ltd (ASX: NST)	Troy Resources Limited (ASX: TRY)
OceanaGold Corporation (ASX: OGC)	Oz Minerals Limited (ASX: OZL)

The proportion of the FY18 Performance Rights that vest will be influenced by the Company's TSR relative to the comparator group over the three-year vesting period commencing 1 July 2017 and ending 30 June 2020 as outlined below:

Relative TSR Performance	% Contribution to the Number of Performance Rights to Vest
Below 50th percentile	0%
50th percentile	50%
Between 50th & 75th percentiles	Pro-rata from 50% to 100%
75th percentile and above	100%

(ii) ROCE

The proportion of FY18 Performance Rights that vest will be influenced by the ROCE achieved by the Company over the three-year vesting period commencing 1 July 2017 and ending 30 June 2020.

Return on Capital Employed (ROCE)	% Contribution to the Number of Performance Rights to Vest
Less than or equal to the average annual weighted average cost of capital (WACC) over the three year period commencing on 1 July 2017	0%
WACC (calculated as above) + 3%	50%
WACC (calculated as above) + between 3% and 7%	Pro-rata from 50% to 100%
WACC (calculated as above) + 7%	100%

The outcome of FY18 Performance Rights will be reported in the 2020 Remuneration Report. If the FY18 Performance Rights do not vest at all at 30 June 2020, they may be eligible for retesting at 30 June 2021 and again at 30 June 2022. The FY18 Performance Rights are the last rights issued to be eligible for retesting.

7.3 (e) Details of FY19 Performance Rights granted during 2019

FY19 Performance Rights were granted under the St Barbara Limited Rights Plan (2015), and details of the performance conditions were set out in the Notice of 2018 Annual General Meeting. Performance rights issued to Mr Vassie, Managing Director and CEO, were also approved by shareholders at the 2019 Annual General Meeting.

Key Features of FY19 Performance Rights

Performance conditions	Relative Total Shareholder Returns (67% weighting); Return on capital employed in excess of the weighted average cost of capital (33% weighting).
Other conditions	Continuing employment
Issue price	10 day VWAP at start, 30 June 2018, $4.92
Measurement period	1 July 2018 to 30 June 2021
Vesting date	30 June 2021

(iii) RTSR

RTSR is measured against a defined peer group of companies which the Board considers compete with the Company for the same investment capital, both in Australia and overseas, and which by the nature of their business are influenced by commodity prices and other external factors similar to those that influence the TSR performance of the Company.

The comparator group of companies for FY19 Performance Rights comprises companies in the S&P ASX All Ordinaries Gold Index (ASX: XGD) with a market capitalisation of at least A$300 million at the start of the performance period and is set out in the table below. At the discretion of the Board, the composition of the comparator group may change from time to time.

The comparator group of companies for FY19 Performance Rights comprises:

Alacer Gold Corp (ASX: AQG)	Perseus Mining Limited (ASX: PRU)
AngloGold Ashanti Limited (ASX: AGG)	Ramelius Resources Limited (ASX: RMS)
Dacian Gold Limited (ASX: DCN)	Regis Resources Limited (ASX: RRL)
Evolution Mining Limited (ASX: EVN)	Resolute Mining Limited (ASX: RSG)
Gold Road Resources Limited (ASX: GOR)	Saracen Mineral Holdings Limited (ASX: SAR)
Newcrest Mining Limited (ASX: NCM)	Silver Lake Resources Limited (ASX: SLR)
Northern Star Resources Ltd (ASX: NST)	Tribune Resources Limited (ASX: TBR)
OceanaGold Corporation (ASX: OGC)	Westgold Resources Limited (ASX: WGX)

The proportion of the FY19 Performance Rights that vest will be influenced by the Company's TSR relative to the comparator group over the three-year vesting period commencing 1 July 2018 and ending 30 June 2021 as outlined below:

Relative TSR Performance	% Contribution to the Number of Performance Rights to Vest
Below 50th percentile	0%
50th percentile	50%
Between 50th & 75th percentiles	Pro-rata from 50% to 100%
75th percentile and above	100%

(iv) ROCE

The proportion of FY18 Performance Rights that vest will be influenced by the ROCE achieved by the Company over the three-year vesting period commencing 1 July 2017 and ending 30 June 2020.

Return on Capital Employed (ROCE)	% Contribution to the Number of Performance Rights to Vest
Less than or equal to the average annual weighted average cost of capital (WACC) over the three year period commencing on 1 July 2017	0%
WACC (calculated as above) + 3%	50%
WACC (calculated as above) + between 3% and 7%	Pro-rata from 50% to 100%
WACC (calculated as above) + 7%	100%

The outcome of FY19 Performance Rights will be reported in the 2021 Remuneration Report.

8. Non-Executive Director Remuneration

Non-Executive Directors' fees are reviewed annually by the Board to ensure fees are appropriate to reflect the responsibilities and time commitments required of Non-Executive Directors and is consistent with the market to ensure that the Group continues to attract and retain Non-Executive Directors of a high calibre.

The level of fees paid to Non-Executive Directors is set by the Board, within the aggregate pool approved by shareholders (which is $1,200,000 per annum in aggregate, approved by shareholders at the Annual General Meeting in November 2012) and reported to shareholders in this report each year.

Separate fees are paid for the following roles:

- Chair of the Board (this fee is inclusive of all Board Committee commitments)
- Member of the Board
- Chair of a Board Committee
- Member of a Board Committee

In order to maintain their independence and impartiality, the fees paid to Non-Executive Directors are not linked to the performance of the Group.

Superannuation contributions, in accordance with legislation, are included as part of each Director's total remuneration. Directors may elect to increase the proportion of their remuneration taken as superannuation subject to legislative limits. Non-Executive Directors are not entitled to retirement benefits, bonuses or equity based incentives.

The Chairman's fee was determined independently, based on roles and responsibilities in the external market for companies comparable with St Barbara Limited. The Chairman was not present at any discussions relating to the determination of his own remuneration.

The aggregate Non-Executive Directors' fees for 2019, and the estimated aggregate Non-Executive Directors' fees for 2020, are well within the shareholder approved aggregate of $1,200,000 per annum.

During the year, the Remuneration & Nomination Committee conducted a review of comparable resource industry remuneration levels for non-executive directors necessary to attract and retain quality candidates. The review considered information from multiple sources, including Aon Hewitt Non-Executive Directors Remuneration Report for the Resources Industry January 2019, AON Non-Executive Director Benchmarking Report May 2019, McGuirk 2019 Australian Board Remuneration Survey, and direct assessment of similar ASX listed mid-cap gold companies from the St Barbara LTI comparator group. The Board has sought to position fees between the 50th and 75th Percentile of the comparable market remuneration levels, and resolved to maintain existing Non-Executive Directors fees for 2020 as set out in the table below.

In 2018, the Board appointed a worldwide executive search firm to identify an additional Non-Executive Director to complement the skills and experience of the existing Directors and which would increase the number of Directors on the Board from four to five. This process culminated in the appointment of Stef Loader on 1 November 2018.

Following the successful completion of the acquisition of Atlantic Gold Corporation on 19 July 2019, Steven Dean, former Chairman, Chief Executive Officer and co-founder of Atlantic Gold, was appointed as an independent Non-Executive Director effective 23 July 2019.

Non-Executive Director Remuneration (continued)

The skills and experience of the Board will be reported in the annual Corporate Governance Statement, due to be published on 13 September 2019 and available at www.stbarbara.com.au/about-us/governance/.

		March 2014 to June 2016	2017	2018	2019	2020
Director fee	$	90,000	92,000	101,200	106,260	106,260
Committee Chair	$	15,750	16,000	20,000	25,000	25,000
Committee Member	$	7,650	10,000	10,000	15,000	15,000
Chairman[1]	$	223,200	228,000	250,800	263,340	263,340
		2016	**2017**	**2018**	**2019**	**2019**
Annual aggregate fees	$	465,800	484,000	533,200	*690,033*	*est. 868,380* [2]
no. of non-executive directors		*3*	*3*	*3*	*4*[3]	*5*[4]
Shareholder approved annual aggregate fees[5]	$	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000

The Directors in office and the composition of Board Committees at the date of this report are:

Director	Appointed	Length of service[6]	Board	Audit & Risk Committee	Health, Safety, Environment & Community Committee	Remuneration & Nomination Committee
T C Netscher	17 Feb 2014[7]	5 years	Chairman	Member	Chair / Member	Member
R S Vassie	1 Jul 2014	5 years	MD & CEO	-	-	-
D E J Moroney	16 Mar 2015	4 years	Director	Chair	Member	Member
K J Gleeson	18 May 2015	4 years	Director	Member	Member	Chair
S E Loader	1 Nov 2018	<1 year	Director	Member	Member / Chair[8]	Member
S G Dean	23 July 2019	<1 year	Director	-	-	Member

1 The Chairman's fee is inclusive of all Board Committee commitments.
2 Aggregate fees for 2020 is estimated on the number of Directors and composition of Board Committees at the date of this report.
3 Stef Loader appointed as Non-Executive Director 1 November 2018.
4 Steven Dean appointed as Non-Executive Director 23 July 2019
5 Approved by shareholders at the Annual General Meeting in November 2012.
6 Whole years to 30 June 2019.
7 Appointed as Director 17 February 2014, appointed as Chairman 1 July 2015.
8 Stef Loader appointed as Chair HSEC Committee effective 13 Feb 2019

9. Remuneration Disclosure

Details of the remuneration of Key Management Personnel of the Group during the year ended 30 June 2019 and the previous corresponding year are set out in the following tables:

2019	Short-term benefits			Post-employment benefits	Long-term benefits				
Name	Cash salary & fees $	STI payment $	Non-monetary benefits[1] $	Super-annuation $	Leave[2] $	Share-based payments[3] $	Termination payments $	Total $	Proportion of total performance related[4]
Non-Executive Directors									
T C Netscher (Chairman)	240,493			22,847				263,340	n/a
K J Gleeson	147,270			13,990				161,260	n/a
S E Loader[5]	95,135			9,038				104,173	n/a
D E J Moroney	147,270			13,990				161,260	n/a
Total Non-Executive Directors	**630,168**			**59,865**				**690,033**	n/a
Executive Director									
R S Vassie	843,198	520,919	78,142	25,000	103,614	180,153		1,751,026	40%
Executives									
G Campbell-Cowan	504,104	285,716	5,951	25,000	53,696	51,228		925,695	36%
R Cole	375,400	216,216	8,171	25,000	43,927	60,060		728,774	38%
Total Executives	**1,722,702**	**1,022,851**	**92,264**	**75,000**	**201,237**	**291,441**		**3,405,495**	39%

Table 14 Key Management Personnel remuneration 2019

1 Non-monetary benefits for Executives comprise car parking, professional memberships and, for Mr Vassie, living away from home travel expenses including associated fringe benefits tax.
2 Leave includes long service leave and annual leave entitlements.
3 The value of performance rights disclosed as remuneration is the portion of the fair value of the performance rights recognised in the reporting period in accordance with the Corporations Act 2001 and relevant Australian Accounting Standards. This value may not always reflect what an executive has received in the reporting period.
4 Calculated as 'STI payment' plus 'Share-based payments' divided by 'Total' remuneration.
5 Appointed Non-Executive Director 1 November 2018

