St Barbara

Appendix 4E

30 June 2021

Preliminary Financial Report

Financial year ended 30 June 2021

This information should be read in conjunction with the St Barbara Limited 2021 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	11%	to	742,463
Profit after tax from ordinary activities (before significant items) attributable to members - Underlying *(Prior year underlying profit: $108,472,000)*	down	26%	to	80,628
Net profit attributable to members of the parent entity *(Prior year net profit: $128,230,000)*	down	nm	to	(176,596)

During the year there were significant items 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 2021**	Year ended 30 June 2020
Net (loss)/profit after tax as reported – Statutory (Loss)/Profit	**(176,596)**	128,230
<u>Significant Items</u>		
Atlantic Gold Corporation acquisition costs	**-**	7,538
Amortisation of derivative financial liability	**-**	(16,583)
Gold hedge restructure	**-**	(11,810)
Call option fair value movements	**(17,271)**	20,962
Building brilliance transformation	**22,695**	-
Impairment loss of assets	**349,296**	-
Capitalised exploration write off	**8,000**	-
Tax adjustment	**(105,496)**	(19,865)
Underlying net profit after tax	**80,628**	108,472

Net tangible asset backing		
Net tangible assets per ordinary security*	$1.57	$1.92

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

Dividends

Subsequent to year end, the directors have declared a fully franked final dividend in relation to the 2021 financial year of 2 cents per ordinary share, to be paid on 30 September 2021. A provision for this dividend has not been recognised in the 30 June 2021 consolidated financial statements.

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

Details	Cents per share	A$'000	Percentage franked
2020 final dividend	4	28,142	100%
2021 interim dividend	4	28,214	100%
Total	**8**	**56,356**	**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 2020 final dividend were issued at a 1% discount to the 5 day volume weighted average price.

DRP shares in relation to the 2021 final dividend will be issued at a 1% discount to the 5 day volume weighted average price.

Overview of group results

The consolidated results for the year are summarised as follows:

	2021 $'000	2020 $'000
EBITDA(3)(6)	**(63,001)**	338,762
EBIT(2)(6)	**(250,871)**	173,396
(Loss)/profit before tax(4)	**(257,764)**	162,447
Statutory (loss)/profit (1) after tax	**(176,596)**	128,230
Total net significant items after tax	**(257,224)**	19,758
EBITDA (6) (excluding significant items)	**299,719**	338,869
EBIT (6) (excluding significant items)	**111,849**	173,503
Profit before tax (excluding significant items)	**104,956**	162,554
Underlying net profit after tax(5)(6)	**80,628**	108,472

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

	2021 $'000	2020 $'000
Atlantic Gold Corporation acquisition costs	**-**	(7,538)
Amortisation of derivative financial liability	**-**	16,583
Gold hedge restructure	**-**	11,810
Call option fair value movements	**17,271**	(20,962)
Building Brilliance transformation	**(22,695)**	-
Impairment loss on assets	**(349,296)**	-
Capitalised exploration write off	**(8,000)**	-
Significant items before tax	**(362,720)**	(107)
Income tax	**105,496**	20
Corporate income tax change	**-**	19,845
Significant items after tax	**(257,224)**	19,758

(1) Statutory (loss)/profit is net (loss)/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) (Loss)/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.

The Group's underlying net profit after tax for the 2021 financial year was materially lower than the prior year due to reduced production from Leonora and Simberi Operations, lower gold sales from Atlantic Gold and higher depreciation and amortisation associated with Atlantic Gold. The key results for the year were:

- Statutory net loss after tax of $176,596,000 (2020: profit of $128,230,000) after recognising an after tax impairment write off in relation to the Atlantic Gold cash-generating unit of $248,000,000, and the write off of capitalised exploration associated with Atlantic Gold tenements totalling $5,680,000 after tax;
- Acquisition on 4th September 2020 of Moose River Resources Incorporated (MRRI) to consolidate 100 percent ownership of the Touquoy Mine and surrounding tenements;
- Production for the Group totalled 327,662 ounces (2020: 381,887 ounces);
- EBITDA loss of $63,001,000 (2020: $338,762,000 profit) reflecting the significant impact of the impairment write off and lower result across all three operations, particularly in the second half of the financial year at Simberi and Atlantic Gold;
- Cash contribution from operations of $208,094,000 (2020: $273,190,000) after sustaining and growth capital totalling $139,683,000 (2020: $133,025,000); and
- Total dividends paid in the year of $56,356,000 (2020: $55,815,000).

Underlying net profit after tax, representing net profit excluding significant items, was $80,628,000 for the year (2020: $108,472,000). Net significant items in the 2021 financial year included the impairment and exploration write offs at Atlantic Gold, costs associated with the Building Brilliance transformation program and unrealised fair value gain related to gold call options. Net significant items totalling $257,224,000 resulted in the statutory net loss after tax of $176,596,000 (2020: items totalling a net $19,758,000 were deducted from statutory net profit after tax).

Cash on hand was $133,370,000 at 30 June 2021 (2020: $405,541,000). The significant reduction in cash in the year was associated with the acquisition of MRRI and repayment of the $200 million Australian tranche of the syndicated facility.

Total interest-bearing liabilities at 30 June 2021 were $109,252,000 (2020: $331,766,000), which included $25,036,000 of leases associated with 'right-of-use' assets (2020: $27,577,000).

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

	2021	2020
Basic earnings per share (cents per share)	**(25.03)**	18.33
Return on equity	**(14%)**	10%
Change in closing share price	(46**%)**	7%

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

	2021	2020
Underlying basic earnings per share(1)(cents per share)	**11.43**	15.51
Underlying return on equity(1)	**6%**	8%

(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 table below provides a summary of the profit before tax from St Barbara Group operations.

	Leonora		Simberi		Atlantic		Group	
$'000	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Revenue	**329,893**	355,712	**204,754**	238,859	**205,600**	233,155	**740,247**	827,726
Mine operating costs	**(160,269)**	(164,515)	**(144,039)**	(151,291)	**(67,529)**	(69,014)	**(371,837)**	(384,820)
Gross profit	**169,624**	191,197	**60,715**	87,568	**138,071**	164,141	**368,410**	442,906
Royalties	**(16,632)**	(16,896)	**(5,025)**	(5,952)	**(4,107)**	(4,326)	**(25,764)**	(27,174)
EBITDA	**152,992**	174,301	**55,690**	81,616	**133,964**	159,815	**342,646**	415,732
Depreciation and amortisation	**(71,951)**	(65,767)	**(16,470)**	(21,398)	**(96,759)**	(75,511)	**(185,180)**	(162,676)
Profit from operations(1)	**81,041**	108,534	**39,220**	60,218	**37,205**	84,304	**157,466**	253,056

(1) Excludes impairment and other write offs, 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 table below provides a summary of the cash contribution from St Barbara Group cash generating units.

	Leonora		Simberi		Atlantic		Group	
$'000	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Operating cash contribution	**158,596**	169,938	**60,715**	83,409	**128,466**	152,868	**347,777**	406,215
Capital - sustaining	**(63,683)**	(52,559)	**(9,214)**	(5,194)	**(17,657)**	(15,327)	**(90,554)**	(73,080)
Cash Contribution (1)	**94,913**	117,379	**51,501**	78,215	**110,809**	137,541	**257,223**	333,135
Growth capital (2)	**(32,499)**	(40,584)	**(5,129)**	(4,147)	**(11,501)**	(15,214)	**(49,129)**	(59,945)
Cash contribution after growth capital	**62,414**	76,795	**46,372**	74,068	**99,308**	122,327	**208,094**	273,190

(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, taxation and growth capital.
(2) Growth expenditure at Leonora includes mining equipment purchased from the previous underground mining contractor and expenditure on projects associated with additional cooling and ventilation and the Tailings Storage Facility, expenditure on the sulphides project at Simberi and capitalised near mine drilling and studies expenditure at Atlantic Gold.

During the 2021 financial year the Group's operations did not achieve the planned results, particularly at Leonora and Simberi.

Safety of people working across the Group is of paramount importance, and the focus is to maintain a low total recordable injury frequency rate (TRIFR) calculated as a rolling 12-month average.

On 21 May 2021, a truck driver at Simberi was fatally injured when the truck travelled over a safety berm and fell approximately 40 metres into the open pit. All of St Barbara was deeply saddened by the tragic incident. Assistance has been provided to the employee's family, together with counselling support for the Simberi team. An independent investigation was completed, and the report was submitted to the Mineral Resource Authority (MRA), who also conducted an inquiry. The site team is currently implementing recommended improvements and preventative actions from both investigations.

Total Recordable Injury Frequency Rate (TRIFR) safety performance was 3.9 as at 30 June 2021 (2020: 3.0). The corresponding Lost Time Injury Frequency Rate on 30 June 2021 was 0.59 (2020: 0.38).

The Group continues to work in an urgent and focused way on preventing 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. Safety focus in the year has been on the development of communities of practices to improve the Critical Control Risk Standards and the ongoing development work for the Company's Safety Always leadership program.

Total production for the Group in the 2021 financial year was 327,662 ounces of gold (2020: 381,887 ounces), and gold sales amounted to 332,786 ounces (2020: 381,105 ounces) at an average gold price of $2,215 per ounce (2020: $2,166 per ounce). The lower production was attributable mainly to Leonora and Simberi. Production for the year at Leonora was significantly impacted by the September quarter performance. Mined volumes in the first quarter of the financial year were substantially lower due to a planned prioritisation of development during the start of the financial year, together with the impact of a seismic event causing a fall of ground, resulting in closure of the decline and rehabilitation of a 30-metre lateral section. At Simberi production in the second half of the financial year was significantly impacted by cessation of mining due to the fatality and processing as a result of damage to the deep-sea tailings placement (DSTP) pipeline identified after an inspection.

Consolidated All-In Sustaining Cost (AISC) for the Group was $1,616 per ounce in 2021 (2020: $1,369 per ounce), reflecting the impact of materially lower production and the shutdown of operations at Simberi.

Total net cash contribution from the operations was $208,094,000 (2020: $273,190,000). The cash contribution from the operations was lower than the prior year due to the reduced production and higher sustaining capital at Leonora and Simberi. The increase to sustaining capital at Leonora was mainly due to higher capital mine development expenditure and mine infrastructure. Growth capital during the year was concentrated on a number of capital improvement projects within the Gwalia underground mine and the Tailings Storage Facility, on studies related to the Simberi sulphide project and additional drilling and studies to further advance the Atlantic Gold growth projects.

Building Brilliance transformation project

Since its launch in September 2020, the Building Brilliance transformation program has delivered a cash benefit of A$41,000,000 to 30 June 2021 compared with the target for the year of A$30,000,000 to A$40,000,000, with many of the production and cost initiatives realising their potential.

During the 2022 financial year, Building Brilliance will focus on the sustainability of initiatives at each operation, and embedding the Building Brilliance process as a “business as usual” mindset in daily activities to ensure business improvement initiatives continue to be developed and implemented. The focus of Building Brilliance in the 2021 financial year was on operational productivity and cost efficiency with the program extended to corporate activities in 2022.

Impact of COVID-19

As restrictions were put in place at the Group’s various operations around the world, measures have been implemented in line with relevant local government advice, including screening site workers for COVID-19 prior to attending site, cancelling all non-essential and international travel, working from home where practicable, enforcing self-isolation policies when appropriate, and encouraging good hygiene practices and physical distancing across all workplaces.

The impact of COVID-19 on St Barbara’s Australian & Canadian operations, workforce and local community health has been minimal following adherence to the comprehensive program of preventative actions. As a result, there have not been any material disruptions to operations or to the supply of goods and services during the year.

The COVID-19 situation in Papua New Guinea did deteriorate during the March 2021 quarter, with a significant increase in community transmissions, with a number of employees and community members testing positive for COVID-19. Employees were isolated in the onsite quarantine camp with containment measures to protect other employees and continue operations. While medical care and support has ensured the recovery of the majority of cases, it is with sympathy that two employees with pre-existing conditions passed away whilst they had a positive COVID-19 diagnosis.

All of St Barbara’s operations have business continuity plans and contingencies in place to minimise disruptions to operations in the event of a significant number of operational employees and/or contractors contracting the virus. These plans have enabled the operations to continue producing in line with the production schedule despite the challenges posed by the COVID-19 pandemic.

Analysis of Leonora Operations

Total sales revenue from the Leonora Operations of $329,893,000 (2020: $355,712,000) was generated from gold sales of 150,797 ounces (2020: 171,840 ounces) in the year at an average achieved gold price of $2,185 per ounce (2020: $2,068 per ounce). The reduction in gold ounces sold was attributable to lower gold production.

A summary of production performance for the year ended 30 June 2021 is provided in the table below.

Details of 2021 production performance

	Leonora Operations	
	2021	**2020**
Underground ore mined (kt)	**605**	697
Grade (g/t)	**7.6**	7.7
Ore milled (kt)	**749**	771
Grade (g/t)	**6.6**	7.1
Recovery (%)	**97**	97
Gold production (oz.)	**152,696**	171,156
Gold sales (oz.)	**150,797**	171,840
Cash cost (1) (A$/oz.)	**1,185**	1,071
All-In Sustaining Cost (AISC) (2) (A$/oz.)	**1,744**	1,485

(1) Cash operating costs are mine operating costs including government royalties, and after by-product credits. This is a non-IFRS financial measure that 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).

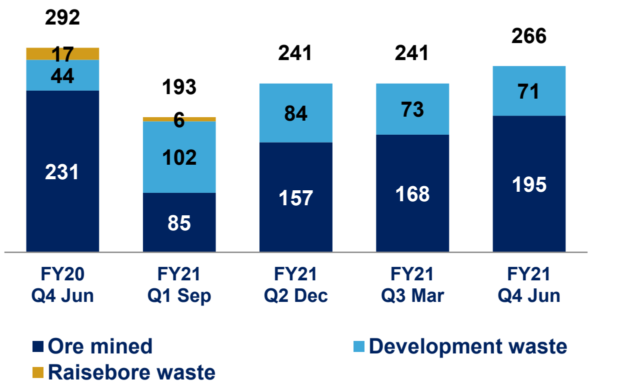
(2) All-In Sustaining Cost (AISC) is a non-IFRS financial measure that has not been subject to review or audit by the Group's external auditors. AISC is based on cash operating costs and adds items relevant to sustaining production. It includes some, but not all, of the components identified in the World 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.

Leonora produced 152,696 ounces of gold in 2021 (2020: 171,156 ounces), which included 3,531 ounces recovered from ore purchased from Linden Gold Alliance in the June 2021 quarter. The lower gold production in the year was attributable to lower mined tonnes mainly in the first quarter of the year and lower grade.

Ore tonnes mined from the Gwalia underground mine reduced substantially to 605,178 tonnes (2020: 697,432 tonnes), mainly due to the impact of a seismic event in the first quarter of the financial year causing a fall of ground, resulting in closure of the decline and rehabilitation of a 30-metre lateral section. During the year there was considerable attention to debottlenecking the Gwalia underground mine. The Building Brilliance program delivered improvements at Leonora, in particular the mine planning process resulting in an increase in development fronts from twelve at the start of the financial year to twenty-four in the June 2021 quarter. The number of development fronts are expected to increase further in the next financial year.

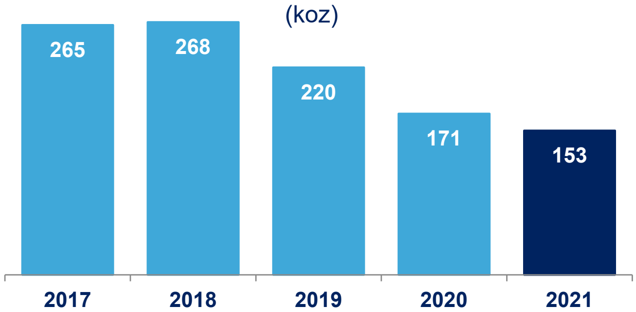
The following figure shows total tonnes moved, including ore, development waste and raise bore waste over the past eighteen months.

Leonora total material moved (kt)



Ore mined grade was only marginally lower at 7.6 grams per tonne (2020: 7.7 grams per tonne). The Leonora mill continued to perform consistently, with the average recovery at 97% (2020: 97%). The lower processed grade of 6.6 grams per tonne (2020: 7.1 grams per tonne) was due to processing lower grade stockpile material and purchased ore.

Leonora gold production
(koz)



Leonora unit cash operating cost (1) for the year was $1,185 per ounce (2020: $1,071 per ounce). The higher unit operating cost in the 2021 financial year was due mainly to the lower gold production and mined grades, cost of purchased ore and costs related to the transition to the new underground mining contract in the June 2021 quarter. The unit All-In Sustaining Cost (AISC)(2) for Leonora was $1,744 per ounce in 2021 (2020: $1,485 per ounce), with the higher unit cost attributable to the increased cash operating cost and higher sustaining capital expenditure. Total cash operating costs at Gwalia were $180,945,000 (2020: $183,308,000).

Leonora generated net cash flows in 2021 of $62,414,000 (2020: $76,795,000), after sustaining and growth capital. The lower cash contribution from Leonora was due to reduced production and higher sustaining capital. Sustaining capital in 2021 increased to $63,683,000 (2020: $52,559,000), mainly due to higher capital mine development of $54,682,000 (2020: $47,573,000) and mine infrastructure of $8,550,000 (2020: $3,516,000). Growth capital in 2021 was a total of $32,499,000 (2020: $40,584,000), consisting mainly of capital projects within the underground mine and the Tailings Storage Facility (TSF) as well as mining equipment with a value of $16,275,000 which was acquired from the previous mining contractor to facilitate the transition to Macmahon, the new mining contractor. In the prior year growth capital included the completion of the Gwalia Extension Project expenditure of $31,751,000.

Analysis of Simberi Operations

Production for 2021 at Simberi Operations was severely impacted by the shutdown of mining operations on 21 May 2021 due a fatal accident at the mine, and then cessation of the placement of tailings through Simberi's deep-sea tailings placement (DSTP) pipeline after an inspection identified pipe damage.

Total sales revenue from Simberi in 2021 was $204,754,000 (2020: $238,859,000), generated from gold sales of 82,013,000 ounces (2020: 102,189 ounces) at an average achieved gold price of A$2,482 per ounce (2020: A$2,323 per ounce).

A recovery plan is underway at Simberi, incorporating corrective actions from the mining fatality and replacement of the DSTP pipeline. The processing facility is expected to restart towards the end of calendar year 2021 on the commissioning of the new DSTP pipeline.

Gold production in 2021 of 72,723 ounces (2020: 104,068 ounces) was well down on the prior year due to the shutdown of mining operations in May 2021, lower mining volumes caused partly by poor truck availability and low mill recovery from processing transitional ore.

A summary of production performance at Simberi for the year ended 30 June 2021 is provided in the table below.

Details of 2021 production performance

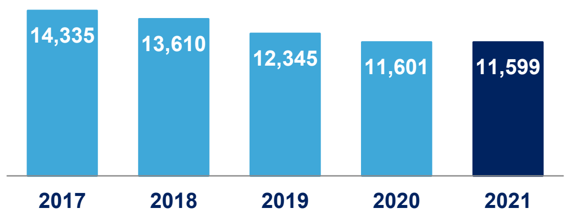
	Simberi Operations	
	2021	**2020**
Open pit ore mined (kt)	2,390	2,963
Grade (g/t)	1.35	1.06
Ore milled (kt)	2,758	3,314
Grade (g/t)	1.25	1.17
Recovery (%)	67	83
Gold production (oz.)	73,723	104,068
Gold sales (oz.)	82,013	102,189
Cash cost[(1)] (A$/oz.)	1,912	1,482
All-In Sustaining Cost (AISC)[(2)] (A$/oz.)	2,162	1,631

(1) Cash operating costs are mine operating costs including government royalties, and after by-product credits. This is a non-IFRS financial measure that 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 that 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.