2018	Short-term benefits			Post-employment benefits	Long-term benefits				
Name	Cash salary & fees $	STI payment $	Non-monetary benefits[1] $	Super-annuation $	Leave[2] $	Share-based payments[3] $	Termination payments $	Total $	Proportion of total performance related[4]
Non-Executive Directors									
T C Netscher (Chairman)	230,751	-	-	20,049	-	-	-	250,800	n/a
K J Gleeson	128,950	-	-	12,250	-	-	-	141,200	n/a
D E J Moroney	128,950	-	-	12,250	-	-	-	141,200	n/a
Total Non-Executive Directors	**488,651**	**-**	**-**	**44,549**	**-**	**-**	**-**	**533,200**	n/a
Executive Director									
R S Vassie	822,862	708,045	56,735	20,049	153,709[5]	577,924	-	2,339,324	55%
Executives									
G Campbell-Cowan	491,163	386,476	5,251	20,049	44,727	312,721	-	1,260,387	55%
R Cole[6]	343,951	275,184	6,978	20,049	37,610	169,449		853,221	52%
Total Executives	**1,657,976**	**1,369,705**	**68,964**	**60,147**	**236,046**	**1,060,094**	**-**	**4,452,932**	55%

Table 15 Key Management Personnel remuneration 2018

1 Non-monetary benefits for Executives comprise car parking, professional memberships and, for Mr Vassie, living away from home travel expenses including associated fringe benefits tax.
2 Leave includes long service leave and annual leave entitlements.
3 The value of performance rights disclosed as remuneration is the portion of the fair value of the performance rights recognised in the reporting period in accordance with the Corporations Act 2001 and relevant Australian Accounting Standards. This value may not always reflect what an executive has received in the reporting period.
4 Calculated as 'STI payment' plus 'Share-based payments' divided by 'Total' remuneration.
5 Leave includes $90,412 for long service leave entitlement which is calculated in accordance with AASB 119 "Employee Benefits".
6 Mr Cole appointed as an executive 1 July 2017.

10. Additional Statutory Information

Key Management Personnel Shareholdings

The numbers of shares in the Company held directly, indirectly or beneficially during the year by each Key Management Personnel, including their related parties, are set out below. There were no shares granted during the year as compensation.

Name	Balance at the start of the year	Issued upon exercised of employee rights	Purchased (inc. Retail Ent. Offer)	Sold	Dividend Reinvestment Plan	Other changes	Balance at the end of the year
Non-Executive Directors							
T C Netscher	22,697	-	37,553	-	717	-	60,697
D E J Moroney	103,173	-	-	-	2,265	-	105,438
K J Gleeson	8,597	-	18,990	-	271	-	27,858
S E Loader	-	-	30,000	-	0	-	30,000
Executive Director							
R S Vassie	1,769,053	1,104,674	100,000	(1,104,674)	0	-	1,869,053 [1]
Executives							
G Campbell-Cowan	15,149	575,291	6,302	(575,291)	478	-	21,929[2]
R Cole	42,559	287,127	18,390	(285,000)	1,343	-	64,419[3]

Table 16 Key Management Personnel Shareholding

Shareholding guidelines for Non-Executive Directors and Executives

The Group encourages Non-Executive Directors, Executives and employees to own shares (subject to the Group's Securities Dealing Policy), however, the Group is not licenced or authorised to provide individuals with financial product advice under the Corporations Act.

The Group does not specify target volumes for such shareholdings, as it does not know the personal preferences and objectives, financial situation or risk profile of individuals. The Group acknowledges that gold mining equities would normally only comprise a small proportion of an individual's balanced investment portfolio, and that gold mining equities are generally considered to be volatile and counter-cyclical to economic cycles. The Group has not identified any of its key peers with which it competes for talent to have shareholding guidelines.

The Group is proposing to introduce a salary-sacrifice style share plan, to enable Non-Executive Directors to acquire shares on an ongoing basis, in compliance with the Corporations Law and Securities Dealing Policy restrictions on Director share trading.

The Group acknowledges that, in the absence of share trading prohibitions, KMP generally incur an income tax liability of 47% of the market value of shares issued upon vesting of employee rights under the LTI, and will generally need to sell at least half of their entitlement to cover their income tax obligations, in compliance with the Securities Dealing Policy.

Loans to Directors and Executives

There were no loans to Directors or Executives during the 2019 financial year.

END OF REMUNERATION REPORT

1 In addition, 64,914 employee rights were determined by the Board on 21 August 2019 to have vested as at 30 June 2019 and are pending issue as shares as at the date of this report.
2 In addition, 33,789 employee rights were determined by the Board on 21 August 2019 to have vested as at 30 June 2019 and are pending issue as shares as at the date of this report.
3 In addition, 17,035 employee rights were determined by the Board on 21 August 2019 to have vested as at 30 June 2019 and are pending issue as shares as at the date of this report.

Indemnification and insurance of officers

The Company's Constitution provides that, to the extent permitted by law, the Company must indemnify any person who is, or has been, an officer of the Company against any liability incurred by that person including any liability incurred as an officer of the Company or a subsidiary of the Company and legal costs incurred by that person in defending an action.

The Constitution further provides that the Company may enter into an agreement with any person who is, or has been, an officer of the Company or a subsidiary of the Company to indemnify the person against such liabilities.

The Company has entered into Deeds of Access, Indemnity and Insurance with current and former officers. The Deeds address the matters set out in the Constitution. Pursuant to those deeds, the Company has paid a premium in respect of a contract insuring current and former officers of the Company and current and former officers of its controlled entities against liability for costs and expenses incurred by them in defending civil or criminal proceedings involving them as such officers, with some exceptions where the liability relates to conduct involving lack of good faith.

During the year the Company paid an insurance premium for Directors' and Officers' Liability and Statutory Liability policies. The contract of insurance prohibits disclosure of the amount of the premium and the nature of the liabilities insured under the policy.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

Environmental management

St Barbara regards compliance with environmental legislation, regulations and regulatory instruments as the minimum performance standard for its operations. The Group's operations in Western Australia are subject to environmental regulation under both Commonwealth and State legislation. In Papua New Guinea, the Group ensures compliance with the relevant National and Provincial legislation and where appropriate standards or legislation are not available, the Group reverts to the standard of environmental performance as stipulated in the Western Australian legislation.

A Group-wide Environmental Management System (EMS) has been implemented to facilitate the effective and responsible management of environmental issues to the same high standard across all sites in both Australia and Papua New Guinea. Adoption of the EMS at all operations has contributed to further reductions in the number of minor environmental incidents, and an improvement in internal compliance rates for environmental audits and inspections. There were no externally reportable environmental incidents during the year ended 30 June 2019 at any of the Group's Australian and Pacific sites.

Non-audit services

During the year the Company did employ the auditor to provide services in addition to their statutory audit duties. Details of the amounts paid or payable to the auditor, PricewaterhouseCoopers, for non-audit services provided during the 2019 financial year are set out in Note 20 to the consolidated financial statements.

The Board of Directors has considered the position and, in accordance with the advice received from the Audit & Risk Committee, is satisfied that the provision of non-audit services during the year as set out in Note 20 did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services were reviewed by the Audit & Risk Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- The Audit & Risk Committee annually informs the Board of the detail, nature and amount of any non-audit services rendered by PricewaterhouseCoopers during the financial year, giving an explanation of why the provision of these services is compatible with auditor independence. If applicable, the Audit & Risk Committee recommends that the Board take appropriate action in response to the Audit & Risk Committee's report to satisfy itself of the independence of PricewaterhouseCoopers.

Auditor independence

A copy of the Auditor's Independence Declaration required under section 307C of the Corporations Act 2001 is set out on page 41 and forms part of this Directors' Report.

Events occurring after the end of the financial year

Subsequent to year end, the directors have declared a fully franked final dividend in relation to the 2019 financial year of 4 cents per ordinary share, to be paid on 25 September 2019. A provision for this dividend has not been recognised in the 30 June 2019 consolidated financial statements.

On 19 July 2019, the Group successfully acquired Atlantic Gold Corporation (a Canadian listed Corporation) for a total cash value of $780,117,000. This acquisition is to be funded from the net proceeds of the equity raising during the 2019 financial year of $479,558,000 and available cash on hand.

In July 2019 the Group executed a three year $200,000,000 syndicate revolving corporate debt facility.

Rounding of amounts

St Barbara Limited is a Company of the kind referred to in ASIC Corporations (Rounding in 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 21st day of August 2019.

Bob Vassie
Managing Director and CEO

pwc

Auditor's Independence Declaration

As lead auditor for the audit of St Barbara Limited for the year ended 30 June 2019, 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 audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

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

John O'Donoghue
Partner
PricewaterhouseCoopers

Melbourne
21 August 2019

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

Financial Report

Contents

About this report

St Barbara Limited (the "Company" or "Parent Entity") 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 year ended 30 June 2019 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.

The financial report is a general-purpose financial report, which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. Where required by accounting standards comparative figures have been adjusted to conform to changes in presentation in the current year. The consolidated financial report of the Group complies with International Financial Reporting Standards (IFRSs) and interpretations issued by the International Accounting Standards Board.

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

The Board of Directors approved the consolidated financial statements on 21 August 2019.

What's in this report

St Barbara's Directors have included information in this report that they deem to be material and relevant to the understanding of the financial statements and the Group.

A disclosure has been considered material and relevant where:

- the dollar amount is significant in size (quantitative);
- the dollar amount is significant in nature (qualitative);
- the Group's result cannot be understood without the specific disclosure; and
- it relates to an aspect of the Group's operations that is important to its future performance.

Accounting policies and critical accounting judgements and estimates applied to the preparation of the consolidated financial statements are presented where the related accounting balance or consolidated financial statement matter is discussed. To assist in identifying critical accounting judgements and estimates, we have highlighted them in the following manner:

Accounting judgements and estimates

Consolidated comprehensive income statement
for the year ended 30 June 2019

	Notes	Consolidated 2019 $'000	Consolidated 2018 $'000
Operations			
Revenue	1	**650,321**	679,204
Mine operating costs	1	**(299,075)**	(275,695)
Gross profit		**351,246**	403,509
Interest revenue		**10,073**	5,283
Other income		**115**	2,053
Exploration expensed		**(18,725)**	(9,149)
Corporate costs		**(21,859)**	(23,840)
Royalties	1	**(21,441)**	(23,015)
Depreciation and amortisation	6	**(79,643)**	(87,276)
Expenses associated with acquisition	3	**(3,865)**	-
Share based payments		**(3,099)**	(3,636)
Other expenses		**(3,855)**	(608)
Operating profit		**208,947**	263,321
Finance costs	13	**(946)**	(918)
Net foreign exchange (loss)/gain		**(3,707)**	200
Profit before income tax		**204,294**	262,603
Income tax expense	2	**(60,131)**	(35,605)
Net profit after tax		**144,163**	226,998
Profit attributable to equity holders of the Company		**144,163**	226,998
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Changes in fair value of financial assets		**(1,171)**	12,602
Income tax on other comprehensive income		**351**	(3,731)
Items that may be reclassified to profit or loss:			
Foreign currency translation differences - foreign operations		**6,787**	6,215
Other comprehensive profit net of tax[(1)]		**5,967**	15,086
Total comprehensive income attributable to equity holders of the Company		**150,130**	242,084
Earnings per share			
Basic earnings per share (cents per share)	4	**26.99**	44.26
Diluted earnings per share (cents per share)	4	**26.84**	43.73

(1) Other comprehensive income comprises items of income and expense that are recognised directly in reserves or equity. These items are not recognised in the consolidated income statement in accordance with the requirements of the relevant accounting standards. Total comprehensive income comprises the result for the year adjusted for the other comprehensive income.