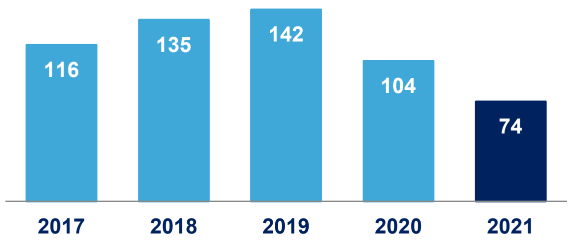
Ore mined in 2021 totalled 2,390,000 tonnes (2020: 2,963,000 tonnes), a decrease of 19% on the prior year. Waste material moved in 2021 was 6,410,000 tonnes (2020: 8,638,000 tonnes). Movement was impacted by the shutdown of mining in May 2021.

Simberi annual total material moved
(kt)



Ore milled during the year totalled 2,758,000 tonnes (2020: 3,314,000 tonnes), with the shutdown of operations impacting the last quarter of the financial year. The recovery performance of the Simberi mill for the year was an average of 67% (2020: 83%), with the decrease directly attributable to processing transitional ore. Work is continuing into understanding the expected recovery of the various types or ore at Simberi to better optimise the mine and mill feed schedule.

Simberi Operations gold production
(koz)



Simberi unit cash operating cost for the year was $1,912 per ounce (2020: $1,482 per ounce). The unit All-In Sustaining Cost (AISC) for Simberi for the year was $2,162 per ounce (2020: $1,631 per ounce), which reflected the impact of lower production and the cost of suspending operations in May 2021. Total cash operating costs at Simberi during 2021 were lower than the prior year at $140,958,000 (2020: $154,229,000) due to the impact of lower mining activity and mill throughput.

In 2021 Simberi generated positive net cash flows of $46,372,000 (2020: $74,068,000), after sustaining and growth capital expenditure. Sustaining capital expenditure of $9,214,000 (2020: $5,194,000) included expenditure to refresh the mining fleet. Growth capital of $5,129,000 (2020: $4,147,000) related to studies and additional drilling to support the sulphides project.

Analysis of Atlantic Operations

Total gold sales revenue from Atlantic Operations in 2021 was $205,600,000 (2020 from acquisition date: $233,155,000), generated from gold sales of 99,976 ounces (2020: 107,076 ounces) at an average achieved gold price of A$2,062 per ounce (2020: A$2,020 per ounce). During the year 12,000 ounces of gold sales were delivered to the gold call options that matured, with revenue determined at the call option strike price of C$2,050 per ounce.

A summary of production performance at Atlantic Operations for the year ended 30 June 2021 is provided in the table below.

Details of 2021 production performance

	Atlantic Operations	
	2021	**2020**
Open pit ore mined (kt)	**3,710**	4,388
Grade (g/t)	**0.88**	0.92
Ore milled (kt)	**2,918**	2,457
Grade (g/t)	**1.15**	1.38
Recovery (%)	**94**	94
Gold production (oz.)	**101,243**	102,301
Gold sales (oz.)	**99,976**	107,076
Cash cost[(1)] (A$/oz.)	**761**	711
All-In Sustaining Cost (AISC)[(2)] (A$/oz.)	**1,027**	927

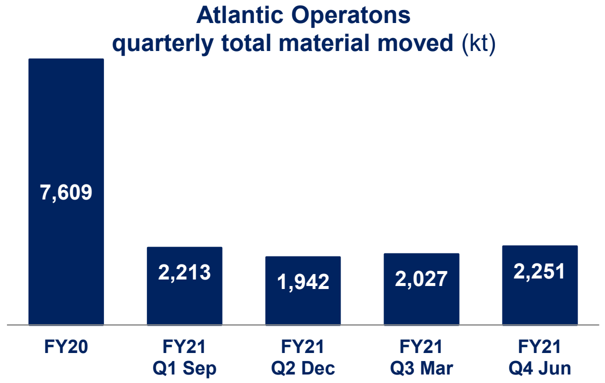
(1) Cash operating costs are mine operating costs including government royalties, and after by-product credits. This is a non-IFRS financial measure that has not been subject to review or audit by the Group's external auditors. It is presented to provide meaningful information to assist management, investors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

(2) AISC is a non-IFRS financial measure that 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).

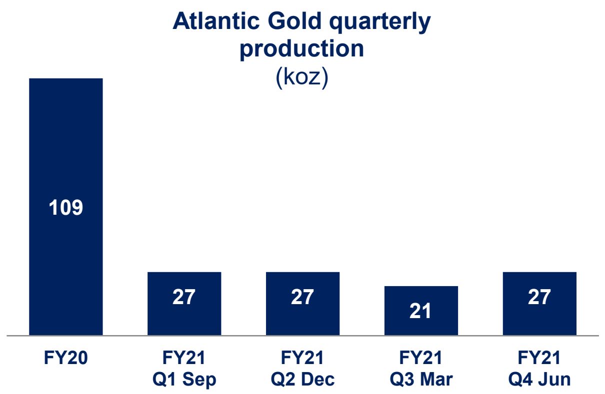
The Touquoy mine has integrated well into the St Barbara portfolio and has performed strongly since the acquisition of Atlantic Gold in July 2019. The Building Brilliance program at Atlantic Operations has delivered material productivity benefits, particularly in the mill, with throughput up 13% on the prior year. Mill availability in the June 2021 quarter also achieved a record of 97%.

Atlantic Gold production for the year was 101,243 ounces (2020: 102,301 ounces). The result for the year was impacted by lower processed grade. Mining in the second half of the year was impacted by congestion due to smaller work areas on the lower benches of the pit.

Total material moved in the year was 8,433,000 tonnes (2020: 7,609,000 tonnes), which included total ore mined of 3,710,000 tonnes (2020: 4,388,000 tonnes) at an average grade of 0.88 grams per tonne (2020: 0.92 grams per tonne).



Ore milled was 2,918,000 tonnes in the year (2020: 2,457,000 tonnes) at a grade of 1.15 grams per tonne (2020: 1.38 grams per tonne) and recovery of 94% (2020: 94%).



Atlantic Gold unit cash operating cost for the year was $761 per ounce (2020: $711 per ounce), with the increase mainly due to lower production. The unit AISC was $1,027 per ounce for the year (2020: $927 per ounce), which reflected the impact of lower production and increased sustaining capital. Total cash operating costs for the year were $77,045,000 (2020: $72,736,000).

In the year, Atlantic Gold generated net cash flows of $99,308,000 (2020: $122,327,000), after sustaining capital of $17,657,000 (2020: $15,327,000) and growth capital expenditure of $11,501,000 (2020: $15,214,000). Increased sustaining capital was mainly related to work on the Tailings Management Facility and to refresh the mining fleet. Growth capital was related to studies associated with the development projects at Beaver Dam, Fifteen Mile Stream and Cochrane Hill.

Discussion and analysis of the consolidated income statement

Revenue

Total revenue decreased from $827,726,000 in 2020 to $740,247,000 in 2021 mainly due to lower production at Leonora and Simberi. The average realised gold price for the year was A$2,215 per ounce (2020: A$2,166 per ounce).

Mine operating costs

Mine operating costs in 2021 were $371,837,000 compared with $384,820,000 in the prior year. Total operating costs were lower in the year due mainly to the impact of reduced production at Leonora and Simberi.

Other revenue and income

Interest revenue was $1,103,000 in 2021 (2020: $2,306,000), earned on cash held during the year. The lower interest revenue was due to a reduction in cash during the year.

Other income was $1,113,000 for the year (2020: $56,000) comprising mainly royalty income.

Exploration

Total exploration expenditure during the 2021 year amounted to $34,189,000 (2020: $45,738,000), with an amount of $7,593,000 (2020: $22,142,000) capitalised. Capitalised exploration related to exploration in the Moose River Corridor at Atlantic Gold and at Simberi. Exploration expenditure expensed in the income statement in the year was $34,596,000 (2020: $23,596,000), including the write off of capitalised exploration amounting to $8,000,000.

Corporate costs

Corporate costs for the year of $26,621,000 (2020: $27,156,000) comprised mainly expenses relating to the corporate office, technical support to the operations and compliance costs.

Royalties

Royalty expenses for the year were $25,764,000 (2020: $27,174,000). 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 2.5% of gold revenues earned from the Simberi mine. Royalties paid in Canada (Nova Scotia) are 1% of gold revenues due to the Province, plus a 1% royalty on gold revenues to third parties. The lower royalties expense in the year was due to reduced gold revenue.

Depreciation and amortisation

Depreciation and amortisation of fixed assets, capitalised mine development and mineral rights amounted to $187,870,000 (2020: $165,366,000) for the year. Depreciation and amortisation attributable to the Gwalia Operations was $71,951,000 (2020: $65,767,000); higher depreciation included $8,389,000 relating to the depreciation of 'right-of-use' assets (2020: $7,357,000). The expense at Simberi was $16,470,000 (2020: $21,398,000), including $2,800,000 relating to 'right-of-use' assets (2020: $2,591,000). Atlantic Gold expensed an amount of $96,759,000 (2020: $75,511,000), including $75,636,000 relating to amortisation of mineral rights acquired (2020: $61,028,000), and $212,000 relating to 'right-of-use' assets (2020: $756,000).

The higher charge at Leonora was associated with increased plant and equipment from the Extension Project, while the increase in mineral rights amortisation at Atlantic Gold was due to the acquisition of MRRI.

Share based payments

Share based payments of $1,765,000 (2020: $2,472,000) relate to the amortisation of employee benefits under the performance rights plan (refer to Note 19).

Other expenses

Other expenditure of $22,695,000 (2020: $4,735,000) comprised mainly the cost of the Building Brilliance program in 2021, whereas in the prior year this expenditure was associated with business development activities and studies.

Impairment of assets

Impairment of mineral rights in relation to the Atlantic Gold cash-generating unit (CGU) was recognised as at 30 June 2021 amounting to a charge of $349,296,000 (2020: Nil). The non-cash impairment charge was taken as the carrying value of the CGU exceeded its recoverable amount.

Finance costs

Finance costs in the year were $7,996,000 (2020: $13,255,000). Finance costs comprised interest on the syndicated facility of $4,658,000 (2020: $5,971,000), interest paid and payable on finance leases of $907,000 (2020: $3,295,000) including 'right-of-use' assets lease expense and borrowing costs relating to banking facilities and guarantee fees of $2,431,000 (2020: $2,036,000).

Net foreign exchange loss

A net foreign exchange gain of $5,316,000 was recognised for the year (2020: net loss of $2,377,000). The foreign exchange gain related to movements in exchange rates associated with US dollar and Canadian dollar bank accounts and intercompany balances.

Gold instrument fair value adjustments

A net movement in the fair value of gold call options amounted to a gain of $22,897,000 (2019: loss of $9,152,000). The call options are associated with the Atlantic Gold operations and are marked to market at each reporting date. The net gain reported comprised a realised component of $5,626,000 (2020: $Nil) and unrealised amount of $17,271,000 (2020: $9,152,000).

Income tax

An income tax credit of $81,168,000 was recognised for the year (2020: income tax expense of $34,217,000), which comprised an income tax credit of $184,000 in relation to Australia (2020: expense of $17,975,000), an income tax expense of $11,088,000 for the PNG operations (2020: $18,703,000) and an income tax credit of $92,072,000 (2020: $2,461,000 tax credit) for the Canadian operations. The income tax credit for the Canadian operations was due to the substantial impairment write off in the income statement.

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Discussion and analysis of the consolidated cash flow statement

Operating activities

Cash flows from operating activities for the year were $227,098,000 (2020: $279,533,000), reflecting the impact of lower revenue from operations. Cash flows from Leonora and Simberi were lower in 2021 as a result of reduced production, while Atlantic Gold reported lower gold sales in the year.

Receipts from customers in the year were $737,195,000 (2020: $831,788,000), reflecting the impact of lower gold sales.

Payments to suppliers and employees were $454,455,000 (2020: $477,135,000), with the lower expenditure due mainly to reduced production at Leonora and Simberi.

Payments for exploration expensed in the year amounted to $26,596,000 (2020: $23,596,000).

Net interest received was $1,103,000 (2020: $8,244,000 paid). Interest paid in the year totalled $5,565,000 (2020: $10,550,000), which was lower than the prior year due to repayment of the Australian tranche of the syndicated facility early in the year.

Income tax payments totalled $22,152,000 (2020: $41,244,000). Income tax payments in the year included PAYG instalments of $15,537,000 and an amount of $6,615,000 relating to the prior financial year tax provision.

Investing activities

Net cash flows used in investing activities amounted to $199,265,000 (2020: $896,885,000) for the year. Investing activities in the year included mine development expenditure of $58,414,000 (2020: $85,881,000) and $67,425,000 (2020: $26,331,000) on property, plant and equipment. Investing activities also included the purchase of MRRI for an amount of $62,176,000 (2020: included purchase of Atlantic Gold).

Higher expenditure on property, plant and equipment was due mainly to higher sustaining capital at Leonora and Simberi.

Exploration expenditure capitalised during the year totalled $7,593,000 (2020: $22,142,000).

Investing capital expenditure was in the following major areas:

- Underground mine development and infrastructure at Gwalia: $54,683,000 (2020: $47,573,000)
- Purchase of property, plant and equipment at Leonora of $25,275,000 (2020: $4,986,000), Simberi of $9,214,000 (2020: $5,158,000) and Atlantic Gold of $17,657,000 (2020: $15,327,000).
- Leonora growth capital of $32,499,000 (2020: $40,584,000), which included $16,275,000 for the purchase of mining equipment to support transition to the new mining contractor.
- Simberi growth: $5,129,000 (2020: $4,147,000).
- Atlantic Gold growth expenditure: $11,501,000 (2020: $15,214,000).

Financing activities

Net cash flows related to financing activities was a net outflow of $293,784,000 (2020: net inflow of $147,370,000). Financing activities in 2021 included $219,973,000 (2020: inflow of $207,014,000) of repayments of the syndicated facility, dividend payments totalling $45,357,000 (2020: $37,510,000) and the loan to Linden Alliance of $15,750,000. Repayments under 'right-of-use' asset leases amounted to $12,704,000 (2020: $13,899,000).

Discussion and analysis of the consolidated balance sheet

Net assets and total equity

St Barbara's net assets decreased during the year by $235,310,000 to $1,113,667,000 due to the impairment of mineral rights and write off of capitalised exploration.

Current assets decreased to $263,286,000 (2020: $512,205,000) due mainly to the reduction in cash related to the repayment of the Australian tranche of the syndicated facility and purchase of MRRI.

Non-current assets decreased during the year by $290,333,000 to $1,372,475,000 (2020: $1,662,808,000) due to the impairment of mineral rights.

Current trade and other payables increased to $69,583,000 at 30 June 2021 (2020: $66,970,000) due to the timing of payments at year end. Current interest-bearing liabilities of $93,534,000 (2020: $12,199,000) includes the $84,216,000 syndicated debt facility that was reclassified from non-current to current due to the impact of the impairment on financial covenants, for which the syndicate has provided a waiver (refer to Note 21 for further information). A current provision for tax payable of $14,538,000 was recognised at 30 June 2021 (2020: $10,893,000).

Non-current liabilities reduced to $313,589,000 (2020: $709,938,000) due to the repayments of the syndicated facility and the reclassification of the interest-bearing liability to current. The deferred tax balance was a net liability of $219,419,000 (2020: net liability of $289,914,000). The non-current rehabilitation provision increased to $61,701,000 (2020: $53,162,000) due to a revision to the Simberi and Atlantic Gold provisions during the year. The total derivative financial liabilities of $14,088,000 (2020: $37,448,000) was lower than the prior year as a result of call option contracts maturing in the year, together with a change in the mark-to-market value of call options still to mature.

Debt management and liquidity

The available cash balance at 30 June 2021 was $133,370,000 (2020: $405,541,000), with no deposits held to maturity (2020: $Nil).

Total interest-bearing liabilities were $109,252,000 at 30 June 2021 (2020: $331,766,000), comprising $84,216,000 (2020: $304,189,000) drawn down under the syndicated facility and $25,036,000 (2020: $27,577,000) of lease liabilities relating to 'right-of-use' assets.

The AUD/USD exchange rate as at 30 June 2021 was 0.7501 (30 June 2020: 0.6904). The AUD/CAD exchange rate as at 30 June 2021 was 0.9296 (30 June 2020: 0.9351).

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.

Due to the non-cash impairment at 30 June 2021 the Group was not able to satisfy certain ratio covenants under the terms of the syndicated facility. As a result, the amount outstanding on the facility was reclassified from non-current to current liabilities at the reporting date. Subsequent to year end a waiver from compliance with the relevant covenants has been granted by the lenders in accordance with the terms of the facility.

Subsequent to year end, the directors have declared a fully franked final dividend in relation to the 2021 financial year of 2 cents per ordinary share, to be paid on 30 September 2021. A provision for this dividend has not been recognised in the 30 June 2021 consolidated financial statements.

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 2020, which has been audited by PricewaterhouseCoopers. The 30 June 2020 financial report contains the independent audit report to the members of St Barbara Limited.

Craig Jetson
Managing Director and CEO

Melbourne

26 August 2021

Our values

We act with honesty and integrity

We treat people with respect

We value working together

We deliver to promise

We strive to do better

St Barbara

Directors and Financial Report

30 June 2021

Contents

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 2021.

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
- C A Jetson
  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

The qualifications, experience and special responsibilities of the Directors are presented on page 16.

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 results for the year are summarised as follows:

	2021 $'000	2020 $'000
EBITDA[3][6]	**(63,001)**	338,762
EBIT[2][6]	**(250,871)**	173,396
(Loss)/profit before tax[4]	**(257,764)**	162,447
Statutory (loss)/profit [1] after tax	**(176,596)**	128,230
Total net significant items after tax	**(257,224)**	19,758
EBITDA [6] (excluding significant items)	**299,719**	338,869
EBIT [6] (excluding significant items)	**111,849**	173,503
Profit before tax (excluding significant items)	**104,956**	162,554
Underlying net profit after tax[5][6]	**80,628**	108,472

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

	2021 $'000	2020 $'000
Atlantic Gold Corporation acquisition costs	**-**	(7,538)
Amortisation of derivative financial liability	**-**	16,583
Gold hedge restructure	**-**	11,810
Call option fair value movements	**17,271**	(20,962)
Building Brilliance transformation	**(22,695)**	-
Impairment loss on assets	**(349,296)**	-
Capitalised exploration write off	**(8,000)**	-
Significant items before tax	**(362,720)**	(107)
Income tax	**105,496**	20
Corporate income tax change	**-**	19,845
Significant items after tax	**(257,224)**	19,758

(1) Statutory (loss)/profit is net (loss)/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) (Loss)/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.

The Group's underlying net profit after tax for the 2021 financial year was materially lower than the prior year due to reduced production from Leonora and Simberi Operations, lower gold sales from Atlantic Gold and higher depreciation and amortisation associated with Atlantic Gold. The key results for the year were:

- Statutory net loss after tax of $176,596,000 (2020: profit of $128,230,000) after recognising an after tax impairment write off in relation to the Atlantic Gold cash-generating unit of $248,000,000, and the write off of capitalised exploration associated with Atlantic Gold tenements totalling $5,680,000 after tax;
- Acquisition on 4th September 2020 of Moose River Resources Incorporated (MRRI) to consolidate 100 percent ownership of the Touquoy Mine and surrounding tenements;
- Production for the Group totalled 327,662 ounces (2020: 381,887 ounces);
- EBITDA loss of $63,001,000 (2020: $338,762,000 profit) reflecting the significant impact of the impairment write off and lower result across all three operations, particularly in the second half of the financial year at Simberi and Atlantic Gold;
- Cash contribution from operations of $208,094,000 (2020: $273,190,000) after sustaining and growth capital totalling $139,683,000 (2020: $133,025,000); and
- Total dividends paid in the year of $56,356,000 (2020: $55,815,000).