The above consolidated comprehensive income statement should be read in conjunction with the notes to the consolidated financial statements.

Consolidated balance sheet
as at 30 June 2019

	Notes	Consolidated 2019 $'000	Consolidated 2018 $'000
Assets			
Current assets			
Cash and cash equivalents	13	**880,199**	226,443
Deposits held to maturity	13	**10,000**	116,200
Trade and other receivables	11	**13,036**	11,615
Inventories	11	**66,620**	64,549
Deferred mining costs	7	**1,614**	1,974
Total current assets		**971,469**	420,781
Non-current assets			
Property, plant and equipment	6	**101,734**	112,161
Financial assets	16	**40,495**	37,872
Deferred mining costs	7	**5,655**	7,058
Mine properties	8	**226,330**	175,352
Exploration and evaluation	9	**40,858**	28,182
Mineral rights	8	**1,872**	3,891
Deferred tax assets	2	**21,320**	35,847
Total non-current assets		**438,264**	400,363
Total assets		**1,409,733**	821,144
Liabilities			
Current liabilities			
Trade and other payables	11	**56,549**	39,878
Interest bearing liabilities	13	**-**	39
Rehabilitation provision	10	**244**	610
Other provisions	18	**16,528**	17,853
Current tax liability	2	**23,171**	39,982
Total current liabilities		**96,492**	98,362
Non-current liabilities			
Rehabilitation provision	10	**30,846**	29,094
Deferred tax liabilities	2	**23,391**	25,943
Other provisions	18	**1,981**	1,875
Total non-current liabilities		**56,218**	56,912
Total liabilities		**152,710**	155,274
Net assets		**1,257,023**	665,870
Equity			
Contributed equity	14	**1,402,675**	898,430
Reserves		**(33,593)**	(37,753)
Accumulated losses		**(112,059)**	(194,807)
Total equity		**1,257,023**	665,870

The above consolidated balance sheet should be read in conjunction with the notes to the consolidated financial statements.

Consolidated statement of changes in equity

for the year ended 30 June 2019

		Consolidated				
	Note	Contributed Equity $'000	Foreign Currency Translation Reserve $'000	Other Reserves $'000	Accumulated Losses $'000	Total $'000
Balance at 1 July 2017		887,254	(58,673)	2,937	(370,391)	461,127
Transactions with owners of the Company recognised directly in equity:						
Share-based payments expense	19	-	-	3,636	-	3,636
Performance rights issued		739	-	(739)	-	-
Dividends paid		-	-	-	(40,977)	(40,977)
Dividends reinvested		10,437	-	-	(10,437)	-
Total comprehensive income for the year						
Profit attributable to equity holders of the Company		-	-	-	226,998	226,998
Other comprehensive gain		-	6,215	8,871	-	15,086
Balance at 30 June 2018		898,430	(52,458)	14,705	(194,807)	665,870
Transactions with owners of the Company recognised directly in equity:						
Share-based payments expense	**19**	**-**	**-**	**3,099**	**-**	**3,099**
Performance rights issued/(expired)		**3,709**	**-**	**(4,906)**	**1,197**	**-**
Dividends paid		**-**	**-**	**-**	**(41,634)**	**(41,634)**
Dividends reinvested		**20,978**	**-**	**-**	**(20,978)**	**-**
Equity issued (net of transaction costs)		**479,558**	**-**	**-**	**-**	**479,558**
Total comprehensive income for the year						
Profit attributable to equity holders of the Company		**-**	**-**	**-**	**144,163**	**144,163**
Other comprehensive gain/(loss)		**-**	**6,787**	**(820)**	**-**	**5,967**
Balance at 30 June 2019		**1,402,675**	**(45,671)**	**12,078**	**(112,059)**	**1,257,023**

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

Consolidated cash flow statement

for the year ended 30 June 2019

	Notes	Consolidated 2019 $'000	2018 $'000
Cash Flows From Operating Activities:			
Receipts from customers (inclusive of GST)		**647,566**	681,146
Payments to suppliers and employees (inclusive of GST)		**(336,717)**	(322,139)
Payments for exploration and evaluation		**(18,725)**	(9,149)
Interest received		**10,073**	5,283
Income tax payments		**(61,423)**	(39,462)
Net cash inflow from operating activities	13	**240,774**	315,679
Cash Flows From Investing Activities:			
Movement in deposits held to maturity	13	**106,200**	(116,200)
Payments for property, plant and equipment		**(20,651)**	(12,043)
Payments for development of mining properties		**(97,333)**	(59,134)
Payments for exploration and evaluation		**(12,676)**	(5,020)
Investments in shares		**(3,794)**	(20,591)
Net cash outflow from investing activities		**(28,254)**	(212,988)
Cash Flows From Financing Activities:			
Movement in restricted cash		**(1,000)**	(1,400)
Equity raised		**490,331**	-
Equity raising transaction cost		**(10,773)**	-
Dividend payments		**(41,634)**	(40,977)
Principal repayments - finance leases		**(39)**	(466)
Net cash outflow used in financing activities		**436,885**	(42,843)
Net increase in cash and cash equivalents		**649,405**	59,848
Cash and cash equivalents at the beginning of the year		**226,443**	160,909
Net movement in foreign exchange rates		**4,351**	5,686
Cash and cash equivalents at the end of the year	13	**880,199**	**226,443**

Cash flows are included in the consolidated 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 operating cash flows.

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

A. Key results

1 Segment information

	Leonora		Simberi		Total segment	
	2019	2018	**2019**	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Gold revenue	**392,292**	460,765	**256,807**	217,418	**649,099**	678,183
Silver revenue	**386**	499	**836**	522	**1,222**	1,021
Total revenue	**392,678**	461,264	**257,643**	217,940	**650,321**	679,204
Mine operating costs	**(155,236)**	(157,979)	**(143,839)**	(117,716)	**(299,075)**	(275,695)
Gross profit	**237,442**	303,285	**113,804**	100,224	**351,246**	403,509
Royalties (1)	**(15,663)**	(18,123)	**(5,778)**	(4,892)	**(21,441)**	(23,015)
Depreciation and amortisation	**(59,763)**	(65,734)	**(18,220)**	(17,516)	**(77,983)**	(83,250)
Segment profit before income tax	**162,016**	219,428	**89,806**	77,816	**251,822**	297,244
Capital expenditure						
Sustaining	**(44,161)**	(33,829)	**(9,436)**	(4,081)	**(53,597)**	(37,910)
Growth exploration(2)	**(8,469)**	(5,020)	**(4,596)**	(336)	**(13,065)**	(5,356)
Gwalia extension project	**(59,716)**	(31,773)	**-**	-	**(59,716)**	(31,773)
Gwalia feasibility studies(3)	**(2,658)**	-	**-**	-	**(2,658)**	-
Total capital expenditure	**(115,004)**	(70,622)	**(14,032)**	(4,417)	**(129,036)**	(75,039)
Segment assets(4)	**350,687**	300,171	**158,412**	128,420	**509,099**	428,591
Segment non-current assets(4)	**332,648**	279,969	**62,380**	79,558	**395,028**	359,527
Segment liabilities(4)	**31,035**	31,714	**39,888**	27,924	**70,923**	59,638

(1) Royalties include state and government royalties and corporate royalties.
(2) Growth exploration comprises deep drilling expenditure at Gwalia and Simberi sulphide drilling reported as part of exploration.
(3) Gwalia feasibility studies incorporated reviews of alternative haulage methods.
(4) Represents the reportable segment balances after impairment and asset write down charges.

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.

A reportable segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. The operating results (including production, cost per ounce and capital expenditure) of all reportable segments are regularly reviewed by the Group's Executive Leadership Team ("ELT") to make decisions about resources to be allocated to the segment and assess performance.

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

Segment capital expenditure represents the total cost incurred during the year for mine development, acquisitions of property, plant and equipment and growth projects. Growth projects are focussed on extending mine life, and in the case of exploration increasing mineral resources and ore reserves.

Sales revenue
Revenue from the sale of gold and silver in the course of ordinary activities is measured at the fair value of the consideration received or receivable. The Group recognises revenue at a point in time when control (physical or contractual) is transferred to the buyer, the amount of revenue can be reliably measured and the associated costs can be estimated reliably, and it is probable that future economic benefits will flow to the Group.

Royalties
Royalties are payable on gold sales revenue, based on gold ounces produced and sold, and are therefore recognised as the sale occurs.

Major Customers
Major customers to whom the Group provides goods that are more than 10% of external revenue are as follows:

	Revenue		% of external revenue	
	2019	2018	**2019**	2018
	$'000	$'000	**%**	%
Customer A	**9,052**	164,477	**1.4**	24.3
Customer B	**309,035**	247,110	**47.6**	36.4
Customer C	**87,548**	13,875	**13.5**	2.0
Customer D	**243,464**	216,576	**37.5**	31.9

1 Segment information (continued)

Operations	Consolidated 2019 $'000	2018 $'000
Total profit for reportable segments	**251,822**	297,244
Interest revenue	**10,073**	5,283
Other income	**115**	2,053
Exploration expensed	**(18,725)**	(9,149)
Corporate depreciation and amortisation	**(1,660)**	(4,026)
Finance costs	**(946)**	(918)
Corporate costs	**(21,859)**	(23,840)
Net foreign exchange (loss)/gain	**(3,707)**	200
Expenses associated with acquisition	**(3,865)**	-
Share based payments	**(3,099)**	-
Other expenses	**(3,855)**	(4,244)
Consolidated profit before income tax	**204,294**	262,603

Assets		
Total assets for reportable segments	**509,099**	428,591
Cash and cash equivalents	**837,424**	226,318
Deposits held to maturity	**10,000**	116,200
Trade and other receivables (current)	**9,973**	9,199
Financial assets	**40,495**	37,872
Corporate property, plant & equipment	**2,742**	2,964
Consolidated total assets	**1,409,733**	821,144

Liabilities		
Total liabilities for reportable segments	**70,923**	59,638
Trade and other payables	**26,117**	17,984
Interest bearing liabilities (current)	**-**	11
Provisions (current)	**9,596**	10,296
Provisions (non-current)	**1,376**	1,420
Current tax liability	**21,307**	39,982
Deferred tax liabilities	**23,391**	25,943
Consolidated total liabilities	**152,710**	155,274

Segment results that are reported to the ELT include items directly attributable to a segment and those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets and related depreciation, exploration expense, revenue, finance costs and corporate costs.

2 Tax

Income tax expense

	Consolidated	
	2019 **$'000**	2018 $'000
Current tax expense	**53,376**	56,494
Under provision in respect of the prior year	**966**	158
Deferred income tax cost/(benefit)	**5,789**	(21,047)
Total income tax expense	**60,131**	35,605

Numerical reconciliation of income tax expense to prima facie tax payable

	2019 **$'000**	2018 $'000
Profit before income tax	**204,294**	262,603
Tax at the Australian tax rate of 30%	**61,288**	78,781
Tax effect of amounts not deductible/ (taxable) in calculating taxable income:		
Equity settled share based payments	**930**	(16,861)
Sundry items	**1,659**	(415)
Recognition of previously unbooked deferred tax assets in PNG	**(5,140)**	(25,106)
Permanent differences on taxable income	**633**	-
Research and development incentive	**(178)**	(415)
Permanent differences arising from foreign exchange within the tax consolidated group	**939**	(379)
Income tax expense	**60,131**	35,605

Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the consolidated income statement, except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable profit for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Tax exposure

In determining the amount of current and deferred tax the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities may impact tax expense in the period that such a determination is made.

Tax consolidation

Entities in the tax consolidated group at 30 June 2019 included: St Barbara Ltd (head entity), Allied Gold Mining Ltd and Allied Gold Pty Ltd. Current and deferred tax amounts are allocated using the "separate taxpayer within group" method.

A tax sharing and funding agreement has been established between the entities in the tax consolidated group. The Company recognises deferred tax assets arising from the unused tax losses of the tax consolidated group to the extent that it is probable that future taxable profits of the tax consolidated group will be available against which the asset can be utilised. At 30 June 2019, the tax consolidated group did not have any unused tax losses.

Current tax liability

As at 30 June 2019, the Company recognised a current tax liability of $23,171,000 (2018: $39,982,000), consisting mainly of Australian tax relating to 2019 year income tax payable.

Accounting judgements and estimates

A tax effect credit of $5,140,000 (2018: $25,106,000) has been booked relating to previously unrecognised PNG deferred tax assets. This amount has been booked based on expected taxable profit arising from the current life of mine plan for the Simberi operations. At 30 June 2019, tax losses not recognised (tax effected) relating to entities associated with Simberi operations in PNG and Australia were reduced to $Nil (2018: $5,024,000).

2 Tax (continued)

Deferred tax balances

	Consolidated	
	2019 $'000	2018 $'000
Deferred tax assets		
Tax losses	**-**	9,001
Provisions and accruals	**50,007**	49,902
Property, plant and equipment	**95,066**	133,341
Other	**1,367**	119
Total	**146,440**	192,363
Tax effect @ 30%	**43,932**	57,709
Deferred tax liabilities		
Accrued income	**260**	272
Mine properties – exploration	**48,517**	42,168
Mine properties – development	**12,443**	23,494
Consumables	**61,311**	58,797
Capitalised convertible notes costs	**1,904**	2,554
Unrealised foreign exchange gains	**17,642**	19,631
Investment at fair value	**11,265**	12,434
Total	**153,342**	159,350
Tax effect @ 30%	**46,003**	47,805
Net deferred tax balance	**(2,071)**	9,904

Comprising:		
Australia – net deferred tax liabilities	**(23,391)**	(25,943)
PNG – net deferred tax assets	**21,320**	35,847

Deferred tax assets have not been recognised in respect of the following items:		
Tax losses – PNG Operations	**-**	16,745
Total	**-**	16,745
Tax effect @ 30%	**-**	5,024

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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.

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 year are detailed below.

	Consolidated 2019 $'000	2018 $'000
Atlantic Gold Corporation acquisition costs(1)	**(3,865)**	-
Total significant items – pre tax	**(3,865)**	-
Tax Effect		
Tax effect of pre-tax significant items	**1,160**	-
PNG deferred tax asset recognised(2)	**5,140**	25,106
Total significant items – post tax	**2,435**	25,106

(1) Atlantic Gold Corporation acquisition costs

Costs relating to the acquisition of Atlantic Gold Corporation included due diligence costs, share registry charges, and legal and consulting fees.

(2) PNG deferred tax asset recognised

At 30 June 2019, based on the continued strong operating performance of the Simberi operation, an additional net deferred tax asset was recognised of $5,140,000.

4 Earnings per share

	Consolidated 2019 Cents	2018 Cents
Basic earnings per share	**26.99**	44.26
Diluted earnings per share	**26.84**	43.73

Reconciliation of earnings used in calculating earnings per share

	Consolidated 2019 $'000	2018 $'000
Basic and diluted earnings per share: Profit after tax for the year from operations	**144,163**	226,998

Weighted average number of shares

	Consolidated 2019 Number	2018 Number
Weighted average number of ordinary shares used in calculating basic earnings per share	**534,106,859**	512,835,786
Weighted average number of ordinary shares and potential ordinary shares used in calculating diluted earnings per share	**537,075,948**	519,098,931

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the reporting period.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Performance rights

Performance rights granted to employees under the St Barbara Performance Rights Plan are considered to be potential ordinary shares and are included in the determination of diluted earnings per share to the extent to which they are dilutive. The rights are not included in the determination of basic earnings per share.

Weighted average of number of shares

The calculation of the weighted average number of shares is based on the number of ordinary shares and performance shares during the period, including the number of treasury shares held in trust.

Treasury shares are issued shares held by the company in trust for employee performance rights.

5 Dividends

	Consolidated	
	2019	2018
	$'000	$'000
Declared and paid during the year on ordinary shares (fully-franked at 30 per cent)		
2019 interim dividend: 4 cents (2018: 4 cents)	**20,971**	20,617
2018 final dividend: 8 cents (2017: 6 cents)	**41,641**	30,797
Total dividends paid	**62,612**	51,414
Dividends paid in cash or satisfied by the issue of shares under the dividend reinvestment plan during the year were as follows:		
Paid in cash	**41,634**	40,977
DRP – satisfied by issue of shares	**20,978**	10,437
Total dividends paid	**62,612**	51,414
Proposed and not recognised as a liability (fully-franked at 30 per cent)		
2019 final dividend: 4 cents (2018: 8 cents)	**27,826**	41,641
Franking credit balance		
Franking credits available for future years at 30 per cent adjusted for the payment of income tax and dividends received or payable	**50,680**	18,427
Impact on the franking account of dividends proposed before the financial report was issued but not recognised as a distribution to equity holders during the year	**(11,926)**	(17,846)

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 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 were issued at a 1% discount to the 5 day volume weighted average price.

Final Dividend

Subsequent to the 30 June 2019 full year report date, the Directors declared the payment of a final dividend of 4 cents per fully paid ordinary share fully franked. The aggregate amount of the proposed dividend is expected to be paid on 25 September 2019 out of retained earnings at 30 June 2019, and has not been recognised as a liability at the end of the year.

DRP shares in relation to the 2019 final dividend will be issued at a 1% discount to the 5 day volume weighted average price.

B. Mining operations

6 Property, plant and equipment

	Consolidated 2019 $'000	2018 $'000
Land and buildings		
At the beginning of the year	**11,724**	13,078
Additions	**1,977**	559
Depreciation (range 3-15 years)	**(2,163)**	(2,013)
Disposals	**(72)**	-
Effects of movement in foreign exchange rates	**144**	100
At the end of the year	**11,610**	11,724
Plant and equipment		
At the beginning of the year	**100,437**	113,415
Additions	**18,674**	11,647
Disposals	**(1,895)**	(163)
Depreciation (range 3-10 years)	**(29,106)**	(25,704)
Effects of movement in foreign exchange rates	**2,014**	1,242
At the end of the year	**90,124**	100,437
Total	**101,734**	112,161

Security

As at 30 June 2019, plant and equipment with a carrying value of $Nil (2018: $39,000) was pledged as security for finance leases. In accordance with security arrangements the gold forward contracts are secured by the assets of St Barbara Limited; the security does not include the assets of the Simberi operations.

Reconciliation of depreciation and amortisation to the consolidated income statement

	Consolidated 2019 $'000	2018 $'000
Depreciation		
Land and buildings	**(2,163)**	(2,013)
Plant and equipment	**(29,106)**	(25,704)
Amortisation		
Mine properties	**(46,355)**	(55,890)
Mineral rights	**(2,019)**	(3,669)
Total	**(79,643)**	(87,276)

Capital commitments

	Consolidated 2019 $'000	2018 $'000
Purchase orders raised for contracted capital expenditure	**14,003**	27,053

Buildings, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated income statement during the financial period in which they are incurred.

Depreciation of assets is calculated using the straight line method to allocate the cost or revalued amounts, net of residual values, over their estimated useful lives.

Where the carrying value of an asset is less than its estimated residual value, no depreciation is charged. Residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount, if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in the consolidated income statement when realised.

7 Deferred mining costs

	Consolidated	
	2019	2018
	$'000	$'000
Current		
Deferred operating mine development	**1,614**	1,974
Non-current		
Deferred operating mine development	**5,655**	7,058

Certain mining costs, principally those that relate to the stripping of waste in open pit operations and operating development in underground mines, which provide access so that future economically recoverable ore can be mined, are deferred in the balance sheet as deferred mining costs.

Underground operations

In underground operations mining occurs progressively on a level-by-level basis. Underground mining costs in the period are deferred based on the metres developed for a particular level.

Open pit operations

Overburden and other mine waste materials are often removed during the initial development of a mine site in order to access the mineral deposit and deferred. This activity is referred to as deferred stripping.

Removal of waste material normally continues throughout the life of an open pit mine. This activity is referred to as production stripping.

The Group has no deferred waste costs associated with open pit operations at 30 June 2019 (2018: $Nil).

Accounting judgements and estimates

The Group applies the units of production method for amortisation of underground operating development. The amortisation rates are determined on a level-by-level basis. In underground operations an estimate is made of the life of level average underground mining cost per recoverable ounce to expense underground costs in the consolidated income statement. Underground mining costs in the period are deferred based on the metres developed for a particular level.

8 Mine properties and mineral rights

	Consolidated	
	2019	2018
Mine properties	**$'000**	$'000
At beginning of the year	**175,352**	159,859
Direct expenditure	**97,333**	59,134
Transfer from exploration	**-**	12,249
Amortisation for the year	**(46,355)**	(55,890)
At end of the year	**226,330**	175,352

Mine properties

Mine development expenditure represents the acquisition cost and/or accumulated exploration, evaluation and development expenditure in respect of areas of interest in which mining has commenced.

When further development expenditure is incurred in respect of a mine, after the commencement of production, such expenditure is carried forward as part of the mine development only when substantial future economic benefits are established, otherwise such expenditure is classified as part of production and expensed as incurred.

Mine development costs are deferred until commercial production commences, at which time they are amortised on a unit-of-production basis over mineable reserves. The calculation of amortisation takes into account future costs which will be incurred to develop all the mineable reserves. Changes to mineable reserves are applied from the beginning of the reporting period and the amortisation charge is adjusted prospectively from the beginning of the period.

Accounting judgements and estimates

The Group applies the units of production method for amortisation of its life of mine specific assets, which results in an amortisation charge proportional to the depletion of the anticipated remaining life of mine production. These calculations require the use of estimates and assumptions in relation to reserves, metallurgy and the complexity of future capital development requirements; changes to these estimates and assumptions will impact the amortisation charge in the consolidated income statement and asset carrying values.

	Consolidated	
	2019	2018
Mineral rights	**$'000**	$'000
At the beginning of the year	**3,891**	7,560
Amortisation	**(2,019)**	(3,669)
At the end of the year	**1,872**	3,891

Mineral rights

Mineral rights comprise identifiable exploration and evaluation assets, mineral resources and ore reserves, which are acquired as part of a business combination or a joint venture acquisition, and are recognised at fair value at the date of acquisition. Mineral rights are attributable to specific areas of interest and are amortised when commercial production commences on a unit of production basis over the estimated economic reserves of the mine to which the rights relate.

The Group's mineral rights are associated with the Simberi operations and PNG interests.

8. Mine properties and mineral rights (continued)

Impairment of assets

All asset values are reviewed at each reporting date to determine whether there is objective evidence that there have been events or changes in circumstances that indicate that the carrying value may not be recoverable. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made. An impairment loss is recognised for the amount by which the carrying amount of an asset or a cash generating unit ('CGU') exceeds the recoverable amount. Impairment losses are recognised in the consolidated income statement.