Underlying net profit after tax, representing net profit excluding significant items, was $80,628,000 for the year (2020: $108,472,000). Net significant items in the 2021 financial year included the impairment and exploration write offs at Atlantic Gold, costs associated with the Building Brilliance transformation program and unrealised fair value gain related to gold call options. Net significant items totalling $257,224,000 resulted in the statutory net loss after tax of $176,596,000 (2020: items totalling a net $19,758,000 were deducted from statutory net profit after tax).

Cash on hand was $133,370,000 at 30 June 2021 (2020: $405,541,000). The significant reduction in cash in the year was associated with the acquisition of MRRI and repayment of the $200 million Australian tranche of the syndicated facility.

Total interest-bearing liabilities at 30 June 2021 were $109,252,000 (2020: $331,766,000), which included $25,036,000 of leases associated with 'right-of-use' assets (2020: $27,577,000).

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

	2021	2020
Basic earnings per share (cents per share)	**(25.03)**	18.33
Return on equity	**(14%)**	10%
Change in closing share price	(46**%)**	7%

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

	2021	2020
Underlying basic earnings per share[1] (cents per share)	**11.43**	15.51
Underlying return on equity[1]	**6%**	8%

(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 table below provides a summary of the profit before tax from St Barbara Group operations.

		Leonora		Simberi		Atlantic		Group
$'000	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Revenue	**329,893**	355,712	**204,754**	238,859	**205,600**	233,155	**740,247**	827,726
Mine operating costs	**(160,269)**	(164,515)	**(144,039)**	(151,291)	**(67,529)**	(69,014)	**(371,837)**	(384,820)
Gross profit	**169,624**	191,197	**60,715**	87,568	**138,071**	164,141	**368,410**	442,906
Royalties	**(16,632)**	(16,896)	**(5,025)**	(5,952)	**(4,107)**	(4,326)	**(25,764)**	(27,174)
EBITDA	**152,992**	174,301	**55,690**	81,616	**133,964**	159,815	**342,646**	415,732
Depreciation and amortisation	**(71,951)**	(65,767)	**(16,470)**	(21,398)	**(96,759)**	(75,511)	**(185,180)**	(162,676)
Profit from operations(1)	**81,041**	108,534	**39,220**	60,218	**37,205**	84,304	**157,466**	253,056

(1) Excludes impairment and other write offs, 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 table below provides a summary of the cash contribution from St Barbara Group cash generating units.

		Leonora		Simberi		Atlantic		Group
$'000	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Operating cash contribution	**158,596**	169,938	**60,715**	83,409	**128,466**	152,868	**347,777**	406,215
Capital - sustaining	**(63,683)**	(52,559)	**(9,214)**	(5,194)	**(17,657)**	(15,327)	**(90,554)**	(73,080)
Cash Contribution (1)	**94,913**	117,379	**51,501**	78,215	**110,809**	137,541	**257,223**	333,135
Growth capital (2)	**(32,499)**	(40,584)	**(5,129)**	(4,147)	**(11,501)**	(15,214)	**(49,129)**	(59,945)
Cash contribution after growth capital	**62,414**	76,795	**46,372**	74,068	**99,308**	122,327	**208,094**	273,190

(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, taxation and growth capital.
(2) Growth capital at Leonora includes mining equipment purchased from the previous underground mining contractor and expenditure on projects associated with additional cooling and ventilation and the Tailings Storage Facility, expenditure on the sulphides project at Simberi and capitalised near mine drilling and studies expenditure at Atlantic Gold.

During the 2021 financial year the Group's operations did not achieve the planned results, particularly at Leonora and Simberi.

Safety of people working across the Group is of paramount importance, and the focus is to maintain a low total recordable injury frequency rate (TRIFR) calculated as a rolling 12-month average.

On 21 May 2021, a truck driver at Simberi was fatally injured when the truck travelled over a safety berm and fell approximately 40 metres into the open pit. All of St Barbara was deeply saddened by the tragic incident. Assistance has been provided to the employee's family, together with counselling support for the Simberi team. An independent investigation was completed, and the report was submitted to the Mineral Resource Authority (MRA), who also conducted an inquiry. The site team is currently implementing recommended improvements and preventative actions from both investigations.

Total Recordable Injury Frequency Rate (TRIFR) safety performance was 3.9 as at 30 June 2021 (2020: 3.0). The corresponding Lost Time Injury Frequency Rate on 30 June 2021 was 0.59 (2020: 0.38).

The Group continues to work in an urgent and focused way on preventing 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. Safety focus in the year has been on the development of communities of practices to improve the Critical Control Risk Standards and the ongoing development work for the Company's Safety Always leadership program.

Total production for the Group in the 2021 financial year was 327,662 ounces of gold (2020: 381,887 ounces), and gold sales amounted to 332,786 ounces (2020: 381,105 ounces) at an average gold price of $2,215 per ounce (2020: $2,166 per ounce). The lower production was attributable mainly to Leonora and Simberi. Production for the year at Leonora was significantly impacted by the September quarter performance. Mined volumes in the first quarter of the financial year were substantially lower due to a planned prioritisation of development during the start of the financial year, together with the impact of a seismic event causing a fall of ground, resulting in closure of the decline and rehabilitation of a 30-metre lateral section. At Simberi production in the second half of the financial year was significantly impacted by cessation of mining due to the fatality and processing as a result of damage to the deep-sea tailings placement (DSTP) pipeline identified after an inspection.

Consolidated All-In Sustaining Cost (AISC) for the Group was $1,616 per ounce in 2021 (2020: $1,369 per ounce), reflecting the impact of materially lower production and the shutdown of operations at Simberi.

Total net cash contribution from the operations was $208,094,000 (2020: $273,190,000). The cash contribution from the operations was lower than the prior year due to the reduced production and higher sustaining capital at Leonora and Simberi. The increase to sustaining capital at Leonora was mainly due to higher capital mine development expenditure and mine-infrastructure. Growth capital during the year was concentrated on a number of capital improvement projects within the Gwalia underground mine and the Tailings Storage Facility, on studies related to the Simberi sulphide project and additional drilling and studies to further advance the Atlantic Gold growth projects.

Building Brilliance transformation project

Since its launch in September 2020, the Building Brilliance transformation program has delivered a cash benefit of A$41,000,000 to 30 June 2021 compared with the target for the year of A$30,000,000 to A$40,000,000, with many of the production and cost initiatives realising their potential.

During the 2022 financial year, Building Brilliance will focus on the sustainability of initiatives at each operation, and embedding the Building Brilliance process as a “business as usual” mindset in daily activities to ensure business improvement initiatives continue to be developed and implemented. The focus of Building Brilliance in the 2021 financial year was on operational productivity and cost efficiency with the program extended to corporate activities in 2022.

Impact of COVID-19

As restrictions were put in place at the Group’s various operations around the world, measures have been implemented in line with relevant local government advice, including screening site workers for COVID-19 prior to attending site, cancelling all non-essential and international travel, working from home where practicable, enforcing self-isolation policies when appropriate, and encouraging good hygiene practices and physical distancing across all workplaces.

The impact of COVID-19 on St Barbara’s Australian & Canadian operations, workforce and local community health has been minimal following adherence to the comprehensive program of preventative actions. As a result, there have not been any material disruptions to operations or to the supply of goods and services during the year.

The COVID-19 situation in Papua New Guinea did deteriorate during the March 2021 quarter, with a significant increase in community transmissions, with a number of employees and community members testing positive for COVID-19. Employees were isolated in the onsite quarantine camp with containment measures to protect other employees and continue operations. While medical care and support has ensured the recovery of the majority of cases, it is with sympathy that two employees with pre-existing conditions passed away whilst they had a positive COVID-19 diagnosis.

All of St Barbara’s operations have business continuity plans and contingencies in place to minimise disruptions to operations in the event of a significant number of operational employees and/or contractors contracting the virus. These plans have enabled the operations to continue producing in line with the production schedule despite the challenges posed by the COVID-19 pandemic.

Analysis of Leonora Operations

Total sales revenue from the Leonora Operations of $329,893,000 (2020: $355,712,000) was generated from gold sales of 150,797 ounces (2020: 171,840 ounces) in the year at an average achieved gold price of $2,185 per ounce (2020: $2,068 per ounce). The reduction in gold ounces sold was attributable to lower gold production.

A summary of production performance for the year ended 30 June 2021 is provided in the table below.

Details of 2021 production performance

	Leonora Operations	
	2021	**2020**
Underground ore mined (kt)	**605**	697
Grade (g/t)	**7.6**	7.7
Ore milled (kt)	**749**	771
Grade (g/t)	**6.6**	7.1
Recovery (%)	**97**	97
Gold production (oz.)	**152,696**	171,156
Gold sales (oz.)	**150,797**	171,840
Cash cost (1) (A$/oz.)	**1,185**	1,071
All-In Sustaining Cost (AISC) (2) (A$/oz.)	**1,744**	1,485

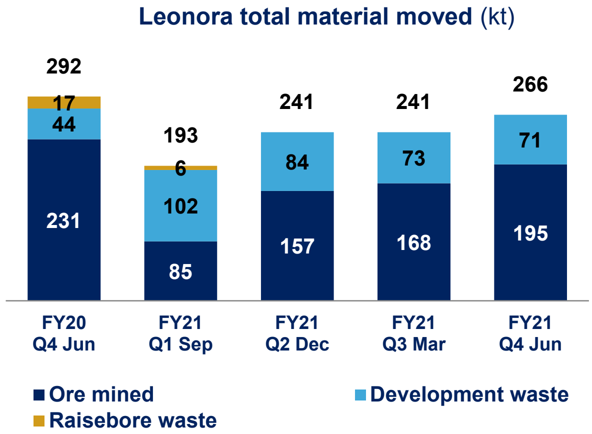
(1) Cash operating costs are mine operating costs including government royalties, and after by-product credits. This is a non-IFRS financial measure that has not been subject to review or audit by the Group's external auditors. It is presented to provide meaningful information to assist management, investors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

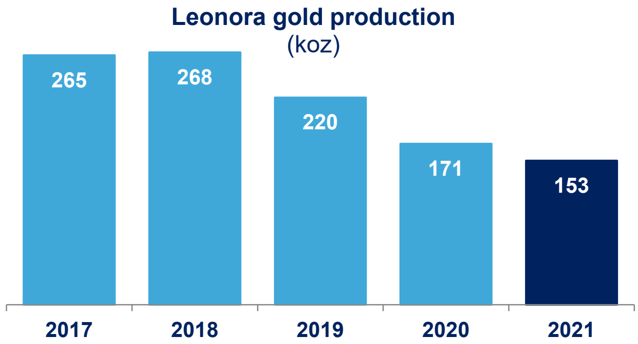
Leonora produced 152,696 ounces of gold in 2021 (2020: 171,156 ounces), which included 3,531 ounces recovered from ore purchased from Linden Gold Alliance in the June 2021 quarter. The lower gold production in the year was attributable to lower mined tonnes mainly in the first quarter of the year and lower grade.

Ore tonnes mined from the Gwalia underground mine reduced substantially to 605,178 tonnes (2020: 697,432 tonnes), mainly due to the impact of a seismic event in the first quarter of the financial year causing a fall of ground, resulting in closure of the decline and rehabilitation of a 30-metre lateral section. During the year there was considerable attention to debottlenecking the Gwalia underground mine. The Building Brilliance program delivered improvements at Leonora, in particular the mine planning process resulting in an increase in development fronts from twelve at the start of the financial year to twenty-four in the June 2021 quarter. The number of development fronts are expected to increase further in the next financial year.

The following figure shows total tonnes moved, including ore, development waste and raise bore waste over the past eighteen months.



Ore mined grade was only marginally lower at 7.6 grams per tonne (2020: 7.7 grams per tonne). The Leonora mill continued to perform consistently, with the average recovery at 97% (2020: 97%). The lower processed grade of 6.6 grams per tonne (2020: 7.1 grams per tonne) was due to processing lower grade stockpile material and purchased ore.



Leonora unit cash operating cost (1) for the year was $1,185 per ounce (2020: $1,071 per ounce). The higher unit operating cost in the 2021 financial year was due mainly to the lower gold production and mined grades, cost of purchased ore and costs related to the transition to the new underground mining contract in the June 2021 quarter. The unit All-In Sustaining Cost (AISC)(2) for Leonora was $1,744 per ounce in 2021 (2020: $1,485 per ounce), with the higher unit cost attributable to the increased cash operating cost and higher sustaining capital expenditure. Total cash operating costs at Gwalia were $180,945,000 (2020: $183,308,000).

Leonora generated net cash flows in 2021 of $62,414,000 (2020: $76,795,000), after sustaining and growth capital. The lower cash contribution from Leonora was due to reduced production and higher sustaining capital. Sustaining capital in 2021 increased to $63,683,000 (2020: $52,559,000), mainly due to higher capital mine development of $54,682,000 (2020: $47,573,000) and mine infrastructure of $8,550,000 (2020: $3,516,000). Growth capital in 2021 was a total of $32,499,000 (2020: $40,584,000), consisting mainly of capital projects within the underground mine and the Tailings Storage Facility (TSF) as well as mining equipment with a value of $16,275,000 which was acquired from the previous mining contractor to facilitate the transition to Macmahon, the new mining contractor. In the prior year growth capital included the completion of the Gwalia Extension Project expenditure of $31,751,000.

Analysis of Simberi Operations

Production for 2021 at Simberi Operations was severely impacted by the shutdown of mining operations on 21 May 2021 due a fatal accident at the mine, and then cessation of the placement of tailings through Simberi's deep-sea tailings placement (DSTP) pipeline after an inspection identified pipe damage.

Total sales revenue from Simberi in 2021 was $204,754,000 (2020: $238,859,000), generated from gold sales of 82,013,000 ounces (2020: 102,189 ounces) at an average achieved gold price of A$2,482 per ounce (2020: A$2,323 per ounce).

A recovery plan is underway at Simberi, incorporating corrective actions from the mining fatality and replacement of the DSTP pipeline. The processing facility is expected to restart towards the end of calendar year 2021 on the commissioning of the new DSTP pipeline.

Gold production in 2021 of 72,723 ounces (2020: 104,068 ounces) was well down on the prior year due to the shutdown of mining operations in May 2021, lower mining volumes caused partly by poor truck availability and low mill recovery from processing transitional ore.

A summary of production performance at Simberi for the year ended 30 June 2021 is provided in the table below.

Details of 2021 production performance

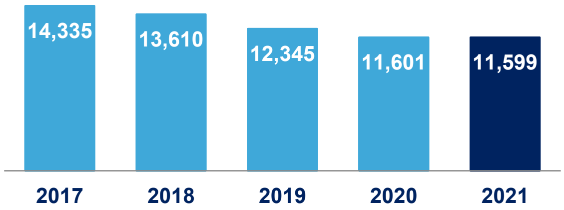
	Simberi Operations	
	2021	**2020**
Open pit ore mined (kt)	2,390	2,963
Grade (g/t)	1.35	1.06
Ore milled (kt)	2,758	3,314
Grade (g/t)	1.25	1.17
Recovery (%)	67	83
Gold production (oz.)	73,723	104,068
Gold sales (oz.)	82,013	102,189
Cash cost[(1)] (A$/oz.)	1,912	1,482
All-In Sustaining Cost (AISC)[(2)] (A$/oz.)	2,162	1,631

(1) Cash operating costs are mine operating costs including government royalties, and after by-product credits. This is a non-IFRS financial measure that 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 that 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.

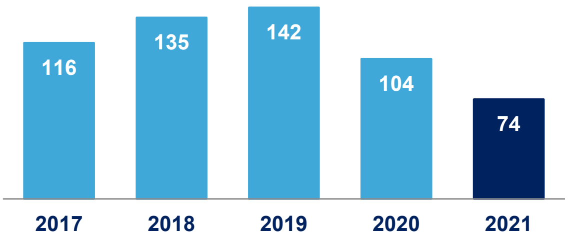
Ore mined in 2021 totalled 2,390,000 tonnes (2020: 2,963,000 tonnes), a decrease of 19% on the prior year. Waste material moved in 2021 was 6,410,000 tonnes (2020: 8,638,000 tonnes). Movement was impacted by the shutdown of mining in May 2021.

Simberi annual total material moved
(kt)



Ore milled during the year totalled 2,758,000 tonnes (2020: 3,314,000 tonnes), with the shutdown of operations impacting the last quarter of the financial year. The recovery performance of the Simberi mill for the year was an average of 67% (2020: 83%), with the decrease directly attributable to processing transitional ore. Work is continuing into understanding the expected recovery of the various types or ore at Simberi to better optimise the mine and mill feed schedule.

Simberi Operations gold production
(koz)



Simberi unit cash operating cost for the year was $1,912 per ounce (2020: $1,482 per ounce). The unit All-In Sustaining Cost (AISC) for Simberi for the year was $2,162 per ounce (2020: $1,631 per ounce), which reflected the impact of lower production and the cost of suspending operations in May 2021. Total cash operating costs at Simberi during 2021 were lower than the prior year at $140,958,000 (2020: $154,229,000) due to the impact of lower mining activity and mill throughput.

In 2021 Simberi generated positive net cash flows of $46,372,000 (2020: $74,068,000), after sustaining and growth capital expenditure. Sustaining capital expenditure of $9,214,000 (2020: $5,194,000) included expenditure to refresh the mining fleet. Growth capital of $5,129,000 (2020: $4,147,000) related to studies and additional drilling to support the sulphides project.

Analysis of Atlantic Operations

Total gold sales revenue from Atlantic Operations in 2021 was $205,600,000 (2020 from acquisition date: $233,155,000), generated from gold sales of 99,976 ounces (2020: 107,076 ounces) at an average achieved gold price of A$2,062 per ounce (2020: A$2,020 per ounce). During the year 12,000 ounces of gold sales were delivered to the gold call options that matured, with revenue determined at the call option strike price of C$2,050 per ounce.

A summary of production performance at Atlantic Operations for the year ended 30 June 2021 is provided in the table below.

Details of 2021 production performance

	Atlantic Operations	
	2021	**2020**
Open pit ore mined (kt)	**3,710**	4,388
Grade (g/t)	**0.88**	0.92
Ore milled (kt)	**2,918**	2,457
Grade (g/t)	**1.15**	1.38
Recovery (%)	**94**	94
Gold production (oz.)	**101,243**	102,301
Gold sales (oz.)	**99,976**	107,076
Cash cost(1) (A$/oz.)	**761**	711
All-In Sustaining Cost (AISC)(2) (A$/oz.)	**1,027**	927

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

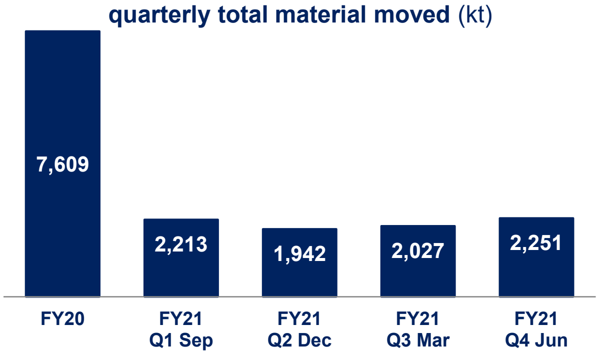
(2) AISC is a non-IFRS financial measure that has not been subject to review or audit by the Group's external auditors. It is presented to provide a meaningful measure by which to assess the total sustaining cash cost of operation. It is calculated in accordance with the World Gold Council's Guidance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

The Touquoy mine has integrated well into the St Barbara portfolio and has performed strongly since the acquisition of Atlantic Gold in July 2019. The Building Brilliance program at Atlantic Operations has delivered material productivity benefits, particularly in the mill, with throughput up 13% on the prior year. Mill availability in the June 2021 quarter also achieved a record of 97%.