The Group assesses impairment of all assets at each reporting date by evaluating conditions specific to the Group and to the particular assets that may lead to impairment.

Accounting judgements and estimates - Impairment

Significant judgements and assumptions are required in making estimates of Fair Value. The CGU valuations are subject to variability in key assumptions including, but not limited to: long-term gold prices, currency exchange rates, discount rates, production, operating costs and future capital expenditure. An adverse change in one or more of the assumptions used to estimate Fair Value could result in a reduction in a CGU's recoverable value. This could lead to the recognition of impairment losses in the future. The inter-relationship of the significant accounting assumptions upon which estimated future cash flows are based, however, are such that it is impractical to disclose the extent of the possible effects of a change in a key assumption in isolation.

At 30 June 2019, the Group determined that there were no indicators of impairment for either the Leonora or Simberi cash operating units due to strong spot and forward gold prices at 30 June 2019, long mine life in the case of Leonora and relatively low carrying value to recover at Simberi.

The identified CGUs of the Group are: Leonora and Simberi. The carrying value of the Leonora and Simberi CGUs are assessed when an indicator of impairment is identified using fair value less costs of disposal ('Fair Value') to calculate the recoverable amount.

Fair Value is determined as the net present value of the estimated future cash flows. Future cash flows are based on life-of-mine plans using market based commodity price and exchange rate assumptions for both Australian Dollar (AUD) and United States Dollar (USD) gold price, estimated quantities of ore reserves, operating costs and future capital expenditure. Costs to dispose have been estimated by management.

Ore Reserves

The Group determines and reports Ore Reserves under the 2012 edition of the Australian Code for Reporting of Mineral Resources and Ore Reserves, known as the JORC Code. The JORC Code requires the use of reasonable investment assumptions to calculate reserves. Due to the fact that economic assumptions used to estimate reserves change from period to period, and geological data is generated during the course of operations, estimates of reserves may change from period to period.

Accounting judgements and estimates– Ore Reserves

Reserves are estimates of the amount of gold product that can be economically extracted from the Group's properties. In order to calculate reserves, estimates and assumptions are required about a range of geological, technical and economic factors, including quantities, grades, production techniques, recovery rates, production costs, future capital requirements, short and long term commodity prices and exchange rates.

Estimating the quantity and/or grade of reserves requires the size, shape and depth of ore bodies to be determined by analysing geological data. This process may require complex and difficult geological judgements and calculations to interpret the data.

Changes in reported reserves may affect the Group's financial results and financial position in a number of ways, including:

- Asset carrying values may be impacted due to changes in estimated future cash flows.
- The recognition of deferred tax assets.
- Depreciation and amortisation charged in the consolidated income statement may change where such charges are calculated using the units of production basis.
- Underground capital development deferred in the balance sheet or charged in the consolidated income statement may change due to a revision in the development amortisation rates.
- Decommissioning, site restoration and environmental provisions may change where changes in estimated reserves affect expectations about the timing or cost of these activities.

9 Exploration and evaluation

	Consolidated	
Non-current	**2019 $'000**	2018 $'000
At beginning of the year	**28,182**	35,411
Additions	**12,676**	5,020
Transfer to mine properties	**-**	(12,249)
At end of the year	**40,858**	28,182

Commitments for exploration

	Consolidated	
	2019 $'000	2018 $'000
In order to maintain rights of tenure to mining tenements for the next financial year, the Group is committed to tenement rentals and minimum exploration expenditure in terms of the requirements of the relevant government mining departments in Australia and Papau New Guinea. This requirement will continue for future years with the amount dependent upon tenement holdings.	**7,299**	5,358

All exploration and evaluation expenditure incurred up to establishment of resources is expensed as incurred. From the point in time when reserves are established, or where there is a reasonable expectation for reserves, exploration and evaluation expenditure is capitalised and carried forward in the consolidated financial statements, in respect of areas of interest for which the rights of tenure are current and where such costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale. Capitalised costs are deferred until commercial production commences from the relevant area of interest, at which time they are amortised on a unit of production basis.

Exploration and evaluation expenditure consists of an accumulation of acquisition costs and direct exploration and evaluation costs incurred, together with an allocation of directly related overhead expenditure.

Feasibility expenditures represents costs related to the preparation and completion of a feasibility study to enable a development decision to be made in relation to that area of interest. Feasibility expenditures are expensed as incurred until a decision has been made to develop the area of interest.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purpose of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates.

When an area of interest is abandoned, or the Directors determine it is not commercially viable to pursue, accumulated costs in respect of that area are written off in the period the decision is made.

Accounting judgements and estimates

Exploration and evaluation expenditure is capitalised where reserves have been established for an area of interest, or where there is a reasonable expectation for reserves, and it is considered likely to be recoverable from future exploitation or sale. The accounting policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation is likely. These estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the accounting policy, a judgement is made that recovery of the expenditure is unlikely, the relevant capitalised amount will be written off to the consolidated income statement.

10 Rehabilitation provision

	Consolidated	
	2019	2018
	$'000	$'000
Current		
Provision for rehabilitation	**244**	610
Non-current		
Provision for rehabilitation	**30,846**	29,094
	31,090	29,704
Movements in Provisions		
Rehabilitation		
Balance at start of year	**29,704**	28,238
Unwinding of discount	**885**	853
Provision used during the year	**(563)**	-
Effects of movements in the foreign exchange rate	**1,064**	613
Balance at end of year	**31,090**	29,704

Provisions, including those for legal claims and rehabilitation and restoration costs, are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

The Group has obligations to dismantle, remove, restore and rehabilitate certain items of property, plant and equipment and areas of disturbance during mining operations.

A provision is made for the estimated cost of rehabilitation and restoration of areas disturbed during mining operations up to reporting date but not yet rehabilitated. The provision also includes estimated costs of dismantling and removing the assets and restoring the site on which they are located. The provision is based on current estimates of costs to rehabilitate such areas, discounted to their present value based on expected future cash flows. The estimated cost of rehabilitation includes the current cost of contouring, topsoiling and revegetation to meet legislative requirements. Changes in estimates are dealt with on a prospective basis as they arise.

There is some uncertainty as to the extent of rehabilitation obligations that will be incurred due to the impact of potential changes in environmental legislation and many other factors (including future developments, changes in technology and price increases). The rehabilitation liability is remeasured at each reporting date in line with changes in the timing and /or amounts of the costs to be incurred and discount rates. The liability is adjusted for changes in estimates. Adjustments to the estimated amount and timing of future rehabilitation and restoration cash flows are a normal occurrence in light of the significant judgments and estimates involved.

As the value of the provision represents the discounted value of the present obligation to restore, dismantle and rehabilitate, the increase in the provision due to the passage of time is recognised as a borrowing cost. A large proportion of the outflows are expected to occur at the time the respective mines are closed.

Accounting judgements and estimates

Mine rehabilitation provision requires significant estimates and assumptions as there are many transactions and other factors that will ultimately affect the liability to rehabilitate the mine sites. Factors that will affect this liability include changes in regulations, prices fluctuations, changes in technology, changes in timing of cash flows which are based on life of mine plans and changes to discount rates. When these factors change or are known in the future, such differences will impact the mine rehabilitation provision in the period in which it becomes known.

C. Capital and risk

11 Working capital

Trade and other receivables

	Consolidated	
	2019	2018
	$'000	$'000
Current		
Trade receivables	**1,660**	1,880
Other receivables	**7,116**	4,026
Restricted cash	**2,400**	1,400
Prepayments	**1,860**	4,309
Total	**13,036**	11,615

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are usually due for settlement no more than 30 days from the date of recognition. Cash placed on deposit with a financial institution to secure bank guarantee facilities and restricted from use ('restricted cash') within the business is disclosed as part of trade and other receivables.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. The amount of the provision for doubtful receivables is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

The Group does not have material trade receivables for which there is an expected credit loss though the consolidated income statement. It only sells to reputable banks, refiners and commodity traders.

Amounts receivable from Director related entities
At 30 June 2019, there were no amounts receivable from Director related entities (2018: $Nil).

Inventories

	Consolidated	
	2019	2018
	$'000	$'000
Current		
Consumables	**47,391**	41,429
Ore stockpiles	**6,369**	6,014
Gold in circuit	**9,368**	7,980
Bullion on hand	**3,492**	9,126
	66,620	64,549

Raw materials and consumables, ore stockpiles, gold-in-circuit and bullion on hand are valued at the lower of cost and net realisable value.

Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure relating to mining activities, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Accounting judgements and estimates
The calculation of net realisable value (NRV) for ore stockpiles, gold in circuit and bullion on hand involves significant judgement and estimation in relation to timing and cost of processing, gold prices, exchange rates and processing recoveries. A change in any of these assumptions will alter the estimated NRV and may therefore impact the carrying value of inventories.

Trade and other payables

	Consolidated	
	2019	2018
	$'000	$'000
Current		
Trade payables	**54,894**	39,348
Other payables	**1,655**	530
	56,549	39,878

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year, which remain unpaid as at reporting date. The amounts are unsecured and are usually paid within 30 days from the end of the month of recognition.

12 Financial risk management

Financial risk management

The Group's management of financial risk is aimed at ensuring net cash flows are sufficient to withstand significant changes in cash flow under certain risk scenarios and still meet all financial commitments as and when they fall due. The Group continually monitors and tests its forecast financial position and has a detailed planning process that forms the basis of all cash flow forecasting.

The Group's normal business activities expose it to a variety of financial risk, being: market risk (especially gold price and foreign currency risk), credit risk and liquidity risk. The Group may use derivative instruments as appropriate to manage certain risk exposures.

Risk management in relation to financial risk is carried out by a centralised Group Treasury function in accordance with Board approved directives that underpin Group Treasury policies and processes. The Treasury Risk Management Committee assists and advises the Group Treasury function, Executive Leadership Team, Audit and Risk Committee and Board in discharging their responsibilities in relation to forecasted risk profiles, risk issues, risk mitigation strategies and compliance with Treasury policy. Group Treasury regularly reports the findings to the Treasury Risk Management Committee and the Board.

(a) Market risk

Market risk is the risk that changes in market prices, such as commodity prices, foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments, cash flows and financial position. The Group may enter into derivatives, and also incur financial liabilities, in order to manage market risks. All such transactions are carried out within directives and policies approved by the Board.

(b) Currency risk

The Group is exposed to currency risk on gold sales purchases and cash holdings that are denominated in a currency other than the Company's presentation currency of Australian dollars. The currencies in which transactions primarily are denominated are Australian Dollars (AUD), United States Dollars (USD) and Papua New Guinea Kina (PGK).

The exchange rates at the reporting date were as follows:

Closing rate as at	AUD/USD	AUD/PGK
30 June 2019	0.7021	2.4378
30 June 2018	0.7407	2.3740

	2019		2018	
Exposure to currency	**USD $'000**	**PGK $'000**	**USD $'000**	**PGK $'000**
Cash and cash equivalents	**12,255**	**548**	4,876	(558)
Trade receivables	**377**	**305**	709	361
Trade payables	**(9,143)**	**(3,870)**	(6,781)	(1,775)
Interest bearing liabilities	**-**	**-**	(21)	-
Net exposure	**3,489**	**(3,017)**	(1,217)	(1,972)

Sensitivity analysis:

The following table details the Group's sensitivity to a 10% movement (i.e. increase or decrease) in the Australian dollar against the US dollar and PNG Kina at the reporting date, with all other variables held constant. The 10% sensitivity is based on reasonably possible changes, over a financial year, using the observed range of actual historical rates for the preceding five year period:

	Impact on Profit After Tax (Increase profit)/decrease profit	
	2019 $'000	**2018** $'000
AUD/USD +10%	(349)	(120)
AUD/USD -10%	349	120

PGK against the AUD has been reviewed and considered an immaterial currency risk.

Significant assumptions used in the foreign currency exposure sensitivity analysis above include:

- Reasonably possible movements in foreign exchange rates.
- The translation of the net assets in subsidiaries with a functional currency other than the Australian dollar has not been included in the sensitivity analysis as part of the equity movement.
- The net exposure at the reporting date is representative of what the Group is expected to be exposed to in the next 12 months.
- The sensitivity analysis only includes the impact on the balance of financial assets and financial liabilities at the reporting date.

(c) Interest rate exposures

The Group Treasury function manages the interest rate exposures according to the Board approved Treasury policy. Any decision to hedge interest rate risk is assessed in relation to the overall Group exposure, the prevailing interest rate market, and any funding counterparty requirements.

12 Financial risk management (continued)

(d) Capital management

The Group's total capital is defined as total shareholders' funds plus net debt. The Group aims to maintain an optimal capital structure to reduce the cost of capital and maximise shareholder returns. The Group has a capital management plan that is reviewed by the Board on a regular basis.

Consolidated capital	2019 $'000	2018 $'000
Total shareholders' funds	**1,257,023**	665,870
Borrowings	**-**	39
Cash and cash equivalents(1)	**-**	(39)
Total capital	**1,257,023**	665,870

(1) Cash and cash equivalents are included to the extent that the net debt position is nil.

The Group does not have a target net debt/equity ratio. There were no changes in the Group's approach to capital management during the year, with the focus on maximising the cash position. As described in Note 21, a three year $200,000,000 Syndicate revolving corporate debt facility was executed post 30 June 2019 to support the Group following the acquisition of Atlantic Gold.

The Group is not subject to externally imposed capital requirements other than normal banking requirements.

Investments and other financial assets

The Group classifies its investments and other financial assets in the following categories: financial assets at fair value through the consolidated income statement or other comprehensive income, and assets measured at amortised cost. The classification depends on the purpose for which the investments were acquired and are determined at initial recognition. The Group has made an irrevocable election at the time of initial recognition to account for the current equity investment at fair value through other comprehensive income.

Investments and other financial assets are recognised initially at fair value plus, for assets not at fair value through profit and loss, any directly attributable transaction costs.

(e) Credit risk

Credit risk is the risk that a counter party does not meet its obligations under a financial instrument or customer contract, with a maximum exposure equal to the carrying amount of the financial assets as recorded in the consolidated financial statements. The Group is exposed to credit risk from its operating activities (primarily customer receivables) and from its financing activities, including deposits with banks and financial institutions and derivatives.

Credit risks related to receivables

The Group's most significant customer accounts for $996,000 of the trade receivables carrying amount at 30 June 2019 (2018: $818,000), representing receivables owing from ore processing services. Based on historic rates of default, the Group believes that no impairment has occurred with respect to trade receivables, and none of the trade receivables at 30 June 2019 were past due.

Credit risks related to deposits and derivatives

Credit risk from balances with banks, financial institutions and derivative counterparties is managed by the centralised Group Treasury function in accordance with the Board approved policy. Investments of surplus funds are only made with approved counterparties with a minimum Standard & Poor's credit rating, and there is a financial limit on funds placed with any single counterparty.

Derivative transactions are only made with approved counterparties in accordance with the Board approved Treasury Policy. Derivative transactions do not cover a major proportion of total Group production, with maturities occurring over a relatively short period of time.

(f) Cash flow hedges

The Group's revenue is exposed to spot gold price risk. Based upon sensitivity analysis, a movement in the average spot price of gold during the year of $100 per ounce and all other factors remaining constant, would have changed after tax profit by $25,791,000.

In accordance with the Group's financial risk management policies, the Group has managed commodity price risk from time to time using gold forward contracts as described below.

In March 2018, the Company entered into gold forward contracts for 50,000 ounces of gold at $1,750 per ounce with maturity over a twelve-month period from July 2019 to December 2019. The forward contracts protect Simberi operating margins.

In October 2018, the Company entered into gold forward contracts for 50,000 ounces of gold at A$1,809 per ounce and 50,000 ounces of gold at US$1,300 per ounce with maturity over a twelve-month period from January 2020 to December 2020.

As physical delivery of gold is used to close out forward contracts, the standard provides an "own use" exemption under which the Group is not subject to the requirements of AASB 9 for these contracts.

The maturity profile of the gold forward contracts remaining as at 30 June 2019 is provided in the table below.

Strike Price	Total ounces	6 months or less ounces	6 – 12 months ounces	1 – 2 years ounces	2 – 5 years ounces
A$1,750/oz	50,000	50,000	-	-	-
A$1,809/oz	50,000	-	24,000	26,000	-
US$1,300/oz	50,000	-	24,000	26,000	-

Cash flow hedge sensitivity

The relationship between currencies, spot gold price and volatilities is complex and changes in the spot gold price can influence volatility, and vice versa.

At 30 June 2019, the Group did not hold any gold options to hedge against movements in the gold price, however this is reviewed by the Board as part of the risk management framework.

12 Financial risk management (continued)

(g) Fair value estimation

The fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the Group approximates carrying value. The fair value of other monetary financial assets and financial liabilities is based upon market prices.

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement, or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined using generally accepted valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Fixed Interest Maturing in 2019						
Financial assets	**Floating Interest rate $'000**	**1 year or less $'000**	**Over 1 to 5 years $'000**	**Non-interest bearing $'000**	**Total $'000**	**Fair value $'000**
Cash and cash equivalents	**212,199**	**668,000**	**-**	**-**	**880,199**	**880,199**
Deposits held to maturity	**-**	**10,000**	**-**	**-**	**10,000**	**10,000**
Restricted cash and cash equivalent	**-**	**2,400**	**-**	**-**	**2,400**	**2,400**
Receivables	**-**	**-**	**-**	**8,776**	**8,776**	**8,776**
Financial assets(1)	**-**	**-**	**-**	**40,495**	**40,495**	**40,495**
	212,199	**680,400**	**-**	**49,271**	**941,870**	**941,870**
Weighted average interest rate	**1.96%**	**2.10%**	**n/a**	**n/a**		
Financial liabilities						
Trade and other payables	**-**	**-**	**-**	**56,549**	**56,549**	**56,549**
	-	**-**	**-**	**56,549**	**56,549**	**56,549**
Weighted average interest rate	**n/a**	**n/a**	**n/a**	**n/a**		
Net financial assets	**212,199**	**680,400**	**-**	**(7,278)**	**885,321**	**885,321**
Fixed Interest Maturing in 2018						
Financial assets						
Cash and cash equivalents	15,392	211,051	-	-	226,443	226,443
Deposits held to maturity	-	116,200	-	-	116,200	116,200
Restricted cash and cash equivalent	-	1,400	-	-	1,400	1,400
Receivables	-	-	-	5,906	5,906	5,906
Financial assets(1)	-	-	-	37,872	37,872	37,872
	15,392	328,651	-	43,778	387,821	387,821
Weighted average interest rate	1.74%	2.62%	n/a	n/a		
Financial liabilities						
Trade and other payables	-	-	-	39,878	39,878	39,878
Finance lease liabilities	-	39	-	-	39	39
	-	39	-	39,878	39,917	39,917
Weighted average interest rate	n/a	8.00%	n/a	n/a		
Net financial assets	15,392	328,612	-	3,900	347,904	347,904

(1) Fair value is determined based on Level 1 inputs as the balance represents investments in listed securities.

12 Financial risk management (continued)

(h) Liquidity risk

Prudent liquidity risk management requires maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. During the year the Group continued to accumulate a significant cash balance with minimal debt position.

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows, and matching maturity profiles of financial assets and liabilities. The Group undertakes sensitivity analysis to stress test the operational cash flows, which are matched with capital commitments to assess liquidity requirements. The capital management plan provides the analysis and actions required in detail for the next twelve months and longer term.

Surplus funds are invested in instruments that are tradeable in highly liquid markets.

Maturities of financial liabilities

The table below analyses the Group's financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows, which includes interest obligations over the term of the facilities.

Maturity of financial liabilities – 2019	**Less than 12 months $'000**	**Between 1 and 5 years $'000**	**Over 5 years $'000**	**Total contractual cash flows $'000**	**Carrying amount $'000**
Trade and other payables	**56,549**	**-**	**-**	**56,549**	**56,549**
	56,549	**-**	**-**	**56,549**	**56,549**
Maturity of financial liabilities – 2018					
Finance lease liabilities	40	-	-	40	39
Trade and other payables	39,878	-	-	39,878	39,878
	39,918	-	-	39,918	39,917

13 Net debt

Cash and cash equivalents

	Consolidated	
	2019	2018
	$'000	$'000
Cash at bank and on hand	**212,199**	15,392
Term deposits	**668,000**	211,051
	880,199	226,443

Cash and cash equivalents includes cash on hand, deposits and cash at call held at financial institutions, other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash at bank and on hand

Cash at bank at 30 June 2019 was invested “at call” earning interest at an average rate of 1.96% per annum (2018: 1.74% per annum).

Term deposits

Term deposits maturing within 3 months of the 30 June 2019 reporting date earned interest at rates of between 1.21% and 2.77% per annum (2018: rates of between 2.05% and 2.75% per annum). At 30 June 2019, the average time to maturity was 17 days (2018: 51 days) from balance date.

Term deposit maturing within 3 months reflected the significant increase in cash and cash equivalents, recognising the commitment to settle the acquisition of Atlantic Gold Corporation in July 2019.

Deposits held to maturity

	Consolidated	
	2019	2018
	$'000	$'000
Term deposits between 3 and 12 months	**10,000**	116,200

Term deposits between 3 and 12 months

Term deposits with maturity between 3 to 12 months at 30 June 2019 reporting date are earning interest at rates of 2.55% per annum (2018: rates of between 2.44% and 2.80% per annum). At 30 June 2019, the average time to maturity was 205 days (2018: 158 days) from reporting date.

Interest bearing liabilities

	Consolidated	
	2019	2018
	$'000	$'000
Current		
Secured		
Lease liabilities	**-**	39
Total current	**-**	39
Non-current		
Secured		
Total non-current	**-**	-
Total interest bearing liabilities	**-**	39

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not incremental costs relating to the actual draw down of the facility, are recognised as prepayments and amortised on a straight line basis over the term of the facility.

Profit before income tax includes the following specific expenses:

	Consolidated	
	2019	2018
	$'000	$'000
Finance Costs		
Bank fees and borrowing costs	**60**	50
Finance lease interest	**1**	15
Provisions: unwinding of discount	**885**	853
	946	918

13 Net debt (continued)

Commitments for leases

The finance lease commitments displayed in the table below relate to plant and equipment are based on the cost of the assets and are payable over a period after which ownership of the assets transfers to the Group.