Atlantic Gold production for the year was 101,243 ounces (2020: 102,301 ounces). The result for the year was impacted by lower processed grade. Mining in the second half of the year was impacted by congestion due to smaller work areas on the lower benches of the pit.

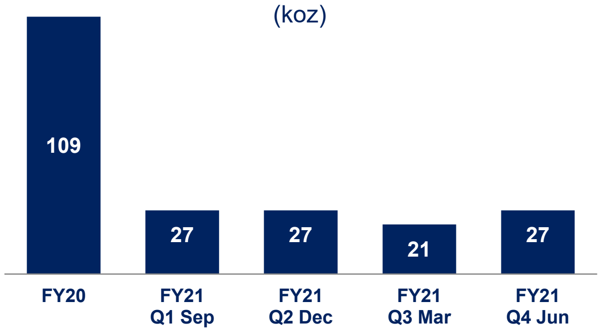
Total material moved in the year was 8,433,000 tonnes (2020: 7,609,000 tonnes), which included total ore mined of 3,710,000 tonnes (2020: 4,388,000 tonnes) at an average grade of 0.88 grams per tonne (2020: 0.92 grams per tonne).

Atlantic Operatons quarterly total material moved (kt)



Ore milled was 2,918,000 tonnes in the year (2020: 2,457,000 tonnes) at a grade of 1.15 grams per tonne (2020: 1.38 grams per tonne) and recovery of 94% (2020: 94%).

Atlantic Gold quarterly production (koz)



Atlantic Gold unit cash operating cost for the year was $761 per ounce (2020: $711 per ounce), with the increase mainly due to lower production. The unit AISC was $1,027 per ounce for the year (2020: $927 per ounce), which reflected the impact of lower production and increased sustaining capital. Total cash operating costs for the year were $77,045,000 (2020: $72,736,000).

In the year, Atlantic Gold generated net cash flows of $99,308,000 (2020: $122,327,000), after sustaining capital of $17,657,000 (2020: $15,327,000) and growth capital expenditure of $11,501,000 (2020: $15,214,000). Increased sustaining capital was mainly related to work on the Tailings Management Facility and to refresh the mining fleet. Growth capital was related to studies associated with the development projects at Beaver Dam, Fifteen Mile Stream and Cochrane Hill.

Discussion and analysis of the consolidated income statement

Revenue

Total revenue decreased from $827,726,000 in 2020 to $740,247,000 in 2021 mainly due to lower production at Leonora and Simberi. The average realised gold price for the year was A$2,215 per ounce (2020: A$2,166 per ounce).

Mine operating costs

Mine operating costs in 2021 were $371,837,000 compared with $384,820,000 in the prior year. Total operating costs were lower in the year due mainly to the impact of reduced production at Leonora and Simberi.

Other revenue and income

Interest revenue was $1,103,000 in 2021 (2020: $2,306,000), earned on cash held during the year. The lower interest revenue was due to a reduction in cash during the year.

Other income was $1,113,000 for the year (2020: $56,000) comprising mainly royalty income.

Exploration

Total exploration expenditure during the 2021 year amounted to $34,189,000 (2020: $45,738,000), with an amount of $7,593,000 (2020: $22,142,000) capitalised. Capitalised exploration related to exploration in the Moose River Corridor at Atlantic Gold and at Simberi. Exploration expenditure expensed in the income statement in the year was $34,596,000 (2020: $23,596,000), including the write off of capitalised exploration amounting to $8,000,000.

Corporate costs

Corporate costs for the year of $26,621,000 (2020: $27,156,000) comprised mainly expenses relating to the corporate office, technical support to the operations and compliance costs.

Royalties

Royalty expenses for the year were $25,764,000 (2020: $27,174,000). 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 2.5% of gold revenues earned from the Simberi mine. Royalties paid in Canada (Nova Scotia) are 1% of gold revenues due to the Province, plus a 1% royalty on gold revenues to third parties. The lower royalties expense in the year was due to reduced gold revenue.

Depreciation and amortisation

Depreciation and amortisation of fixed assets, capitalised mine development and mineral rights amounted to $187,870,000 (2020: $165,366,000) for the year. Depreciation and amortisation attributable to the Gwalia Operations was $71,951,000 (2020: $65,767,000); higher depreciation included $8,389,000 relating to the depreciation of 'right-of-use' assets (2020: $7,357,000). The expense at Simberi was $16,470,000 (2020: $21,398,000), including $2,800,000 relating to 'right-of-use' assets (2020: $2,591,000). Atlantic Gold expensed an amount of $96,759,000 (2020: $75,511,000), including $75,636,000 relating to amortisation of mineral rights acquired (2020: $61,028,000), and $212,000 relating to 'right-of-use' assets (2020: $756,000).

The higher charge at Leonora was associated with increased plant and equipment from the Extension Project, while the increase in mineral rights amortisation at Atlantic Gold was due to the acquisition of MRRI.

Share based payments

Share based payments of $1,765,000 (2020: $2,472,000) relate to the amortisation of employee benefits under the performance rights plan (refer to Note 19).

Other expenses

Other expenditure of $22,695,000 (2020: $4,735,000) comprised mainly the cost of the Building Brilliance program in 2021, whereas in the prior year this expenditure was associated with business development activities and studies.

Impairment of assets

Impairment of mineral rights in relation to the Atlantic Gold cash-generating unit (CGU) was recognised as at 30 June 2021 amounting to a charge of $349,296,000 (2020: Nil). The non-cash impairment charge was taken as the carrying value of the CGU exceeded its recoverable amount.

Finance costs

Finance costs in the year were $7,996,000 (2020: $13,255,000). Finance costs comprised interest on the syndicated facility of $4,658,000 (2020: $5,971,000), interest paid and payable on finance leases of $907,000 (2020: $3,295,000) including 'right-of-use' assets lease expense and borrowing costs relating to banking facilities and guarantee fees of $2,431,000 (2020: $2,036,000).

Net foreign exchange loss

A net foreign exchange gain of $5,316,000 was recognised for the year (2020: net loss of $2,377,000). The foreign exchange gain related to movements in exchange rates associated with US dollar and Canadian dollar bank accounts and intercompany balances.

Gold instrument fair value adjustments

A net movement in the fair value of gold call options amounted to a gain of $22,897,000 (2019: loss of $9,152,000). The call options are associated with the Atlantic Gold operations and are marked to market at each reporting date. The net gain reported comprised a realised component of $5,626,000 (2020: $Nil) and unrealised amount of $17,271,000 (2020: $9,152,000).

Income tax

An income tax credit of $81,168,000 was recognised for the year (2020: income tax expense of $34,217,000), which comprised an income tax credit of $184,000 in relation to Australia (2020: expense of $17,975,000), an income tax expense of $11,088,000 for the PNG operations (2020: $18,703,000) and an income tax credit of $92,072,000 (2020: $2,461,000 tax credit) for the Canadian operations. The income tax credit for the Canadian operations was due to the substantial impairment write off in the income statement.

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Discussion and analysis of the consolidated cash flow statement

Operating activities

Cash flows from operating activities for the year were $227,098,000 (2020: $279,533,000), reflecting the impact of lower revenue from operations. Cash flows from Leonora and Simberi were lower in 2021 as a result of reduced production, while Atlantic Gold reported lower gold sales in the year.

Receipts from customers in the year were $737,195,000 (2020: $831,788,000), reflecting the impact of lower gold sales.

Payments to suppliers and employees were $454,455,000 (2020: $477,135,000), with the lower expenditure due mainly to reduced production at Leonora and Simberi.

Payments for exploration expensed in the year amounted to $26,596,000 (2020: $23,596,000).

Net interest received was $1,103,000 (2020: $8,244,000 paid). Interest paid in the year totalled $5,565,000 (2020: $10,550,000), which was lower than the prior year due to repayment of the Australian tranche of the syndicated facility early in the year.

Income tax payments totalled $22,152,000 (2020: $41,244,000). Income tax payments in the year included PAYG instalments of $15,537,000 and an amount of $6,615,000 relating to the prior financial year tax provision.

Investing activities

Net cash flows used in investing activities amounted to $199,265,000 (2020: $896,885,000) for the year. Investing activities in the year included mine development expenditure of $58,414,000 (2020: $85,881,000) and $67,425,000 (2020: $26,331,000) on property, plant and equipment. Investing activities also included the purchase of MRRI for an amount of $62,176,000 (2020: included purchase of Atlantic Gold).

Higher expenditure on property, plant and equipment was due mainly to higher sustaining capital at Leonora and Simberi.

Exploration expenditure capitalised during the year totalled $7,593,000 (2020: $22,142,000).

Investing capital expenditure was in the following major areas:

- Underground mine development and infrastructure at Gwalia: $54,683,000 (2020: $47,573,000)
- Purchase of property, plant and equipment at Leonora of $25,275,000 (2020: $4,986,000), Simberi of $9,214,000 (2020: $5,158,000) and Atlantic Gold of $17,657,000 (2020: $15,327,000).
- Leonora growth capital of $32,499,000 (2020: $40,584,000), which included $16,275,000 for the purchase of mining equipment to support transition to the new mining contractor.
- Simberi growth: $5,129,000 (2020: $4,147,000).
- Atlantic Gold growth expenditure: $11,501,000 (2020: $15,214,000).

Financing activities

Net cash flows related to financing activities was a net outflow of $293,784,000 (2020: net inflow of $147,370,000). Financing activities in 2021 included $219,973,000 (2020: inflow of $207,014,000) of repayments of the syndicated facility, dividend payments totalling $45,357,000 (2020: $37,510,000) and the loan to Linden Alliance of $15,750,000. Repayments under 'right-of-use' asset leases amounted to $12,704,000 (2020: $13,899,000).

Discussion and analysis of the consolidated balance sheet

Net assets and total equity

St Barbara's net assets decreased during the year by $235,310,000 to $1,113,667,000 due to the impairment of mineral rights and write off of capitalised exploration.

Current assets decreased to $263,286,000 (2020: $512,205,000) due mainly to the reduction in cash related to the repayment of the Australian tranche of the syndicated facility and purchase of MRRI.

Non-current assets decreased during the year by $290,333,000 to $1,372,475,000 (2020: $1,662,808,000) due to the impairment of mineral rights.

Current trade and other payables increased to $69,583,000 at 30 June 2021 (2020: $66,970,000) due to the timing of payments at year end. Current interest-bearing liabilities of $93,534,000 (2020: $12,199,000) includes the $84,216,000 syndicated debt facility that was reclassified from non-current to current due to the impact of the impairment on financial covenants, for which the syndicate has provided a waiver (refer to Note 21 for further information). A current provision for tax payable of $14,538,000 was recognised at 30 June 2021 (2020: $10,893,000).

Non-current liabilities reduced to $313,589,000 (2020: $709,938,000) due to the repayments of the syndicated facility and the reclassification of the interest-bearing liability to current. The deferred tax balance was a net liability of $219,419,000 (2020: net liability of $289,914,000). The non-current rehabilitation provision increased to $61,701,000 (2020: $53,162,000) due to a revision to the Simberi and Atlantic Gold provisions during the year. The total derivative financial liabilities of $14,088,000 (2020: $37,448,000) was lower than the prior year as a result of call option contracts maturing in the year, together with a change in the mark-to-market value of call options still to mature.

Debt management and liquidity

The available cash balance at 30 June 2021 was $133,370,000 (2020: $405,541,000), with no deposits held to maturity (2020: $Nil).

Total interest-bearing liabilities were $109,252,000 at 30 June 2021 (2020: $331,766,000), comprising $84,216,000 (2020: $304,189,000) drawn down under the syndicated facility and $25,036,000 (2020: $27,577,000) of lease liabilities relating to 'right-of-use' assets.

The AUD/USD exchange rate as at 30 June 2021 was 0.7501 (30 June 2020: 0.6904). The AUD/CAD exchange rate as at 30 June 2021 was 0.9296 (30 June 2020: 0.9351).

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 the Leonora region, Simberi and Atlantic Gold, and to extend mine life through drilling and capital development where the Group's investment criteria are met.

During the 2021 financial year the Group achieved a number of strategic milestones:

Strategic drivers for the business include:

- *Building Brilliance transformation program:* The focus of the Building Brilliance program is on operational productivity and cost efficiency to maximise the value of current operations. The program was launch in December 2020 with a target of delivering cash benefits totalling A$30 to A$40 million in the 2021 financial year. Cash benefits of A$41 million were realised in the year and the focus now is on the sustainability of initiatives to ensure business improvement continues to be developed and implemented.
- *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 Leonora, Simberi and Atlantic Gold. 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, Simberi and Atlantic Gold operations. During 2021 the Leonora Province Plan was developed with the objective of maximising the value of tenements in the region and providing ore to the Gwalia processing facility. As a result of the work completed during the year the Province Plan has increased the Mineral Resources in the Leonora Province by 1.4 million ounces. At Simberi, a sulphide feasibility study was completed during the year and a pre-investment phase was approved by the Board. The sulphide projects presents an opportunity to create a long life production centre at Simberi. In Canada, the focus has been on advancing the growth projects at Beaver Dam, Fifteen Mile Stream and Cochrane Hill.
- *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 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.

The Group's priorities in the 2022 financial year are:

Atlantic Operations: progressing the various studies and regulatory activities for each of the development projects. Work continues on the optimal sequencing of the suite of Atlantic Gold projects and optimisation of capital and operational outcomes and progressing the activities towards permitting.

Leonora Operations: Embed the productivity and cost efficiency initiatives that have been implemented as part of Building Brilliance. The productivity improvements will support the operations in consistently delivering to plan.

Simberi Operations: progressing the Simberi sulphide project to financial investment decision. This involves further optimising some aspects of the feasibility study. The Social and Environmental Impact Statement is under review by Conservation and Environmental Protection Authority (CEPA) and engaged independent reviewer, Coffey. Anticipated approval of the permit is in the March 2022 quarter with first production expected in the December 2023 quarter.

Focussed exploration and business development activity will continue within COVID-19 restrictions.

For the 2022 financial year the Group's operational and financial outlook is as follows:

- Gold production is expected to be in the range 305,000 ounces to 355,000 ounces;

- All-In Sustaining Cost is expected to be in the range of $1,710 per ounce to $1,860 per ounce for the Group;
- Sustaining capital expenditure is expected to be in the range of $95 million to $115 million;
- Growth capital is anticipated to be between $70 million to $95 million; and
- Exploration expenditure of between $28 million and $32 million.

The focus for the exploration program in 2022 will be to extend the life of each operation and provide future growth options for the Company. The program will largely concentrate on the potential for additional near-mine ore sources around the three existing operations, including: Gwalia mine and the surrounding mine lease, Touquoy mine and the Moose River Corridor, and Simberi mine and mining lease ML136.

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. St Barbara's business, operating and financial results and performance are subject to risks and uncertainties, some of which are beyond the Company's reasonable control. 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 business risks assessed as having the potential to have a material impact on the business, operating and/or financial results and performance by the Group include:

- *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 current and future 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, and to obtaining and maintaining the necessary titles, authorisations, permits and licences.
- 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, or on the success of development projects. Any such amendments to current laws, regulations and permits governing operations and activities of mining, exploration and development projects, or more stringent implementation thereof, could have a material adverse impact on the Group's result of operations, financial condition and prospects. 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 that 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, air transport, 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.

- *Information technology and cyber risk*: The Group's operations are supported by information technology systems, consisting of infrastructure, networks, applications and service providers. The Group could be subject to network and systems interference or disruptions from a number of sources, including security breaches, cyber-attacks and system failures. The impact of information technology systems interferences or disruption could include production downtime, operational delays, destruction or corruption of data, disclosure of sensitive information and data breaches, any of which could have a material impact on the Group's business, operations, financial condition and performance. Disaster recovery plans are in place for all of the Group's major sites and critical information technology systems, together with a well-developed cyber-security protection and monitoring system.
- *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 budgets and forecasts on a regular basis to identify drivers behind discrepancies that may result in updates to future estimates.
- *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, ore purchase 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 (PNG) includes detailed security plans. In PNG there is political focus on potential future policy changes that could include changes to the existing Mining Act, the level and manner of local equity participation in projects, taxation regimes, changes to banking and foreign exchange controls and changes in controls pertaining to the holding of cash and remittance of profits and capital to the parent company.
- *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 and Canadian dollars in respect of the Atlantic Gold operations as the operating costs are denominated in these currencies. There is a "natural" (but not perfect) hedge that matches to some degree U.S. denominated revenue and obligations related to U.S. dollar expenditure (similarly with Canadian dollar denominated revenues and expenses). 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, permitting 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; sea level increases impacting logistics and mining operations at Simberi PNG; and/or snow storms preventing access to the mining operations at Touquoy in Nova Scotia). Carbon related regulatory impacts on the Group's operations 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. At Atlantic Gold a significant portion of the value ascribed to the acquisition is in mineral rights. The value of mineral rights is realised through profitable production from the Touquoy operation, the development of projects at Beaver Dam, Fifteen Mile Stream and Cochrane Hill and an increase to ore reserves through exploration. Any further delay in the permitting and development of the Atlantic Gold projects or changes to the expected performance of the future operations, and in achieving positive exploration results in Canada, could give rise to the impairment of assets. 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.
- *COVID-19*: While St Barbara has implemented extensive procedures to manage the risk of COVID-19 spreading through an operation, there is a risk that if broader community transmission of COVID-19 increases in a particular region, there is a risk that the local government (state, provincial or federal) may place restrictions that could ultimately result in closing the site and running in care and maintenance until restrictions are lifted. The closure of a site will have a material impact on cash flows. Additionally, while COVID-19 related restrictions may not directly impact the operations, there is a risk that suppliers of key consumables, parts and equipment could be negatively impacted, resulting in interruption of supply to the operations. The restriction in the mobility of the work force both within Australia and globally could also impact the operations.

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.

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.

Canada

The Group's Canadian mining activities, located in Nova Scotia, are subject to both Provincial and Federal legislation. Atlantic Gold is subject to the Canadian Environmental Protection Act, 1999 (CEPA) under Environment and Climate Change Canada (ECCC). Atlantic Gold is also required to comply with the Canadian Federal Government's Department of Fisheries and Oceans (Fisheries Act), the Transportation of Dangerous Goods Act and the Migratory Birds Convention Act 1994. In Canada, Provincial governments are responsible for regulating mining within their jurisdictions.

Atlantic Gold is registered with ECCC to report under the Environmental Emergency Regulations (E2 Propane Emergency Response Plan), Greenhouse Gas Reporting Program (Greenhouse Gas emissions), and the National Pollutant Release Inventory. Atlantic Gold also reports to ECCC pursuant to the Metal and Diamond Mining Effluent Regulations.

Provincially, Atlantic Gold is governed by the Nova Scotia Environment Act 1994-1995 and the Mineral Resources Act 2018. Nova Scotia Environment has established a set of regulatory conditions for the construction, operation and reclamation of the Facility through the facility's operating permits. Atlantic Gold also reports to the Department of Energy and Mines through mineral lease requirements and the Department of Lands and Forestry through the Crown lease agreement.