Finance Lease Commitments	Consolidated 2019 $'000	2018 $'000
Payable within 1 year	-	40
Payable between 1 and 5 years	-	-
Payable after 5 years	-	-
	-	40
Future finance charges	-	(1)
Total finance lease liabilities	-	39
Current	-	39
Non-current	-	-
	-	39

Analysis of Non-Cancellable Operating Lease Commitments	2019	2018
Payable within 1 year	**12,906**	13,339
Payable between 1 and 5 years	**24,452**	25,095
Payable after 5 years	**136**	814
Total operating lease	**37,494**	39,248
Current	**12,906**	13,339
Non-current	**24,588**	25,909
	37,494	39,248

Reconciliation of profit from ordinary activities after income tax to net cash flows from operating activities

	Consolidated 2019 $'000	2018 $'000
Profit after tax for the year	**144,163**	226,998
Depreciation and amortisation	**79,643**	87,276
Difference between income tax expenses and tax payments	**(1,292)**	(5,167)
Unwinding of rehabilitation provision	**885**	853
Unrealised/realised foreign exchange loss	**3,707**	(200)
Equity settled share-based payments	**3,099**	3,636
Change in operating assets and liabilities		
Receivables and prepayments	**(421)**	(945)
Inventories	**(2,071)**	(9,209)
Other assets	**(1,462)**	5,677
Trade creditors and payables	**16,671**	3,398
Provisions and other liabilities	**(2,148)**	3,362
Net cash flows from operating activities	**240,774**	315,679

Leases

Leases of property, plant and equipment, where the Group has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at inception of the lease at the lower of the fair value of the leased property and the present value of the minimum future lease payments. The corresponding rental obligations, net of finance charges, are included in interest bearing liabilities. Each lease payment is allocated between the liability and finance charges so as to achieve a constant interest rate on the finance balance outstanding. The interest element of the finance cost is charged to the consolidated income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The property, plant and equipment acquired under finance leases are depreciated over the asset's useful life, or the lease term if shorter where there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. The terms of lease payments vary, with a significant proportion being fixed rate and including renewal options. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated income statement on a straight-line basis over the period of the lease. The Group will implement AASB 16 Leases as at 1 July 2019. As part of the implementation process certain contracts not previously included have been identified and the non-cancellable operating lease commitments table has been updated accordingly.

14 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
Shares on DRP	5,472,704	20,978
Shares issued	169,664,638	479,558
Closing balance 30 June 2019	**695,653,732**	**1,402,675**

Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and performance rights are recognised as a deduction from equity, net of any tax effects.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Shares Issued

Issue of shares upon capital raising for the acquisition of Atlantic Gold Corporation (refer to Note 21).

D. Business portfolio

15 Parent entity disclosures

As at, and throughout, the financial year ended 30 June 2019, the parent company of the Group was St Barbara Limited.

Financial statements

	Parent Entity	
	2019	2018
	$'000	$'000
Results of the parent entity		
Profit after tax for the year	**89,716**	133,025
Other comprehensive (loss)/profit	**(820)**	8,871
Significant item – intercompany debt forgiveness[(1)]	**(106,533)**	-
Total comprehensive (loss)/income for the year	**(17,637)**	141,896

Note (1): Represents debts forgiven between companies within the Group to enable non-operating and dormant companies to be deregistered to streamline the Group's legal structure. Amount forgiven was non-cash, and did not represent any economic loss to the consolidated Group.

Other comprehensive income is set out in the Consolidated statement of comprehensive income.

	Parent Entity	
Financial position of the parent entity at year end	**2019** **$'000**	2018 $'000
Current assets	**880,981**	378,860
Total assets	**992,111**	530,408
Current liabilities	**74,517**	86,296
Total liabilities	**122,851**	137,379
Total equity of the parent entity comprising:		
Share capital	**1,402,675**	898,429
Reserves	**(5,064)**	(5,884)
Dividend payments	**(62,612)**	(51,414)
Accumulated losses	**(465,739)**	(448,102)
Total equity	**869,260**	393,029

Transactions with entities in the wholly-owned group

St Barbara Limited is the parent entity in the wholly-owned group comprising the Company and its wholly-owned subsidiaries. It is the Group's policy that transactions are at arm's length.

During the year the Company charged management fees of $5,019,000 (2018: $4,888,000), operating lease rents of $Nil (2018: $62,000), and interest of $86,000 (2018: $4,240,000) to entities in the wholly-owned group.

Net loans payable to the Company amount to a net payable of $41,606,000 (2018: net receivable $108,159,000).

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation.

16 Financial assets and fair value of financial assets

	Consolidated	
Financial assets	**2019 $'000**	2018 $'000
Australian listed shares	**40,495**	37,872

At the 30 June 2019 reporting date, the Group's financial assets of $40,495,000 (30 June 2018: $37,872,000) represent investments in shares listed on the Australian Securities Exchange, and are valued using Level 1 inputs. The accumulated fair value adjustments are recognised in other comprehensive income as gains or losses.

17 Controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy on consolidation.

Except as noted below, all subsidiaries are 100% owned at 30 June 2019 and 30 June 2018.

	Country of Incorporation
Parent entity	
St Barbara Limited	Australia
Subsidiaries of St Barbara Limited	
Allied Gold Mining Ltd**	UK
Subsidiaries of Allied Gold Mining Ltd	
Allied Gold Pty Ltd	Australia
Subsidiaries of Allied Gold Pty Ltd	
Advance R&D Pty Ltd*	Australia
AGL (ASG) Pty Ltd*	Australia
AGL (SGC) Pty Ltd*	Australia
Allied Gold Finance Pty Ltd*	Australia
Allied Gold Services Pty Ltd*	Australia
Allied Tabar Exploration Pty Ltd**	Australia
Aretrend Pty Ltd*	Australia
Nord Pacific Limited	Canada
Subsidiaries of Allied Tabar Exploration Pty Ltd	
Tabar Exploration Company Ltd*	PNG
Subsidiaries of Nord Pacific Limited	
Nord Australex Nominees (PNG) Ltd	PNG
Simberi Gold Company Limited	PNG

* Non-operating entities deregistered during the 2019 financial year.
** Non-operating entities undergoing deregistration during the 2019 financial year.

E. Remunerating our people

18 Employee benefit expenses and other provisions

Expenses

	Consolidated 2019 $'000	2018 $'000
Employee related expenses		
Wages and salaries	**73,546**	72,544
Contributions to defined contribution superannuation funds	**5,985**	5,515
Equity settled share-based payments	**3,099**	3,636
	82,630	81,695

Wages and salaries, and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be paid within 12 months of the reporting date, are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid, including expected on-costs, when the liabilities are settled.

Retirement benefit obligations

Contributions to defined contribution funds are recognised as an expense as they are due and become payable. The Group has no obligations in respect of defined benefit funds.

Equity settled share-based payments

Performance rights issued to employees are recognised as an expense by reference to the fair value of the equity instruments at the date at which they are granted. Refer to Note 19 for further information.

Executive incentives

Senior executives may be eligible for short term incentive payments ("STI") subject to achievement of key performance indicators, as recommended by the Remuneration Committee and approved by the Board of Directors. The Group recognises a liability and an expense for STIs in the reporting period during which the service is provided by the employee.

Directors and key management personnel

	Consolidated 2019 $'000	2018 $'000
Short term employee benefits	**2,838**	3,097
Post-employment benefits	**75**	60
Leave	**201**	236
Share-based payments	**291**	1,060
	3,405	4,453

Disclosures relating to Directors and key management personnel are included within the Remuneration Report, with the exception of the table opposite.

Other provisions

	Consolidated 2019 $'000	2018 $'000
Current		
Employee benefits – annual leave	**4,951**	4,607
Employee benefits – long service leave	**3,869**	3,712
Other provisions	**7,708**	9,534
	16,528	17,853
Non-current		
Employee benefits - long service leave	**1,981**	1,875
	1,981	1,875

Employee related and other provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made, plus expected on-costs, in respect of services provided by employees up to the reporting date. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted with reference to market yields on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

19 Share-based payments

Employee Performance Rights

During the year ended 30 June 2019, there was no amount transferred as a gain for performance rights that expired during the year (2018: $Nil). Accounting standards preclude the reversal through the consolidated income statement of amounts which have been booked in the share based payments reserve for performance rights, and which satisfy service conditions but do not vest due to market conditions.

Set out below are summaries of performance rights granted to employees under the St Barbara Limited Performance Rights Plan approved by shareholders:

Grant Date	Expiry Date	Issue price	Balance at start of the year Number	Granted during the year Number	Vested during the year Number	Expired during the year Number	Balance at end of the year Number	Exercisable at end of the year Number
Consolidated and parent entity 2019								
21 Oct 2016	30 Jun 2019	$2.92	837,568	-	(472,228)	(365,340)	-	-
12 Dec 2016	30 Jun 2019	$2.92	196,708	-	(64,914)	(131,794)	-	-
31 Mar 2017	30 Jun 2019	$2.92	42,440	-	(14,103)	(28,337)	-	-
16 Nov 2017	30 Jun 2020	$2.89	1,211,812	-	-	(36,753)	1,175,059	-
24 Oct 2018	30 Jun 2021	$4.92	-	718,262	-	(7,182)	711,080	-
21 Dec 2018	30 Jun 2021	$4.92	-	54,523	-	-	54,523	-
Total			**2,288,528**	**772,785**	**(551,245)**	**(569,406)**	**1,940,662**	**-**
Consolidated and parent entity 2018								
10 Dec 2015	30 Jun 2018	$0.51	3,974,617	-	(3,974,617)	-	-	-
21 Oct 2016	30 Jun 2019	$2.92	837,568	-	-	-	837,568	-
12 Dec 2016	30 Jun 2019	$2.92	196,708	-	-	-	196,708	-
31 Mar 2017	30 Jun 2019	$2.92	42,440	-	-	-	42,440	-
16 Nov 2017	30 Jun 2020	$2.89	-	1,245,390	-	(33,578)	1,211,812	-
Total			5,051,333	1,245,390	(3,974,617)	(33,578)	2,288,528	-

The weighted average remaining contractual life of performance rights outstanding at the end of the year was 1.40 years (2018: 1.53 years). Conditions associated with rights granted during the year ended 30 June 2019 included:

i. Rights are granted for no consideration. The vesting of rights granted in 2019 is subject to a continuing service condition as at the vesting date, Return on Capital Employed over a three year period (for the management personnel only), and relative Total Shareholder Return over a three year period measured against a peer group.
ii. Performance rights do not have an exercise price.
iii. Any performance right which does not vest will lapse.
iv. Grant date varies with each issue.

The fair value of rights issued was adjusted according to estimates of the likelihood that the market conditions will be met. A Monte-Carlo simulation was performed using data at grant date to assist management in estimating the probability of the rights vesting.

As a result of the Monte-Carlo simulation results, the assessed fair value of rights issued during the year was $3,081,000. This outcome was based on the likelihood of the market condition being met as at the date the rights vest.

Expenses arising from share based payment transactions

Total expenses arising from equity settled share based payment transactions recognised during the year as part of the employee benefit expenses were as follows:

	Consolidated 2019 $	2018 $
Performance rights issued under performance rights plan	**3,099,000**	3,636,000

Accounting judgements and estimates

The Group measures the cost of equity settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted.

Where the vesting of share based payments contain market conditions, in estimating the fair value of the equity instruments issued, the Group assesses the probability of the market conditions being met, and therefore the probability of fair value vesting, by undertaking a Monte-Carlo simulation. The simulation performs sensitivity analysis on key assumptions in order to determine potential compliance with the market performance conditions. The simulation specifically performs sensitivity analysis on share price volatility based on the historical volatility for St Barbara Limited and the peer group companies. The results of the Monte-Carlo simulation are not intended to represent actual results, but are used as an estimation tool by management to assist in arriving at the judgment of probability.

F. Further disclosures

20 Remuneration of auditors

During the year the following fees were paid or payable for services provided by PricewaterhouseCoopers Australia, the auditor of the parent entity, and its related practices:

	Consolidated	
	2019	2018
	$	$
PricewaterhouseCoopers Australia audit and review of financial reports	**276,020**	252,960
PricewaterhouseCoopers Papua New Guinea audit and review of financial reports	**24,969**	30,600
PricewaterhouseCoopers United Kingdom audit and review of financial reports	**-**	17,340
PricewaterhouseCoopers Australia Non-audit services		
Tax advisory and assurance services	**-**	31,500
Tax advice in relation to AusIndustry review	**-**	51,500
Accounting advice and other assurance related services	**39,200**	22,484
Total remuneration for audit and non-audit related services	**340,189**	406,384

21 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 a fully franked final dividend in relation to the 2019 financial year of 4 cents per ordinary share, to be paid on 25 September 2019. A provision for this dividend has not been recognised in the 30 June 2019 consolidated financial statements.

On 19 July 2019, the Group successfully acquired Atlantic Gold Corporation (a Canadian listed Corporation) for a total cash value of $780,117,000. This acquisition is to be funded from the net proceeds of the equity raising during the 2019 financial year of $479,558,000 and available cash on hand.

In July 2019 the Group executed a three year $200,000,000 syndicate revolving corporate debt facility.

22 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.

As a result of the Australian Taxation Office's (ATO) program of routine and regular tax reviews and audits, the Group anticipates that ATO reviews and audits may occur in the future. The ultimate outcome of any future reviews and audits cannot be determined with an acceptable degree of reliability at this time. Nevertheless, the Group believes it is making adequate provision for its tax liabilities, including amounts shown as deferred tax liabilities, and takes reasonable steps to address potentially contentious issues with the ATO.

23 Basis of preparation

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for the following material items:

- Financial assets are measured at fair value;
- Share based payment arrangements are measured at fair value;
- Rehabilitation provision is measured at net present value;
- Long service leave provision is measured at net present value.

Principles of consolidation - Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of St Barbara Limited as at 30 June 2019 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, and as a result has an exposure or rights to variable returns, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control commences until the date control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Foreign currency translation

Both the functional and presentation currency of St Barbara Limited and its Australian controlled entities is Australian dollars (AUD). The functional currency of the Group's foreign operations is US dollars (USD).

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the consolidated income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities, such as equities held at fair value through profit or loss, are recognised in the consolidated income statement as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as level 1 financial assets, are included in the fair value reserve in equity.

The assets and liabilities of controlled entities incorporated overseas with functional currencies other than Australian dollars are translated into the presentation currency of St Barbara Limited (Australian dollars) at the year-end exchange rate and the revenue and expenses are translated at the rates applicable at the transaction date. Exchange differences arising on translation are taken directly to the foreign currency translation reserve in equity.

Critical accounting judgement and estimates

The preparation of consolidated financial statements in conformity with AASB and IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

24 Accounting standards

New Standards adopted

The accounting policies applied by the Group in this 30 June 2019 consolidated financial report are consistent with Australian Accounting Standards. All new and amended Australian Accounting Standards and interpretations mandatory as at 1 July 2019 to the group have been adopted and have no material impact on the recognition, measurement and disclosure of the financial report.

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 consolidated income statement. All other items will continue to be accounted for consistently with the previous accounting standards. The Group does not have material financial assets for which there is an expected credit loss though the consolidated income statement. It only sells to reputable banks, refiners and commodity traders

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 goods and services.

Accounting policies are applied consistently by each entity in the Group.

New accounting standards not yet adopted

Reference	Application of Standard
AASB 16 Leases	1 January 2019*

**Applicable to the Group as of 1 July 2019*

Assessment of the impact on the recognition, measurement and disclosure of the financial report of new accounting standards not adopted:

AASB 16 *Leases* introduces a single, on balance sheet lease accounting model for lessees. The lessee requirements based on AASB 16 are:

The Group is required to adopt AASB 16 *Leases* from 1 July 2019. The Group has assessed the estimated impact that initial application of AASB 16 will have on its consolidated financial statements as described below. The actual impact of adopting the standard on 1 July 2019 may change because the new accounting policies are subject to change until the Group presents its first consolidated financial statements that include initial application of the standard.

The Group's assessment of non-cancellable operating leases incorporated within certain supplier contracts currently engaged by the Group is that there will be a material impact to the consolidated financial statements upon adoption of the new standard. The impact on the consolidated income statement for the 2020 financial year is a reduction in mine operating costs of approximately $14,674,000 and a related increase in depreciation and interest expenses.

The Group expects to recognise right of use assets from supplier contracts and lease liabilities of approximately $37,494,000 from 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. Since the Group recognises the right of use assets at the amount equal to the lease liabilities, there is no impact on retained earnings and no material impact on net profit after tax for 2020.

25 Business combinations

On 19 July 2019, St Barbara Limited, through its subsidiary Nord Pacific Limited, acquired 100% of the issued shares of Atlantic Gold Corporation ("Atlantic Gold"), a gold mining and exploration company with operations in Nova Scotia, Canada. Consideration of $780,117,000 to acquire Atlantic Gold was paid in cash using the Company's existing cash reserves.

The acquisition of Atlantic Gold achieves all of the Group's strategic objectives, including:

- Diversification of the Group's production base by adding a low cost asset in a favourable jurisdiction;
- Addition of a sustainable long life operation; and
- Significant growth potential at Atlantic Gold through planned resource and reserve expansion as well as near mine exploration.

Due to the time between the acquisition date of 19 July 2019 and the date of this report, it was impractical for the Group to provide a provisional estimate of the fair value of assets and liabilities acquired (and therefore any potential goodwill on acquisition).

Directors' declaration

1 In the opinion of the directors of St Barbara Limited (the Company):

(a) the consolidated financial statements and notes that are contained in pages 42 to 72 and the remuneration report in the Directors' report, set out on pages 18 to 39, are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; 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.

2 The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the financial year ended 30 June 2019.

3 The directors draw attention to page 42 of the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors:

Bob Vassie

Managing Director and CEO

Melbourne
21 August 2019

Independent auditor's report

To the members of St Barbara Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of St Barbara Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated balance sheet as at 30 June 2019
- the consolidated comprehensive income statement for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated cash flow statement for the year then ended
- the notes to the consolidated financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Materiality	*Audit scope*	*Key audit matters*
• For the purpose of our audit we used overall Group materiality of $10.4 million, which represents approximately 5% of the Group's profit before tax. • We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole. • We chose Group profit before tax because, in our view, it is the benchmark against which the performance of the Group is most commonly measured. • We utlised a 5% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.	• Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events. • The Group operates the Gwalia mine in Western Australia and the Simberi mine in Papua New Guinea (PNG) and has a centralised corporate accounting function based in Melbourne. Our audit work is performed predominantly in Melbourne. The audit engagement team also conducted site visits to the Gwalia and Simberi mines.	• Amongst other relevant topics, we communicated the following key audit matters to the Audit and Risk Committee: – Accounting for the capitalisation and amortisation of mine properties – Accounting for the cost of rehabilitation – Recognition and measurement of uncertain tax positions • These are further described in the *Key audit matters* section of our report.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

Key audit matter	How our audit addressed the key audit matter
Accounting for the capitalisation and amortisation of mine properties *Refer to note 8* The accounting for the capitalisation and amortisation of mining costs is a key audit matter because the cost allocation methodology between capitalisation and expensing is complex, and the amount of mining expenditure capitalised is significant. In addition, the calculation of amortisation of capitalised costs is complex because it requires the use of estimates and judgements in relation to reserves and resources, and the complexity of future capital development requirements. These balances also form a significant portion of the overall capitalised cost of mining operations, which the Group tests for indicators of impairment at each reporting period.	To evaluate the Group's accounting for the capitalisation and amortisation of mining costs we performed the following procedures, amongst others: • Understood the cost allocation methodology applied by St Barbara (mining costs capitalised and those expensed) and evaluated its compliance with the requirements of Australian Accounting Standards. • Tested a sample of costs capitalised for completeness, existence and accuracy, with a specific focus on major capital projects in the current year. • Assessed the reasonableness of the amortisation methodology compared with methods commonly used in the industry for this type of asset and its consistency with the life of mine plans and capital budgets. • Considered the completeness of the Group's assessment of the potential indicators of impairment for both mining operations.
Accounting for the cost of rehabilitation *Refer to note 10* The Group is required under the laws and regulations of Western Australia and PNG to rehabilitate the Gwalia and Simberi operations respectively at the completion of mining activities. Calculating the final rehabilitation obligations requires significant estimation and judgement by the Group. Assumptions are required to be made in respect of methods of rehabilitation, costs and timing. There is some uncertainty as to the extent of rehabilitation obligations that will be incurred due to the impact of potential changes in regulatory requirements, technology and market conditions. The calculation of the provision requires significant input from specialists and experts, both within and external to the Group. Given the significance of this balance and the factors outlined above, the provision for rehabilitation was a key audit matter.	To assess the Group's restoration and rehabilitation obligations, we performed the following audit procedures, amongst others: • Obtained the Group's calculation of the rehabilitation obligations. We checked the timing of the cash flows in the models were consistent with the life of mine plans. • Considered the competence and objectivity of the Group's experts who reviewed the closure plan and associated cost estimates. • Checked significant assumptions made within the models by comparing these to the Group's external experts' estimates of costs, and for a sample, we compared these to third party cost proposals obtained by the Group. • Assessed the appropriateness of the discount rate used.

Key audit matter	*How our audit addressed the key audit matter*
Recognition and measurement of uncertain tax positions *Refer to note 2* The recognition and measurement of uncertain tax positions was a key audit matter because of the complexity associated with different tax jurisdictions, and judgements requiring consideration when preparing the Group's tax calculations. In particular, we note that there are taxation matters where the Group is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business. The Group's assessment relies on estimates and assumptions and may involve a series of judgements about future events.	To assess the Group's position on recognition and measurement of uncertain tax positions, together with PwC tax experts, we performed the following procedures, amongst others: • Read the Group's evaluation of its positions and correspondence with relevant tax authorities, and any advice provided by the Group's tax advisor. • Evaluated whether the position gave rise to a liability or contingent liability by considering whether the potential for loss associated with each tax matter was considered "probable" or "remote".

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 18 to 39 of the directors' report for the year ended 30 June 2019.

In our opinion, the remuneration report of St Barbara Limited for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

PricewaterhouseCoopers

John O'Donoghue
Partner

Melbourne
21 August 2019

Corporate Directory

BOARD OF DIRECTORS

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

COMPANY SECRETARY
R R Cole

REGISTERED OFFICE
Level 10, 432 St Kilda Road
Melbourne Victoria 3004 Australia

Telephone: +61 3 8660 1900
Facsimile: +61 3 8660 1999
Email: melbourne@stbarbara.com.au
Website: www.stbarbara.com.au

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

SHARE REGISTRY
Computershare Investment 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

AUDITOR
PricewaterhouseCoopers
2 Riverside Quay
Southbank Victoria 3006 Australia