Information on Directors

Timothy (Tim) C Netscher

BSc (Eng.) (Chemical), BCom, MBA, FIChE, CEng, FAICD

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

Special responsibilities:

- Member of Audit and Risk Committee
- Member of Growth and Business Development Committee
- Member of Health, Safety, Environment and Community Committee
- Member of 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 a 25 year executive career have 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: Nil

Other previous relevant experience:

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

Craig A Jetson

Accredited Mechanical Engineer

Managing Director and Chief Executive Officer
Appointed as Managing Director and CEO 3 February 2020

Special responsibilities:

- Nil (attends Board Committee Meetings by invitation)

Mr Jetson is a highly experienced international career mining executive, having most recently served as Executive General Manager of Cadia, Lihir and Global Technical Services at Newcrest Mining Limited. Previously, he was the General Manager of Lihir and prior to that held long-term senior operating roles in Australia, USA, Canada and Europe. His career began in Comalco (majority-owned and subsequently fully acquired by Rio Tinto) in operations, engineering and asset management which led him to senior management and leadership roles with Nyrstar and Zinifex in their zinc smelting businesses.

Mr Jetson has experience in successfully leading challenging businesses in complex operating environments, together with deep technical knowledge. He was awarded the 2019 Victorian Women in Resources Gender Diversity Champion.

Other current listed public company directorships: Nil

Former listed company directorships in last three years: Nil

Other current relevant experience:

- Professional Society of Engineers
- Member of Strategic Industry Research Foundation Australia

Steven G Dean
FCA, FAusIMM, CIMMP

Independent Non-Executive Director
Appointed as a Director 23 July 2019

Special responsibilities:

- Chair of Growth and Business Development Committee
- 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 founder of Atlantic Gold Corporation, was appointed to the Board of St Barbara Limited as an Non-Executive Director effective 23 July 2019.

Mr Dean 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, Mr Dean 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. Mr Dean 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).

Mr Dean is a recipient of the Viola R MacMillan Award from the Prospectors and Developers Association of Canada (PDAC) for individuals demonstrating leadership in management and financing for the exploration and development of mineral resources.

Other current listed company directorships:

- Chairman and CEO of Artemis Gold Inc. (CanadaTSX-V:ARTG)
- Chairman of Oceanic Iron Ore Corp. (TSX-V:FEO)
- Non-Executive Director of Sierra Metals Inc. (TSX:SMT)
- Non-Executive Director of Velocity Minerals Ltd. (TSX-V:VLC)

Former listed company directorships in last three years:

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

Other previous relevant experience:

- Chairman of Sierra Metals Inc.
- Co-founder and Chairman of Amerigo Resources Ltd
- Co-founder of PacMin Mining Corporation
- Executive roles, Normandy Poseidon Group
- President of Teck Cominco Limited

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 Audit and Risk Committee
- Member of Health, Safety, Environment and Community Committee

Ms Gleeson is an experienced Non-Executive Director following a 30-year career as a senior executive and as a lawyer in both the 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 10 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.

Earlier in her career, Ms Gleeson practised as a corporate lawyer, with Blake Dawson Waldron (now Ashurst) in Melbourne after a 10 year legal career in the UK, including as a corporate finance and transactional partner in an English law firm, focusing on mergers and acquisitions and initial public offerings.

Other current listed company directorships:

- New Century Resources Limited (ASX:NCR)
  - Non- Executive Director
  - Chair of the ESG Committee
  - Member of the Audit and Risk Committee
  - Member of the Nomination and Remuneration Committee

Former listed company directorships in last three years: Nil

Other current relevant experience:

- Non-Executive Director of Chrysos Corporation Limited
- Chair of Trinity College, University of Melbourne
- A member of the Corporate Governance Consultative Panel of the Australian Securities and Investments Commission

Other previous relevant experience:

- Non-Executive Director of Rivet Group (formerly known as McAleese Limited)

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

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

Special responsibilities:

- Chair of Health, Safety, Environment and Community Committee
- Member of Audit and Risk Committee
- Member of Growth and Business Development Committee

Ms 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, Ms Loader 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 was 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 Sunrise Energy Metals Ltd (ASX:SRL)
- Non-Executive director of Clean TeQ Water Ltd (ASX ASX:CNQ)

Former listed company directorships in last three years: Nil

Other current relevant experience:

- Independent Chair of Port Waratah Coal Services Limited
- Deputy chair of CatholicCare Wilcannia-Forbes Limited
- Non-Executive director of Forestry Corporation NSW

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

Mr Moroney is an experienced finance executive with more than 30 years' experience in senior corporate finance roles, including 20 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: Nil

Other previous 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
- 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

Craig Jetson
Accredited Mechanical Engineer

Managing Director and Chief Executive Officer
Appointed 3 February 2020

Mr Jetson is a highly experienced career mining executive, having most recently served as Executive General Manager Cadia, Lihir and Global Technical Services at Newcrest Mining Limited. Previously, Mr Jetson was GM Lihir and prior to that held long-term senior operating roles at Nyrstar and Zinifex in Australia, USA, Canada and Europe. Mr Jetson has experience in successfully leading challenging businesses in complex operating environments, together with deep technical knowledge.

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

Chief Financial Officer

Mr Campbell-Cowan is a Chartered Accountant with over 36 years' experience in senior management and finance positions across a number of different industries.

Mr Campbell-Cowan 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, Group procurement and information technology. Prior to joining the Group, Mr Campbell-Cowan's executive roles included four years as Director of Corporate Accounting at Telstra, five years as GM Finance and Tax at Newcrest Mining Limited and five years as Manager Group Policy and Special Projects at ANZ Bank.

Evan Spencer
Master of Mineral Economics, Bachelor of Applied Science Geology (Hons)

Chief Operating Officer

Mr Spencer is a mining executive with more than 25 years of industry experience across a wide range of executive, senior management and operational roles in Australia and internationally, including Papua New Guinea.

Mr Spencer was appointed to the position of Chief Operating Officer in November 2020. Most recently he was President and CEO of Nevada Copper Corporation and prior to that held executive roles at Kasbah Resources, Asian Mineral Resources and Kagara, as well as senior roles at Barrick. Mr Spencer has significant experience in mine planning, project development, feasibility studies, permitting and business development.

Sarah Standish
BA, LLB, GAICD

General Counsel and Company Secretary
Appointed 11 December 2020

Ms Standish has over 15 years' experience in Australia and internationally in both private practice and in-house roles spanning legal, governance, risk and compliance. Ms Standish's most recent experience includes leading the legal, risk and compliance functions at an ASX listed mining technology company. Ms Standish's experience and key areas of expertise include corporate and commercial transactions, regulatory compliance, corporate governance, corporate and commercial law, anti-bribery and anti-corruption compliance, risk management, corporate restructuring, strategy development and execution, project management and delivery and intellectual property and technology.

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 meeting											
	Scheduled		Supplementary		Audit & Risk Committee		Remuneration & Nomination Committee - Scheduled		Health, Safety, Environment & Community Committee		Growth and Business Development Committee	
	A	H	A	H	A	H	A	H	A	H	A	H
S Dean	7	7	4	5	-	-	4	4	-	-	3	3
K Gleeson	7	7	5	5	4	4	4	4	4	4	3	-
S Loader	7	7	5	5	4	4	4	-	4	4	3	3
D Moroney	7	7	5	5	4	4	4	4	4	4	3	-
T Netscher	7	7	5	5	4	4	4	4	4	4	3	3
C Jetson	7	7	5	5	4	4	4	4	4	4	3	3

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 in consideration of strategic projects.

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	-	-
K Gleeson	28,613	5,576
S Loader	30,000	18,587
D Moroney	105,438	-
T Netscher	90,170	-
C Jetson	100,000	345,483

Table 2: Directors' Interests

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

Remuneration Report (Audited)

Contents

1. Introduction and Key Management Personnel

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

The pages of the report that follow have been prepared in accordance with section 300A of the Corporations Act 2001 (Cth) (Act) and audited as required by section 308(3C) of the Act.

The Group's Key Management Personnel (KMP) named in this report are those with the authority and responsibility for planning, directing and controlling the activities of the Group. KMP for the financial year ended 30 June 2021 are outlined below and each was a KMP for the entire period unless otherwise stated.

1.1 Key Management Personnel during FY21

Non-Executive Directors	
Tim Netscher	Independent Non-Executive Chairman
Steven Dean	Independent Non-Executive Director
Kerry Gleeson	Independent Non-Executive Director
Stef Loader	Independent Non-Executive Director
David Moroney	Independent Non-Executive Director
Executives	
Craig Jetson	Managing Director & Chief Executive Officer
Garth Campbell-Cowan[1]	Chief Financial Officer
Evan Spencer	Chief Operating Officer (*appointed 2 November 2020)*
Former Executives	
Rowan Cole	Company Secretary (*ceased 11 December 2020)*

Table 3: FY21 KMP

[1] Mr Campbell-Cowan is leaving the Company to pursue other opportunities and will remain with the Company until 10 September 2021.

2. 2021 remuneration summary

The information below provides a high-level summary of remuneration outcomes in respect of FY21.

Executive remuneration	**ZERO to 2.5% Increase**	There were increases of 2.5% to Total Fixed Remuneration (TFR) for Mr Campbell-Cowan and Mr Cole in FY21. Mr Jetson's TFR remained unchanged at $1,000,000 per annum. *Refer to Section 10 for Statutory Remuneration disclosures.*
Short Term Incentive (STI) outcomes	**ZERO STI**	The FY21 STI was payable based on performance against Key Performance Indicators (KPIs) for Group performance and individual performance. For Executive KMP their STI comprises 80% for Group Performance and 20% for individual performance. With regards to Group Performance, the threshold measure for each of the KPIs on safety, production, and AISC were not met. The fourth Group KPI on Exploration was assessed as above threshold. Refer to Section 8.2 for more detail on Group STI outcomes. With regards to individual performance, the Board assessed and acknowledged the leadership and oversight throughout the ongoing COVID-19 pandemic, the execution of strategy and the operational improvements through the Group's Building Brilliance initiative. Refer to Section 8.3 for more detail on individual STI outcomes. However, the Board exercised its discretion not to award any STI payment to the Executive KMP for FY21. *Refer to Section 8 for detailed STI outcomes.*
Long Term Incentive (LTI) outcomes	**33% LTI VESTING**	33% of the Performance Rights in respect of the FY19 LTI were assessed to have vested in light of the Return On Capital Equity (ROCE) in the Group over the three-year period to 30 June 2021. Total Shareholder Return (TSR) for the three-year period to 30 June 2021 did not meet the "positive TSR" gateway required to be considered for performance vesting, and this portion of the FY19 LTI (67%) lapsed. No discretion was applied to the determination of the FY19 LTI, and no Performance Rights have been deferred for re-testing in a subsequent financial year. The MD and CEO, who is not a participant in the FY19 LTI, was issued with 100,000 shares during FY21 as part of a sign-on arrangement that was disclosed in the FY20 Remuneration Report. *Refer to Section 8.7 which provides more detail on LTI vesting outcomes.*
Non-Executive Director remuneration	**ZERO Increase**	There were no increases to Non-Executive Director Fees in FY21. *Refer to Section 9 for information relating to Non-Executive Directors.*
Looking ahead to FY22		After conducting a review of the Company's remuneration framework, in light of practice of the Company's peers, market trends and the Company's strategic long term objectives, the Board remained satisfied that the current framework was robust. With the continued strong support of the remuneration report by the Company's Shareholders at its Annual General Meeting over many years (FY20: 98.45%, FY19: 97.25% and FY18: 98.35%) for the FY22 LTI, the Board approved a third strategic performance measure, Replenishment of Reserves, to complement the existing two performance measures used in the earlier LTI plans, namely relative TSR and ROCE. The TSR and ROCE performance measures of the LTI were also reviewed and the Board is satisfied that these performance measures remain appropriate and the vesting schedules sufficiently challenging. However, the TSR weighting has been adjusted from 67% to 50% and the ROCE weighting from 33% to 30% to accommodate the new Replenishment of Reserves measure with a weighting of 20%. The relative TSR measure will retain a "positive TSR" gateway. Fixed Remuneration for Executive KMP will remain unchanged. STI measures will continue to focus on Group safety, production and AISC. NED fees will remain unchanged. *Refer to Section 6 for more information regarding KMP Remuneration in FY22.*

3. Remuneration governance

The roles and responsibilities of the Board, Remuneration & Nomination Committee, Management, and external advisors in relation to the governance of remuneration for KMP and employees at St Barbara are outlined below.

Board

The Board has an active role in governance, oversight and evaluation of the Remuneration Framework, including approving overall Company, Director and specific executive remuneration and related performance standards. It ensures the Framework is designed to align the interests of Executives with the creation of value for the Company's shareholders, with the Company's values, purpose, strategic objectives and risk appetite in mind.

Remuneration & Nomination Committee

The Remuneration & Nomination Committee (the **Committee**) was established by the Board and operates under a Charter to assist and advise the Board on matters relating to the overall remuneration strategies and policies of the Company including the remuneration arrangements of the Managing Director and CEO, and other Executives, Non-Executive Directors and in general, the employees of the Group.

It oversees and reviews the effectiveness of the Remuneration Strategy, policies and practices to ensure remuneration arrangements are equitable and aligned to the long term interest of shareholders, while operating within the Group's enterprise-wide risk framework and supporting the Company's purpose and values. The Committee is responsible for making recommendations to the Board on all aspects of remuneration arrangements for KMP and, in doing so may take into consideration information provided by other Board Committees, on a range of matters including culture, diversity, safety and environmental performance, governance, financial and risk management.

In addition, it also receives reports on organisation capability and effectiveness, skills, training and development and succession planning for key roles.

The Committee is comprised entirely of independent Non-Executive Directors – K Gleeson (Chair), T Netscher (Member), D Moroney (Member) and S Dean (Member).

Additional information regarding the Committee's roles and responsibilities can be found in the Committee Charter at https://stbarbara.com.au/our-company/governance/

Management

Management is responsible for the implementation and continuous improvement of remuneration policies and practices and may provide the Committee with information and insights to assist the Committee in discharging its duties.

The Managing Director and CEO may make recommendations to the Committee regarding the performance and remuneration of other Executives and has delegated authority to approve the remuneration of employees at manager level and below within the Group.

External Remuneration Consultants

External Remuneration Consultants may be engaged directly by the Board or the Committee to provide information or advice. Where a remuneration recommendation is made relating to KMP, the advice will be provided directly to an Independent Non-Executive Director and shall be free of influence from management.

In FY21, there were no engagements with remuneration specialists on advice relating to KMP and therefore no fees were paid to remuneration consultants during the period. Godfrey Remuneration Group Pty Ltd were engaged for assistance and advice on the review of the LTI plan for FY22 and their fee including GST did not exceed A$5,500.

Through the Remuneration and Nomination Committee, 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. At its 2020 annual general meeting, the Group received a 98.45% 'for' vote on its remuneration report for FY20.

The Board seeks to ensure that the Remuneration Framework attracts, retains and encourages high performance by its key employees, whilst remaining aligned with shareholder experience. The competition for employees in general and executives in particular is primarily against other Australian domiciled gold mining companies, and close attention is paid to their remuneration practices.

4. Executive remuneration framework

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 guiding principles that underpin the Executive remuneration strategy are outlined below.

Strategy and vision	Culture and values	Shareholders	Performance	Market
Align short and long-term performance measures to drive the execution of the Company's strategy, including our commitment to safety and sustainability in order to create value in everything we do, for our people, our communities and our shareholders.	In setting the remuneration strategy, the Board is cognisant of the link between remuneration and setting and maintaining a positive company culture. The clawback of Executive incentives for poor Executive or organisational behaviour is therefore permissible under its framework. Our values guide the way we make decisions and how we treat one another and all our stakeholders.	Executive remuneration outcomes are aligned with the shareholder experience, as the STI and LTI link personal remuneration outcomes with the achievement of targets which drive Group performance and sustainable shareholder returns.	Appropriate levels of "at risk", to encourage and reward sustainable, high performance aligned with value creation for shareholders. This includes STI based on achieving key safety, production and strategic milestones and LTI closely aligned with the shareholder experience.	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, with remuneration mix and levels aligned to comparable roles in our peer companies.

The gold price is the primary determinant of the share price of gold companies, including St Barbara Limited. The gold price is volatile, as illustrated by the chart below.

As such, 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 STI and the LTI, which measures performance over three financial years.

The criteria used to assess the annual STI include safety, production and key strategic objectives that are within the control of the Executives and underpin the overall financial performance of the Group. The Board is aware that some stakeholders support the partial deferral of an 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 that no deferral of STI is appropriate as a feature of the Company's remuneration strategy as deferral is extremely rare among the resources companies with which St Barbara competes for talent and is considered a disincentive to current and prospective employees. In addition the LTI is closely aligned with the Company's share price performance and provides a significant retention incentive.

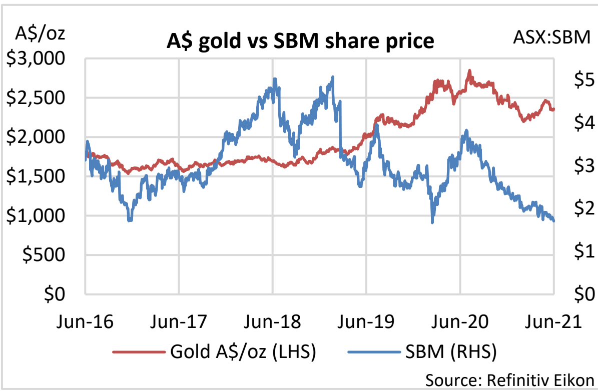


Figure 1: A$ gold vs SBM share price

5. Components of Executive remuneration

5.1 Remuneration components and links to strategy

Executive remuneration comprises of:

- Total Fixed Remuneration (TFR);
- Short Term Incentives (STI); and
- Long Term Incentives (LTI).

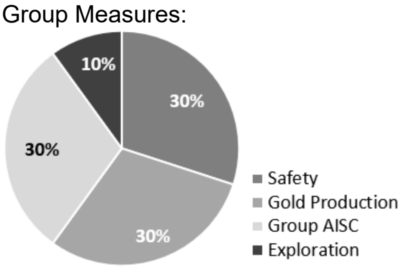
The premise behind the combination of fixed remuneration plus "at risk" STI and LTI, is to ensure an appropriate amount of remuneration of Executives is linked to the performance and success of the Group and thereby align the interests of Executives and shareholders.

The STI and LTI are integral to a competitive total remuneration package that is prevalent with the Company's market peers and should not be misinterpreted as 'bonuses' paid on top of fixed remuneration 'for doing the job'. As a result, a significant portion of Executive remuneration is "at risk" based on challenging performance measures.

Each of these components is outlined in more detail in the figure below.

In relation to the STI, for each Key Performance Indicator there are defined "threshold", "target" and "stretch" measures which are capable of objective assessment:

Threshold performance	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	Target performance represents challenging but achievable levels of performance beyond achievement of budget measures.
Stretch (or maximum) performance	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.

	Fixed component	"At Risk" components	
	Fixed remuneration	**Short-Term Incentive**	**Long-Term Incentive**
Purpose	Designed to attract and retain talented Executives to lead St Barbara.	Reward business and individual performance in the financial year.	Reward long-term performance of the Company the creation of value for shareholders.
Links to Strategy	Reviewed annually based on individual performance and responsibilities of the role, the knowledge, skills and experience required for the position, and the Group's need to attract and retain the right person for the role.	The STI is linked to specific corporate and personal objectives over the financial year and is structured to incentivise Executives for achieving outcomes that are within their control, as well as their own individual performance targets and behaviours. In the event of a fatality, the Safety component of the Group Measures will be assessed as zero.	Delivered in equity and based on measures that are correlated with shareholder returns and capital management (TSR and ROCE). Outcomes for Executives will be aligned to the returns of shareholders over the performance period. The TSR portion can only vest if the Company's TSR performance is positive over the performance period.
Approach in FY21	Comprises of base salary, superannuation and other benefits. In setting remuneration for Executives, the Remuneration & Nomination Committee considers relevant industry trend data and other remuneration information including market salary surveys and benchmarking.	Max. quantum (% of Fixed Remuneration): CEO 100% Other Executives 75% Target – 50% of Max. Measures: Weighted 80% to Group and 20% to individual measures. Group Measures: 	Max. quantum (% of Fixed Remuneration): CEO 75% Other Executives 60% Target = 50% of Max. Measures: TSR (67%) relative to a peer group of companies*. ROCE (33%) TSR Vesting: < Median Nil = Median 50% = or >P75 100% > Median and < P75 Pro-rata ROCE Vesting <= WACC Nil WACC + 3% 50% WACC +7% 100% > +3% and < +7% Pro-rata

The Board has discretion on whether any STI or LTI should be awarded, or the amount varied in any given year. The Board also has absolute discretion to reduce, withhold or cancel any unpaid STI or LTI in relation to fraud, defalcation or gross misconduct, or a material misstatement in the Group's financial statements. As noted earlier in this report, deferral of STI is extremely rate 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.

FY21 TSR Peer Group: Alacer Gold Corporation, Alkane Resources, AngloGold Ashanti, Bellevue Gold, De Grey Mining, Evolution Mining, Gold Road Resources, Newcrest Mining, Northern Star Resources, OceanaGold Corporation, Perseus Mining, Ramelius Resources, Red 5, Regis Resources, Resolute Mining, Saracen Mining, Silver Lake Resources, Tribune Resources, West African Resources, Westgold Resources.

Figure 2: Components of remuneration

Directors' Report **Remuneration Report (audited)**

5.2 Remuneration mix

The 'target' remuneration mix for Executives for 2021 is as follows:

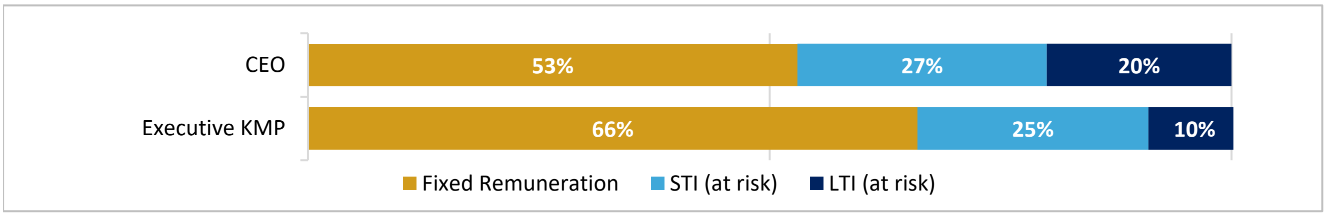


Figure 3: Composition of Executive remuneration

(1) **STI** as a % of Fixed Remuneration at 'target' with STI at 'maximum' = 2 x 'target'. 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.

(2) **LTI** as a % of Fixed Remuneration at 'target' with LTI at 'maximum' = 2 x 'target'. 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.

(3) Refer to Sections 8.4 and 8.5 for STI outcome in FY21.

The relationship between 'target' and 'maximum' remuneration of the Managing Director and CEO for 2021 is as follows:

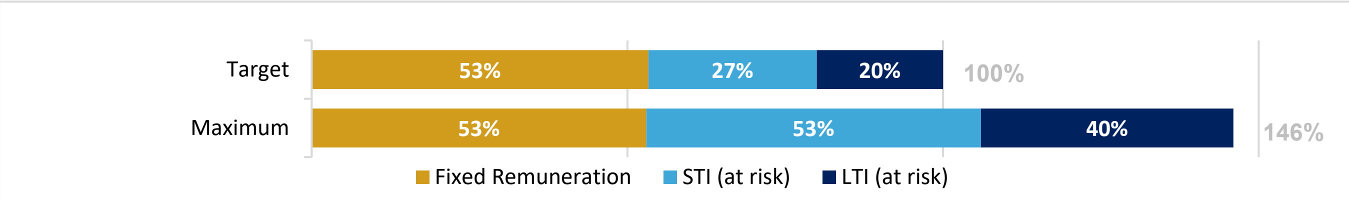


Figure 4: Relationship of STI and LTI at target and maximum for Managing Director and CEO remuneration

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

5.3 Executive remuneration profile

The timing of payments of Executive remuneration for 2021 is as follows (illustrated using Managing Director and CEO at target):

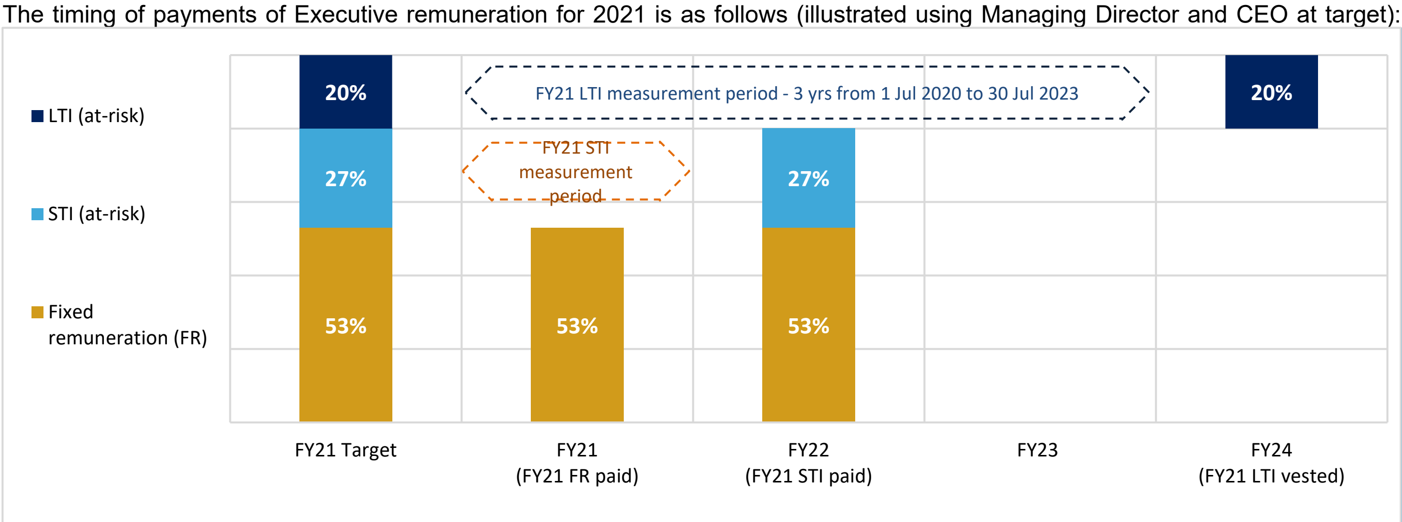


Figure 5: Payment profile of Executive remuneration

Fixed remuneration is inclusive of cash, superannuation & benefits.
Fixed remuneration for 2021 was paid during 2021.
STI performance for 2021 is assessed as part of this report after the end of the 2021 financial year and is paid in the 2022 financial year (provided an STI is awarded).
LTI performance for 2021 is assessed after the end of the three-year performance period (1 July 2020 to 30 June 2023) and, if determined to have vested, the corresponding performance rights vest in the 2024 financial year.

5.4 Executive contracts

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 LTI 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.

C Jetson – Managing Director and CEO

Term of agreement – permanent employee, commenced 3 February 2020.

A summary of the material terms of Mr Jetson's executive employment contract was released to the Australian Securities Exchange (ASX) on 6 December 2020. Key components of the contract include:

- Total Fixed Remuneration (TFR) of $1,000,000 to be reviewed annually, inclusive of superannuation and salary sacrifice benefits
- One-off on-boarding payment of:
  - 100,000 shares six months from the commencement date (issued on 3 August 2020)
  - 100,000 shares 18 months from the commencement date (issued on 3 August 2021)
- STI of up to 100% of TFR and LTI of up to 75% of TFR as described earlier in Section 5 above.

Mr Jetson's overall remuneration package was determined at the time of his appointment giving regard to relevant market data. The one-off on-boarding shares provided a non-cash, immediate retention and shareholder-aligned performance incentive until such time as performance rights associated with the LTI can be issued.

Other than for serious misconduct or serious breach of duty, the Company or Mr Jetson 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.

- TFR of $553,178 to be reviewed annually, inclusive of superannuation and salary sacrifice benefits
- STI of up to 75% of TFR and LTI of up to 60% of TFR as described earlier in Section 5 above.

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.

Mr Campbell-Cowan is leaving the Company to pursue other opportunities and will remain with the Company until 10 September 2021. See ASX announcement on 5 July 2021 relating to CFO transition.

E Spencer – Chief Operating Officer

Term of agreement – permanent employee, commenced 2 November 2020.

- TFR of $625,000 to be reviewed annually, inclusive of superannuation and salary sacrifice benefits
- STI of up to 75% of TFR and LTI of up to 60% of TFR as described earlier in Section 5 above.

Mr Spencer's remuneration package was determined at the time of his appointment in November 2020, based on the relevant market data for candidates with similar credentials and experience.

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 Spencer may terminate employment at any time with 6 months' notice.

6. Looking ahead to FY22

There are no significant structural changes planned for FY22 in relation to Fixed Remuneration or the STI, however, there will be a rebalancing of the measures in the FY22 LTI with the introduction of a strategic component, a measure addressing the Replenishment of Reserves. The introduction of this measure is a result of a review undertaken by the Board in FY21, to align long-term measures with the business strategy and focus over the coming years.

The Board is confident that the revised LTI is aligned to the creation value for shareholders and our guiding principles (*see Section 4*) and continues to seek a balance between rewarding and retaining our Executives and recognising the interests of shareholders.

Fixed remuneration

There will be no increases to Fixed Remuneration for Executive KMP in FY22.

The Managing Director and CEO's Fixed Remuneration will remain at $1,000,000 per annum, inclusive of superannuation.

STI FY22

There will be no change to the STI design in FY22. The Group measures have been set and are detailed below. The weighting between Group Measures and Individual measures will remain as 80/20.

Group Measure	Weighting
Group Safety	**30%**
Group Gold Production	**40%**
AISC	**30%**

LTI FY22

Performance rights to be granted to KMP in respect of the 2022 financial year (FY22 Performance Rights) will be offered pursuant to the terms of the Rights Plan approved by the Board on 22 September 2015 and the performance conditions set out below.

Subject to service conditions, the proportion of the FY22 Performance Rights that vest will be determined in accordance with the LTI measures described below:

Measure	Weighting	Rationale
Relative TSR	**50%** *(adjusted from 67%)*	Includes being subject to a ***positive TSR Gateway***. Ensures alignment of remuneration outcomes for Executives with the shareholder experience over a three-year period. 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.
ROCE	**30%** *(adjusted from 33%)*	Like all mining companies St Barbara is a capital intensive business and ROCE measures the Company's profitability and capital management efficiency.
Reserves Replenishment	**20%** *(new)*	Critical driver of long-term sustainability of the Company. Ensures long-term resource quantity and value, no reduction in life of mine and quality of tenements.

The LTI opportunity for Executives or the vesting schedule for relative TSR or ROCE and the Reserves Replenishment measure will be assessed by the Board at the end of the performance period, based on the FY21 baseline.

The proportion of the FY22 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 2021 and ending on 30 June 2024 as outlined below:

Relative TSR Performance	% Contribution to the Number of 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%

For ROCE, the margins above the Company's WACC for vesting to occur are sufficiently challenging, based on historical performance and near-term forecasts over the three-year period.

Return on Capital Employed (ROCE)	% Contribution to the Number of 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 2021	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%

Reserves Replenishment measures long-term sustainability of the Company. This is a new measure which the Board has included for the FY22 LTI.

Reserves Replenishment	% of the performance rights that vest will be determined based on the Company's replenishment of Ore Reserves net of production over the three-year period commencing on 1 July 2021 as outlined below:
Zero growth/depletion replaced	0% of performance rights to vest
Depletion replaced plus 10% growth	50% of performance rights to vest
Depletion replaced plus 20% growth	100% of performance rights to vest

The Peer Group for measuring TSR performance will include two North American companies. The Peer Group comprises 14 companies that are of a similar size (up to $5 billion market capitalisation) and complexity, with operations and geographic footprint similar to St Barbara.

FY22 TSR Peer Group	
Alamos Gold Inc. (AGI)	Ramelius Resources (RMS)
Coeur Mining Inc. (CDE)	Regis Resources Limited (RRL)
Bellevue Gold Limited (BGL)	Resolute Mining Limited (RSG)
Capricorn Metals Limited (CMM)	Silver Lake Resources Limited (SLR)
Gold Road Resources Limited (GOR)	SSR Mining Inc (SSR)
OceanaGold Corp (OGC)	West African Resources (WAF)
Perseus Mining Limited (PRU)	Westgold Resources Limited (WGX)

Non-Executive Director Remuneration

There will be no increase to Non-Executive Director Fees or Committee Fees in FY22. There have been no increases to Director Fees or Committee Fees since FY19. As fees are inclusive of superannuation, changes to the superannuation guarantee to 10% will not have any impact on overall fees paid. The Non-Executive Director Equity Plan, adopted by the Board in FY21, with the primary objective to facilitate the acquisition of shares by the Group's Non-Executive Directors, will remain in place.

Refer to Section 9.3 for more detail on the Non-Executive Director Equity Plan.

7. 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.

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	2021	2020	2019	2018	2017
Sales revenue	**740,247**	827,726	650,321	679,204	641,702
EBITDA	**(63,001)**	338,762	274,810	345,514	293,302
Statutory net profit/(loss) after tax	**(176,596)**	128,230	144,163	226,998	157,572
Underlying net profit/(loss) after tax[1]	**80,628**	108,472	141,728	201,892	160,366

Table 4: Five-year financial performance ($'000)

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	2021	2020	2019	2018	2017
Period end share price					
• Closing price on last trading day	**1.71**	3.15	2.94	4.83	2.91
• 10-day VWAP used for Relative Total Shareholder Return (RTSR) and Employee Rights pricing	**1.77**	3.15[1]	2.91	4.92	2.89
Dividends paid and declared for financial year[2]	**0.06**	0.08	0.08	0.12	0.06
Average share price for the year	**2.56**	2.83	4.01	3.58	2.71
Market capitalisation	**$1.21 B**	$2.20 B	$2.05 B	$2.51 B	$1.45 B

Table 5: Five-year share price history ($/share)

During the 2021 financial year, the Group's daily closing share price ranged between $1.70 to $3.98 per share (2020 financial year: $1.62 to $4.06 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. LTI earned in 2021 relates only to Mr Campbell-Cowan, as Mr Jetson and Mr Spencer were not participants in the FY19 LTI.

Performance-linked remuneration	2021	2020	2019	2018	2017
% of maximum potential STI earned	**0%**	34%	60%	84%	90%
% of maximum potential LTI earned	**33%**	33%	33%	100%	100%

Table 6: Five-year performance-linked remuneration history

1 10-day VWAP coincidentally equalled close price on 30 June 2020. 10 day close price ranged between $2.99 and $3.31.
2 Interim and final dividend allocated to relevant financial year (e.g.: FY20 interim and final dividends allocated to 2020 (i.e. FY20)). Fully franked unless otherwise noted.

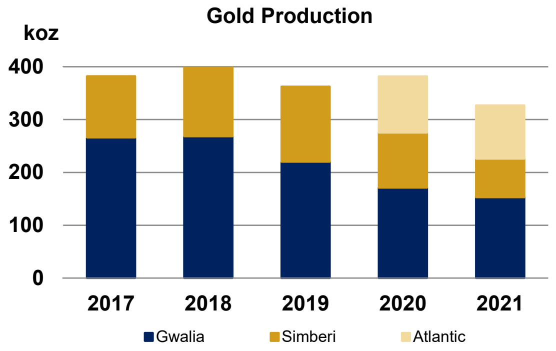


Figure 6: Five-year gold production history

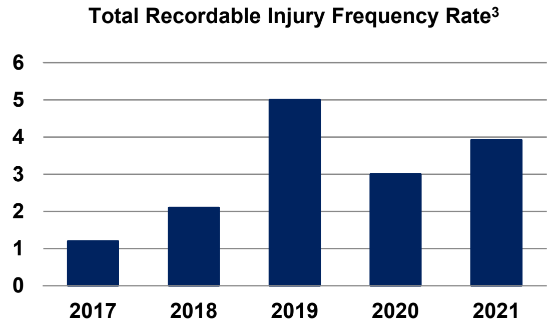


Figure 7: Five-year TRIFR history

8. FY21 Executive remuneration outcomes and disclosures

8.1 How the STI is calculated

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

The proportion of the STI earned is calculated by adding the average result of the Group targets with the individual's performance outcome. The overall STI for each KMP are weighted to 80% Group targets and 20% individual targets. Group and individual targets are established by reference to the Group Strategy and those measures that are priority for the Company during the year. The Safety component of the Group Measures is subject to a "no fatalities" gateway. This portion of the STI will be assessed as zero (or below threshold) in the event of a fatality.

The net amount of any STI after allowing for applicable taxation, is normally payable in cash, however, the Board retains discretion to pay some or all of the STI in shares.

The calculation of STI earned can be summarised as follows:

STI earned =

STI value at risk x [(80% x overall Group STI performance) plus (20% x Individual performance outcome)]

8.2 FY21 Group STI measure outcomes

The Group STI Measures were assessed for the financial year ended 30 June 2021 with outcomes as shown below.

STI Measure	Target	Weighting	Result	% of max. achieved	Threshold 0% 25% / Target 50% 75% / Max 100 %
(a) Group Safety – Recordable Injuries	Performance Gateway of no fatalities. 11 Recordable Injuries[1]	30%	20 Recordable Injuries recorded with a fatality at Simberi Operations Below threshold (16)	0%	
(b) Group Gold production	425koz	30%	327koz produced, Below threshold (375koz)	0%	
(c) Group AISC	A$1,494/oz.	30%	A$1,611/oz. Greater than threshold of A$1,510/oz.	0%	
(d) Exploration	Define near mine resources at Simberi (100koz Au) and Leonora (200koz Au) to be assessed as feasible to be included in near term production profile; advance a Canadian brownfields target to near Inferred status (100koz Au).	10%	Board assessment against objectives, over threshold but less than target	60%	
Overall Group STI Performance				**6%**	

1 Recordable Injury (RI) includes fatalities, lost time injuries, medical treatment injuries. It does not include first aid injury.

Table 7: 2021 Group STI performance

8.3 Individual Performance outcomes

For 2021, the Board determined the personal component of Executive's STI by their individual contribution to the Group's strategy and growth objectives. The outcome of the assessment is included in Table 8 on the following page. Some of the detailed measures and outcomes assessed are commercially sensitive and are described below in general terms only.

Summary of Executive individual STI performance assessed by Board

- Review and renewal of longer-term Group strategy
- Leadership and oversight through the ongoing evolving COVID-19 pandemic, responding to the various Government restrictions, and management of the Group's COVID-19 Management framework
- Set up of the Group-wide transformation program including planning, target setting and organisation health index
- Leadership and oversight of permitting of projects in Atlantic including engagement with community and government agencies
- Continued, structured identification and evaluation of multiple inorganic growth opportunities worldwide
- Leadership and oversight of organic growth projects including the Leonora Province Plan, progression of the Simberi Sulphide Project and sequencing of Atlantic growth projects
- Independently measured success in advancing values-based organisational culture and employee engagement

8.4 Board discretion not to award STI for FY21

Despite the key achievements in the year and the efforts of the Executives and employees across the Group during FY21, the Board exercised its discretion and resolved not to award any STI payments to Executives (current and former) for FY21. The Board believes this is a prudent decision and firmly aligns the outcomes for Executives with the experience and expectations of all our stakeholders.

8.5 STI outcomes for FY21

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 2021 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 2021 financial year.

	Pro-rata	Type	Maximum potential STI		Actual STI Awarded	Weighted Group Component	Weighted Individual Component	% of maximum	
Executive	*months*		Target $	Stretch[1] $	$	%	%	Earned	Forfeited
C Jetson	12	Standard	500,000	1,000,000	**0**	6	0	**0**	100
G Campbell-Cowan	12	Standard	248,930	497,860	**0**	6	0	**0**	100
E Spencer[2]	7	Standard	281,250	562,500	**0**	6	0	**0**	100

Table 8: FY21 STI Outcomes

1 Inclusive of STI "Target".

2 Pro-rated for time served in the KMP role from 2 November 2020

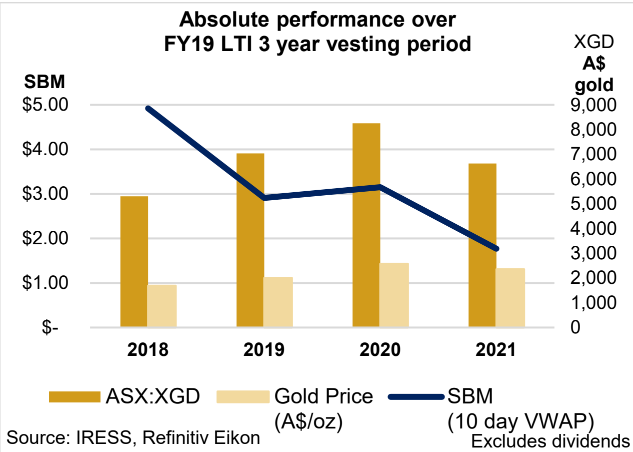
8.6 Performance linked remuneration – LTI outcomes

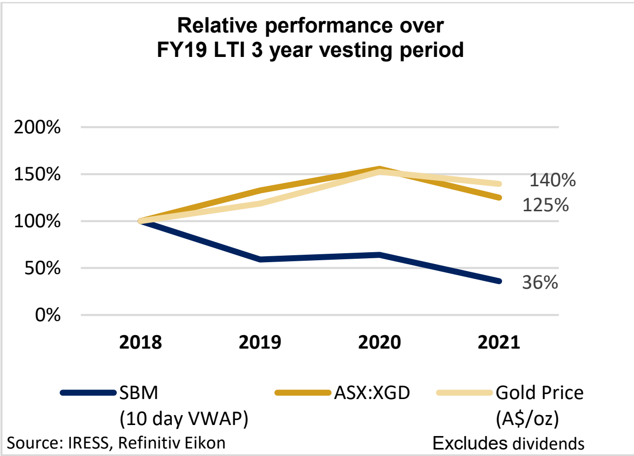
The three-year performance period for the FY19 Performance Rights was 1 July 2018 to 30 June 2021.

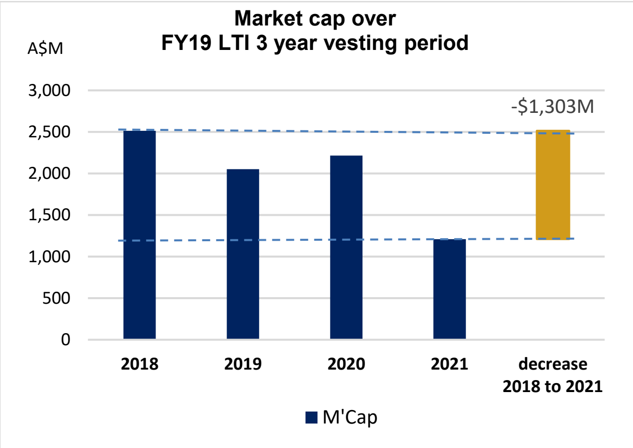
Selected highlights of the Group's performance during the three-year performance period from 1 July 2018 to 30 June 2021 are set out below:

		30 June 2021	30 June 2018[1]	Change	Change (%)
Share price (10-day VWAP)	$	**$1.77**	$2.89	-$1.12	-39% TSR inc $0.28 dividends paid during period[2]
Dividend declared for financial year	cents	**$0.06**[3]	$0.06	$0.00	0%
Market Cap	$B	**$1.21 B**	$1.45 B	-$0.24 B	-17%
EBITDA	$M	**$(63)M**	$293 M	-$356 M	-122%
Cash and deposits	$M	**$133 M**	$226 M	-$93 M	-4%
Net cash[4]	$M	**$24 M**	$160 M	-$136 M	-85%
Safety	TRIFR[1]	**3.9**	1.2	+2.7	225% increase
Reserves	Moz	**6.2**	4.3	+1.9	+44%
Resources	Moz	**13.1**	9.6	+3.5	+36%

Table 9: Three-year performance







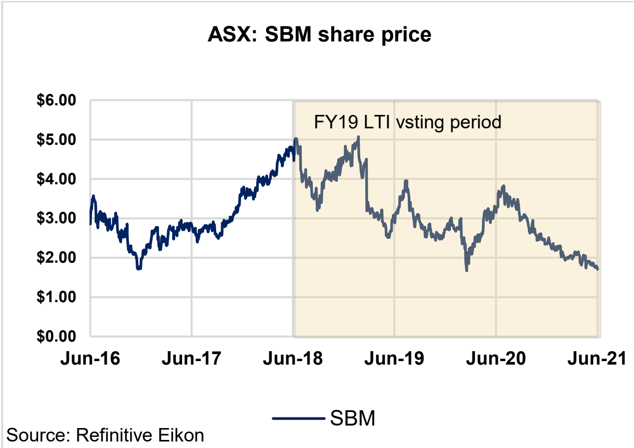


Figure 8: Five-year LTI-related performance history

1 30 June 2018 figures used as 'starting' balances for the three-year performance period from 1 July 2018 to 30 June 2021 (i.e. the corresponding Notice of 2018 Annual General Meeting notes TSR for the period to be 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'.
2 Excludes $0.02 final fully-franked dividend announced 26 August 2021 in respect of the 2021 financial year
3 Includes $0.02 final fully-franked dividend announced 26 August 2021 in respect of the 2021 financial year.
4 Net cash is cash and cash equivalents less interest bearing liabilities.

8.7 Calculation of the number of FY19 Performance Rights vested in 2021

The partial vesting of the FY19 LTI relates to Mr Campbell-Cowan and former KMPs Mr Vassie and Mr Cole. Mr Jetson and Mr Spencer were not participants in the FY19 LTI.

33% of FY19 Performance Rights were assessed and approved as vested based on ROCE performance and 67% lapsed due to not meeting the positive TSR gateway over the three-year performance period.

The Performance Rights vested represent less than 0.03% of total shares on issue at 30 June 2021. The FY19 rights were issued in November 2018 at a 10-day VWAP price calculated under the Rights Plan Rules and Notice of 2018 Annual General Meeting of $4.92 each. No Performance Rights have been deferred for retesting in a subsequent financial year.

The FY19 Performance Rights were assessed as follows:

(a)		**RTSR**
	Weighting:	67%
	Actual score:	TSR of (59.5%) 6th percentile of comparator group (details below)
	Calculation:	0% (failed to meet positive TSR gateway)
(b)		**ROCE**
	Weighting:	33%
	Actual ROCE:	14.1% (details below)
	Calculation:	100% (for achieving above upper threshold of WACC 4.7% +7.0% = 11.7%)
(c)	Combined score:	(0% x 67%) + (100% x 33%) = **33%**

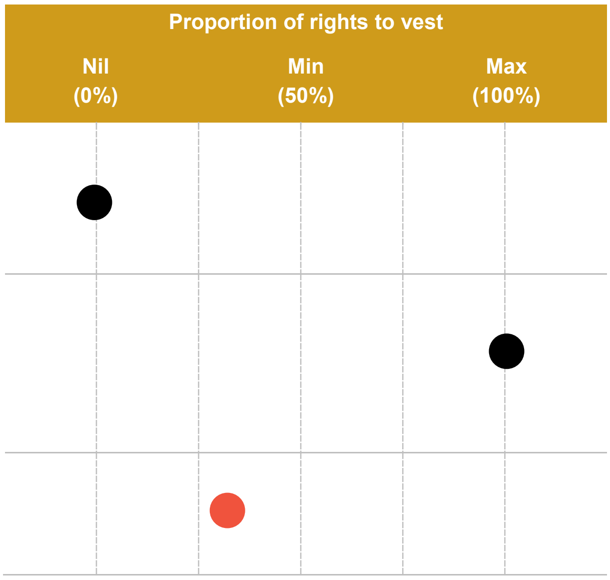


Table 10: FY19 Performance Rights Assessment

8.7 (a) RTSR calculation for FY19 Performance Rights

The result of the RTSR component of the FY19 Performance Rights for the period 1 July 2018 to 30 June 2021 was:

Relative TSR Performance	Percentage of Performance Rights to vest	Result
Below 50th percentile	0%	St Barbara achieved a TSR of (59.5%) for the period and ranked at the 6th percentile of the comparator group of companies for the period. As a result, TSR did not meet the positive TSR performance gateway and all Performance Rights linked to this measure have lapsed.
50th percentile	50%	
Between 50th & 75th percentiles	Pro-rata from 50% to 100%	
75th percentile and above	100%	

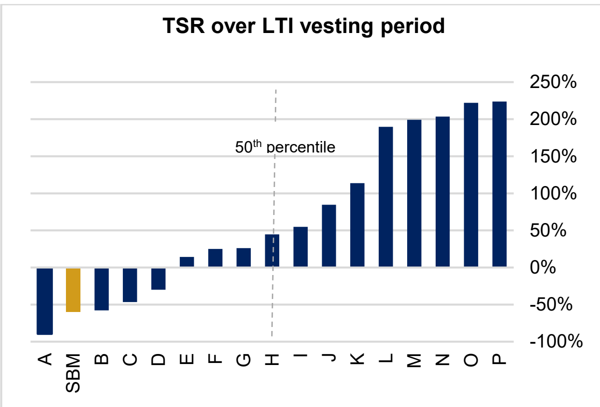


Figure 9: Chart of TSR results for comparator companies

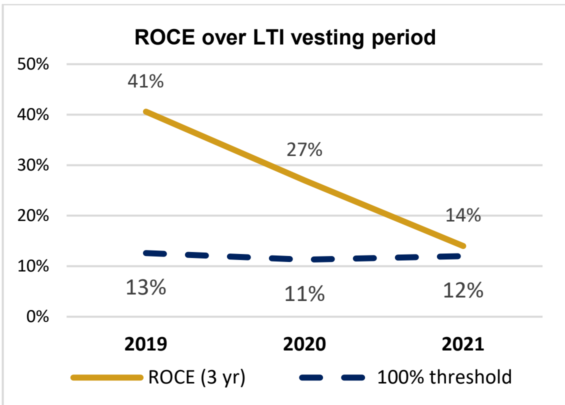


Figure 10: Chart of ROCE (calculated on the next page)

The comparator group of companies for FY19 Performance Rights comprised:

Alacer Gold Corp. (ASX: AQG)[1]	Newcrest Mining Limited (ASX: NCM)	Regis Resources Limited (ASX: RRL)
AngloGold Ashanti Limited (ASX: AGG)	Northern Star Resources Ltd (ASX: NST)	Resolute Mining Limited (ASX: RSG)
Dacian Gold Limited (ASX: DCN)	OceanaGold Corporation (ASX: OGC)	Saracen Mineral Holdings Limited (ASX: SAR)[2]
Evolution Mining Limited (ASX: EVN)	Perseus Mining Limited (ASX: PRU)	Silver Lake Resources Limited (ASX: SLR)
Gold Road Resources Limited (ASX: GOR)	Ramelius Resources Limited (ASX: RMS)	Tribune Resources Limited (ASX: TBR)
		Westgold Resources Limited (ASX: WGX)

8.7 (b) ROCE calculation for FY19 Performance Rights

The result of the ROCE component over the three-year vesting period commencing 1 July 2018 and ending on 30 June 2021 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 2018	0%	St Barbara achieved a ROCE for the period of 14.4% (see calculation below), which is above the upper threshold of WACC for the period of 4.7% +7.0% = 11.7%.
WACC (calculated as above):		As a result, 100% of the Performance Rights linked to ROCE vested.
+ 3%	50%	
+ between 3% and 7%	Pro-rata from 50% to 100%	
+ 7%	100%	

Table 11: ROCE vesting

ROCE is calculated as EBIT before significant items expressed as a percentage of average total capital employed (net debt and total equity)[3].

Measure	2021	2020	2019
EBIT (excluding significant items)	111,849	173,503	199,032
Capital employed – opening balance			
Total equity	1,348,977	1,257,023	665,870
Net debt[4]	-	-	-
Capital employed – opening balance	1,348,977	1,257,023	665,870
Capital employed– closing balance			
Total equity (before impairment)	1,370,891	1,348,977	1,257,023
Net debt3	-	-	-
Capital employed– closing balance	1,370,891	1,348,977	1,257,023
Capital employed – average for period	1,359,934	1,303,000	961,447
ROCE (EBIT ÷ average total capital employed) for year	9.1%	13.3%	20.7%
ROCE average of the 3 years in the vesting period	14.4%	26.6%	40.6%
WACC average of the 3 years in the vesting period	4.7%	4.3%	5.6%

Table 12: 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)[5]. 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; and
- ASX All Ordinaries Index as proxy for market portfolio and to determine relative volatility.

On this basis, average WACC of the three-year measurement period commencing 1 July 2018 and ending on 30 June 2021 is 4.7% (2020 financial year: 4.3%).

1 Alacer Gold Corp. (AQG) has been replaced with SSR Mining (SSR) as Alacer Gold Corp. was merged with SSR Mining
2 Saracen Mineral Holdings Limited (SAR) was delisted after merging with Northern Star (NST)
3 ROCE is not an IFRS measure and is calculated in the table above.
4 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).
5 WACC is not an IFRS measure. The above parameters can be used to calculate WACC using commonly available formula.

8.8 Allocation of sign-on awards for the Managing Director and CEO

As disclosed in the FY20 Remuneration Report and as detailed in Section 5.4, Mr Jetson received a one-off on-boarding payment of two tranches of 100,000 shares in the Company. The first tranche of that award was allocated in August 2020 (see ASX announcement dated 3 August 2020) and the remaining tranche was allocated on 3 August 2021 (refer to ASX announcement dated 3 August 2021).

8.9 Rights Vested and On Issue

There are three LTI tranches relevant to the 2021 financial year, which are summarised below:

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	Assessed as at 30 June 2021 and reported above
FY20 Performance Rights	Granted as LTI remuneration in 2020 and disclosed in the 2019 Notice of AGM and 2020 Remuneration Report	RTSR ROCE	67% 33%	1 July 2019 to 30 June 2022	To be tested June 2022
FY21 Performance Rights	Granted as LTI remuneration in 2021 and disclosed in the 2020 Notice of AGM and 2021 Remuneration Report	RTSR ROCE	67% 33%	1 July 2020 to 30 June 2023	To be tested June 2023

Table 13: LTI tranches relevant to 2021 financial year

The three LTI tranches are illustrated on a timeline below:

<table>
<tr><td></td><td colspan="5">Financial year</td></tr>
<tr><td></td><td>2019</td><td>2020</td><td>2021</td><td>2022</td><td>2023</td></tr>
<tr><td>FY19 Performance Rights</td><td colspan="3">3-yr vesting period, tested June 2021</td><td></td><td></td></tr>
<tr><td>FY20 Performance Rights</td><td></td><td colspan="3">3-yr vesting period, to be tested June 2022</td><td></td></tr>
<tr><td>FY21 Performance Rights</td><td></td><td>Issued in FY21</td><td colspan="3">3-yr vesting period, to be tested June 2023</td></tr>
</table>

Figure 14: Current LTI tranche timeline

8.10 Summary of rights on issue and vested in 2021

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:

	Grant year / tranche name	Grant Date	Price on issue date	Held at 1 July 2020	Granted as compensation during the year	Vested during the year [1]	Forfeited during the year	Held at 30 June 2021 [2]	Financial year in which grant may vest
C Jetson	FY20	28 Oct 2020	$2.91	-	107,388	-	-	107,388	2022
	FY21	28 Oct 2020	$3.15	-	238,095	-	-	238,095	2023
E Spencer	FY21	2 Nov 2020	$3.15	-	123,809	-	-	123,809	2023
G Campbell-Cowan	FY19	24 Oct 2018	$4.92	64,524	-	(21,293)	(43,231)	-	2021
	FY20	27 Nov 2019	$2.91	111,275	-	-	-	111,275	2022
	FY21	24 Jul 2020	$3.15	-	105,367	-	-	105,367	2023
Former Executives									
R Vassie [3]	FY19	24 Oct 2018	$4.92	132,347	-	(43,675)	(88,672)	-	2021
	FY20	27 Nov 2019	$2.91	168,127	-	-	-	168,127	2022
R Cole	FY19	24 Oct 2018	$4.92	48,829		(16,114)	(32,715)	-	2021
	FY20	27 Nov 2019	$2.91	88,748	-	-	-	88,748	2022
	FY21	24 Jul 2020	$3.15	-	84,036	-	(46,279)	37,757	2023

Table 15: Summary of rights on issue and vested in 2021

8.11 Rights granted in 2021

Details on rights over ordinary shares in the Company that were granted as remuneration to each Executive in the 2021 financial year are as follows:

	Grant year / tranche identifier	Grant date	Number of performance rights granted during 2021	Issue price per performance right	Expiry date	Fair value per performance right at grant date ($ per share) [4]
C Jetson [5, 6]	FY21	28/10/2020	238,095	$3.15	30 Jun 2023	$1.45
	FY20	28/10/2020	107,388	$2.91	30 Jun 2022	$2.57
G Campbell-Cowan	FY21	24/07/2020	105,367	$3.15	30 Jun 2023	$2.47
E Spencer	FY21	2/11/2020	123,809	$3.15	30 Jun 2023	$1.45
Former Executives						
R Cole	FY21	24/07/2020	84,036	$3.15	30 Jun 2023	$2.47

Table 16: Rights granted in 2021

8.12 Details of FY21 Performance Rights granted during 2021

FY21 Performance Rights were granted under the St Barbara Limited Rights Plan and details of the performance conditions were set out in the Notice of 2020 Annual General Meeting, with the grant of Rights for the Managing Director and CEO approved by shareholders at the meeting.

1 These rights were determined by the Board on 26 August 2021 to have vested as at 30 June 2021 and are pending issue as shares as at the date of this report. The value of the shares at time of issue will be disclosed in an ASX release as the five-day volume weighted average price up to and including the day prior to issue. The five-day volume weighted average price for shares issued on 21 August 2020 to satisfy FY18 rights exercised on 21 August 2020 was $3.46 per share.

2 The vesting of rights held at 30 June 2021 is subject to future performance conditions.

3 Former Managing Director & Chief Executive Officer (ceased as MD & CEO 2 February 2020, ceased as a KMP 31 March 2020).

4 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.

5 The granting of FY20 and FY21 Rights for Mr Jetson were approved by shareholders at the AGM on 28 October 2020.

6 FY20 Rights for Mr Jetson were issued under the same terms as FY20 Rights for other KMP, which were disclosed in the FY20 Remuneration Report.

Key Features of FY21 Performance Rights

Performance conditions	TSR (67% weighting); ROCE in excess of the weighted average cost of capital (33% weighting).
Other conditions	Continuing employment
Issue price	10-day VWAP at start, 30 June 2020, $3.15
Measurement period	1 July 2020 to 30 June 2023
Vesting date	30 June 2023

8.12 (a) 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 FY21 Performance Rights comprises the largest 20 companies in the S&P ASX All Ordinaries Gold Index (ASX: XGD) 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.

FY21 Comparator Group	
Alacer Gold Corp (ASX: AQG).[1]	Perseus Mining Limited (ASX: PRU)
Alkane Resources Limited (ASX: ALK)	Ramelius Resources Limited (ASX: RMS)
AngloGold Ashanti Limited (ASX: AGG)	Red 5 Limited (ASX: RED)
Bellevue Gold Limited (ASX:BGL)	Regis Resources Limited (ASX: RRL)
De Grey Mining Ltd (ASX: DEG)	Resolute Mining Limited (ASX: RSG)
Evolution Mining Limited (ASX: EVN)	Saracen Mineral Holdings Limited (ASX: SAR).[2]
Gold Road Resources Limited (ASX: GOR)	Silver Lake Resources Limited (ASX: SLR)
Newcrest Mining Limited (ASX: NCM)	Tribune Resources Limited (ASX: TBR)
Northern Star Resources Ltd (ASX: NST)	West Africa Resources (ASX: WAF)
OceanaGold Corporation (ASX: OGC)	Westgold Resources Limited (ASX: WGX)

The proportion of the FY21 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 2020 and ending 30 June 2023 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%

8.12 (b) ROCE

The proportion of FY21 Performance Rights that vest will be influenced by the ROCE achieved by the Company over the three-year vesting period commencing 1 July 2020 and ending 30 June 2023.

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 FY21 Performance Rights will be reported in the 2023 Remuneration Report.

1 Alacer Gold Corp. (AQG) has merged with SSR Mining (SSR) since the start of the performance period.
2 Saracen Mineral Holdings Limited (SAR) was delisted after merging with Northern Star (NST).

9. Non-Executive Director Remuneration

9.1 Non-Executive Director remuneration policy

Non-Executive Director fees are reviewed annually by the Board with reference to the responsibilities and time commitment relevant to the role of Director, Committee memberships and corresponding Chair roles and external advice, including benchmarking, may be sought as part of the review.

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

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.

Consistent with Australian corporate governance practice, Non-Executive Directors do not receive performance-based remuneration to maintain their independence.

9.2 Board and Committee Fees

The remuneration of Non-Executive Directors consists of Director Fees and Committee Fees. Committee Fees are paid in addition to Director Fees to recognise the additional time commitment required by Non-Executive Directors who serve those committees. The Board Chair does not receive any additional fees in addition to the Board Chair fee.

The table below summarises the Non-Executive Director fee policy for FY21. All fees are inclusive of superannuation.

Director Fees	
Board Chair	$263,340
Non-Executive Directors	$106,260
Committee Fees	
Committee Chair	$25,000
Committee Member	$15,000

Table 17: Board and Committee Fees

9.3 Non-Executive Director equity plan

The Board has adopted a Non-Executive Director equity plan with the primary objective to facilitate the acquisition of shares by the Group's Non-Executive Directors. The fee-substitution plan enables Non-Executive Directors to nominate a fixed amount of their total Director's fee to acquire shares on an ongoing basis, in compliance with the Corporations Law and Securities Dealing Policy restrictions on Director share trading. The plan operates on a financial year basis, with the number of shares acquired by a Non-Executive Director determined by the volume-weighted average price of shares traded on the ASX for the period 1 July to 30 April within each financial year. Shares are acquired on market by an externally administered independent share trust.

During FY21 Ms Gleeson and Ms Loader participated in the Non-Executive Director Equity Plan. See *Section 10.2* for information relating to Non-Executive Director shareholdings and movements.

9.4 FY21 Non-Executive Director statutory remuneration

Name	Year	Cash salary & fees [1] $	Non-monetary benefits $	Superannuation $	Total $
T C Netscher	**FY21**	**240,493**	**-**	**22,847**	**263,340**
	FY20	240,493	-	22,847	263,340
S G Dean	**FY21**	**146,260**	**-**	**-**	**146,260**
	FY20	132,839	-	-	132,839
K J Gleeson	**FY21**	**148,571**	**-**	**12,689**	**161,260**
	FY20	147,270	-	13,990	161,260
S E Loader	**FY21**	**151,607**	**-**	**9,653**	**161,260**
	FY20	147,270	-	13,990	161,260
D E J Moroney	**FY21**	**147,270**	**-**	**13,990**	**161,260**
	FY20	147,270	-	13,990	161,260
Totals	**FY21**	**834,201**	**-**	**59,179**	**893,380**
	FY20	**815,142**	**-**	**64,817**	**879,959**

Table 18: Non-Executive Director Remuneration

1 Inclusive of any participation in the Non-Executive Director Equity Plan.

10. Additional statutory information

10.1 Executive KMP – statutory remuneration

Other than the provision or reimbursement of travel, accommodation and professional development necessarily incurred in performing their duties, there were no transactions with Executives other than as disclosed in the above table.

Executive	Year	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, 4]	Termination payments	Total	Proportion of total performance
		$	$	$	$	$	$	$	$	related [5]
C A Jetson [6]	**FY21**	**975,000**	-	**53,454**	**25,000**	**99,309**	**125,828**	**-**	**1,278,591**	**10%**
	FY20	400,648	177,642	2,041	10,271	36,464	28,564	-	655,630	31%
G Campbell-Cowan	**FY21**	**528,178**	**-**	**-**	**25,000**	**53,798**	**246,748**	**-**	**853,724**	**29%**
	FY20	514,686	297,097	5,566	25,000	52,640	241,424	-	1,136,413	36%
E Spencer	**FY21**	**351,666**	**-**	**-**	**14,646**	**35,450**	**32,384**	**-**	**434,146**	**7%**
	FY20	-	-	-	-	-	-	-	-	-
Former Executives										
R Cole [7]	**FY21**	**185,720**	-	**-**	**12,500**	**21,579**	**165,074**	**336,153**	**721,026**	**23%**
	FY20	405,430	236,952	7,249	25,000	43,292	178,511	-	896,434	46%
R Vassie [8]	**FY21**	**-**	**-**	**7,808**	**25,000** [9]	-	**339,869**	**-**	**372,677**	**98%**
	FY20	803,189	274,967	67,892	20,833 [10]	115,545	475,125	-	1,757,551	43%
Totals	**FY21**	**2,040,564**	**-**	**61,262**	**102,146**	**210,136**	**909,903**	**336,153**	**3,660,164**	**25%**
	FY20	2,123,953	986,658	82,748	81,104	247,941	923,624	-	4,446,028	43%

Table 19: Executive Key Management Personnel remuneration

1 Non-monetary benefits for Executives comprise car parking, professional memberships and 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 does not reflect what an executive has received in the reporting period.
4 FY20 share-based payments comparative has been revised from $144,000 to $923,624 to correct a disclosure error.
5 Calculated as 'STI payment' plus 'Share-based payments' divided by 'Total' remuneration.
6 Appointed as a Director 3 February 2020.
7 Mr Cole ceased as Company Secretary and a member of KMP on 11 December 2020. FY21 data is reflective of this change.
8 Mr Vassie resigned as a Director 2 February 2020, and ceased as an Executive Officer and KMP 31 March 2020.
9 Mr Vassie's FY20 STI was paid in FY21 and in accordance with superannuation rules, the Company is required to pay superannuation on bonus payments at the time the bonus was granted.
10 Mr Vassie's FY19 STI was paid in FY20.

10.2 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	Sold	Dividend Reinvestment Plan	Other changes	Balance at the end of the year
Non-Executive Directors							
S G Dean	-	-	-	-	-	-	-
K J Gleeson	28,213	5,576	-	-	399	-	34,188
S E Loader	30,000	18,587	-	-	-	-	48,587
D E J Moroney	105,438	-	-	-	-	-	105,438
T C Netscher	87,290	-	-	-	2,880	-	90,170
Executives							
C A Jetson[1]	-	-	-	-	-	100,000[2]	100,000
G Campbell-Cowan	300	35,024	-	(35,024)	300	-	-[3]
E Spencer	-	-	-	-	-	-	-
Former Executives							
R Cole	18,760	24,938	-	(24,000)	650	-	20,348[4]

Table 20: Key Management Personnel Shareholding

10.3 Shareholding guidelines for Non-Executive Directors and Executives

The Group encourages Non-Executive Directors, Executives and employees to own shares in St Barbara Limited (subject to the Group's Securities Dealing Policy). 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. Shareholding guidelines are uncommon amongst key peers with which the Group competes for talent, and would be a disincentive in attracting executives.

The Group acknowledges that, in the absence of share trading prohibitions, KMP generally incur an income tax liability on the market value of shares issued upon vesting of employee rights under the LTI, and will generally need to sell a portion of their allocated shares to cover their income tax obligations. Where this occurs, it will be in compliance with the Company's Securities Dealing Policy.

10.4 Loans to Directors and Executives

There were no loans to Directors or Executives during the 2021 financial year.

1 Appointed as a Director 3 February 2020.
2 Issue of 100,000 fully paid ordinary shares as one-off on-boarding payment to Mr Jetson, MD & CEO, six months from his commencement date, in accordance with his employment contract as disclosed in ASX announcement dated 6 December 2019.
3 In addition, 21,292 employee rights were determined by the Board on 26 August 2021 to have vested as at 30 June 2021 and are pending issue as shares as at the date of this report.
4 In addition, 16,113 employee rights were determined by the Board on 26 August 2021 to have vested as at 30 June 2021 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.

The Company has agreed to indemnify their external auditors, PricewaterhouseCoopers, to the extent permitted by law, against any claim by a third party arising from the Company's breach of their agreement. The indemnity stipulates that the Company will meet the full amount of any such liabilities including a reasonable amount of legal costs.

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. In Canada, the Group is subject to both Federal and Provincial 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. St Barbara reported and managed two separate environmental compliance issues during the 2021 financial year. Atlantic Operations received notification from Nova Scotia Environment (NSE) of legal proceedings in relation to environmental non-compliances, in the 2017 to 2020 calendar years period, which were self-reported by the previous operation's owner (2017-July 2019) and St Barbara (2019-2020) to NSE. Atlantic has been proactively working with NSE to address these matters. At our Simberi Operations in May, placement of tailings through the Deep Sea Tailings Placement (DSTP) pipeline was suspended when a routine inspection of the pipe, by a remote-controlled submersible vehicle, discovered significant pipe damage at a depth of 55 metres. No environmental damage or pluming of tailings was observed, with environmental monitoring indicating the pipe was essentially performing effectively from the shallower depth. A project is underway to replace the pipe so as to allow compliant resumption of processing (subject to regulatory approval).

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 2021 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 44 and forms part of this Directors' Report.

Auditor's Independence Declaration

As lead auditor for the audit of St Barbara Limited for the year ended 30 June 2021, 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
26 August 2021

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

Events occurring after the end of the financial year

Due to the non-cash impairment at 30 June 2021 the Group was not able to satisfy certain ratio covenants under the terms of the syndicated facility. As a result, the amount outstanding on the facility was reclassified from non-current to current liabilities at the reporting date. Subsequent to year end a waiver from compliance with the relevant covenants has been granted by the lenders in accordance with the terms of the facility.

Subsequent to year end, the directors have declared a fully franked final dividend in relation to the 2021 financial year of 2 cents per ordinary share, to be paid on 30th September 2021. A provision for this dividend has not been recognised in the 30 June 2021 consolidated financial statements.

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 26th day of August 2021.

Craig Jetson

Managing Director and CEO

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 2021 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 25th August 2021.

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 2021

		Consolidated	
		2021	**2020**
	Notes	**$'000**	**$'000**
Operations			
Revenue	1	**740,247**	827,726
Mine operating costs	1	**(371,837)**	(384,820)
Gross profit		**368,410**	**442,906**
Interest revenue		**1,103**	2,306
Other income		**1,113**	56
Exploration expensed		**(34,596)**	(23,596)
Corporate costs		**(26,621)**	(27,156)
Royalties	1	**(25,764)**	(27,174)
Depreciation and amortisation	6	**(187,870)**	(165,366)
Expenses associated with acquisition	3	**-**	(7,538)
Share based payments	19	**(1,765)**	(2,472)
Other expenses	3	**(22,695)**	(4,735)
Impairment loss on assets	3	**(349,296)**	-
Operating (loss)/profit		**(277,981)**	**187,231**
Finance costs	13	**(7,996)**	(13,255)
Net foreign exchange gain/(loss)		**5,316**	(2,377)
Gold instrument fair value adjustments	3	**22,897**	(9,152)
(Loss)/profit before income tax		**(257,764)**	**162,447**
Income tax benefit/(expense)	2	**81,168**	(34,217)
Net (loss)/profit after tax		**(176,596)**	**128,230**
(Loss)/profit attributable to equity holders of the Company		**(176,596)**	**128,230**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Changes in fair value of financial assets		**(11,976)**	8,763
Income tax on other comprehensive (loss)/income		**3,473**	(2,482)
Items that may be reclassified to profit or loss:			
Foreign currency translation differences - foreign operations		**(6,809)**	(7,347)
Other comprehensive loss net of tax(1)		**(15,312)**	**(1,066)**
Total comprehensive income attributable to equity holders of the Company		**(191,908)**	**127,164**
Earnings per share			
Basic earnings per share (cents per share)	4	**(25.03)**	18.33
Diluted earnings per share (cents per share)	4	**(24.91)**	18.24

(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 2021		Consolidated	
		2021	**2020**
	Notes	**$'000**	**$'000**
Assets			
Current assets			
Cash and cash equivalents	13	**133,370**	405,541
Financial assets	16	**-**	5,999
Trade and other receivables	11	**40,301**	11,225
Inventories	11	**86,628**	87,401
Deferred mining costs	7	**2,987**	2,039
Total current assets		**263,286**	512,205
Non-current assets			
Inventories	11	**40,077**	33,335
Property, plant and equipment	6	**344,314**	324,279
Financial assets	16	**42,163**	42,906
Trade and other receivables	11	**4,250**	-
Deferred mining costs	7	**3,173**	4,386
Mine properties	8	**206,189**	172,165
Exploration and evaluation	9	**153,943**	149,949
Mineral rights	8	**569,230**	922,118
Deferred tax assets	2	**9,136**	13,670
Total non-current assets		**1,372,475**	1,662,808
Total assets		**1,635,761**	**2,175,013**
Liabilities			
Current liabilities			
Trade and other payables	11	**69,583**	66,970
Interest bearing liabilities	13	**93,543**	12,199
Rehabilitation provision	10	**8,160**	354
Other provisions	18	**13,931**	19,922
Derivative financial liabilities	12	**8,750**	5,760
Current tax liability		**14,538**	10,893
Total current liabilities		**208,505**	116,098
Non-current liabilities			
Interest bearing liabilities	13	**15,709**	319,567
Rehabilitation provision	10	**61,701**	53,162
Deferred tax liabilities	2	**228,555**	303,584
Derivative financial liabilities	12	**5,338**	31,688
Other provisions	18	**2,286**	1,937
Total non-current liabilities		**313,589**	709,938
Total liabilities		**522,094**	**826,036**
Net assets		**1,113,667**	**1,348,977**
Equity			
Contributed equity	14	**1,434,573**	1,422,290
Reserves		**(50,137)**	(35,091)
Accumulated losses		**(270,769)**	(38,222)
Total equity		**1,113,667**	**1,348,977**

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 2021

		Consolidated				
	Note	Contributed Equity $'000	Foreign Currency Translation Reserve $'000	Other Reserves $'000	Accumulated Losses $'000	Total $'000
Balance at 1 July 2019		1,402,675	(45,671)	12,078	(112,059)	1,257,023
Transactions with owners of the Company recognised directly in equity:						
Share-based payments expense	19	-	-	2,472	2,367	4,839
Performance rights issued/(expired)		1,310	-	(3,849)	-	(2,539)
Dividends paid		-	-	-	(37,510)	(37,510)
Dividends reinvested	5	18,305	-	-	(18,305)	-
Sale of shares in financial asset		-	-	945	(945)	-
Total comprehensive income for the year						
Profit attributable to equity holders of the Company		-	-	-	128,230	128,230
Other comprehensive gain/(loss)		-	(7,347)	6,281	-	(1,066)
Balance at 30 June 2020		1,422,290	(53,018)	17,927	(38,222)	1,348,977
Transactions with owners of the Company recognised directly in equity:						
Share-based payments expense	**19**	**-**	**-**	**1,765**	**-**	**1,765**
Performance rights issued/(expired)		**1,284**	**-**	**(1,094)**	**-**	**190**
Dividends paid		**-**	**-**	**-**	**(45,357)**	**(45,357)**
Dividends reinvested	**5**	**10,999**	**-**	**-**	**(10,999)**	**-**
Sale of shares in financial asset		**-**	**-**	**(405)**	**405**	**-**
Total comprehensive income for the year						
Profit attributable to equity holders of the Company		**-**	**-**	**-**	**(176,596)**	**(176,596)**
Other comprehensive loss		**-**	**(6,809)**	**(8,503)**	**-**	**(15,312)**
Balance at 30 June 2021		**1,434,573**	**(59,827)**	**9,690**	**(270,769)**	**1,113,667**

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 2021

	Notes	Consolidated 2021 $'000	Consolidated 2020 $'000
Cash Flows From Operating Activities:			
Receipts from customers (inclusive of GST)		**737,195**	831,788
Payments to suppliers and employees (inclusive of GST)		**(454,455)**	(477,135)
Payments for exploration and evaluation		**(26,596)**	(23,596)
Interest received		**1,103**	2,306
Interest paid		**(5,565)**	(10,550)
Borrowing cost		**(2,432)**	(2,036)
Net income tax payments		**(22,152)**	(41,244)
Net cash inflow from operating activities	13	**227,098**	279,533
Cash Flows From Investing Activities:			
Movement in deposits held to maturity		**-**	10,000
Proceeds from sale of property, plant and equipment		**2**	-
Payments for property, plant and equipment		**(67,425)**	(26,331)
Payments for development of mining properties		**(58,414)**	(85,881)
Payments for exploration and evaluation		**(7,593)**	(22,142)
Divestment/(investments) in shares		**(3,717)**	3,261
MRRI acquisition (2020: Atlantic Gold Corporation)		**(62,176)**	(779,857)
Cash acquired		**58**	4,065
Net cash outflow from investing activities		**(199,265)**	(896,885)
Cash Flows From Financing Activities:			
Movement in restricted cash		**-**	2,400
Dividend payments		**(45,357)**	(37,510)
Principal elements of lease payments		**(12,704)**	(13,899)
Repayment of lease facility		**-**	(10,635)
Loan to Linden Gold Alliance Pty Ltd		**(15,750)**	-
Syndicate facility (payments)/drawn		**(219,973)**	207,014
Net cash (outflow)/inflow from financing activities		**(293,784)**	147,370
Net decrease in cash and cash equivalents		**(265,951)**	(469,982)
Cash and cash equivalents at the beginning of the year		**405,541**	880,199
Net movement in foreign exchange rates		**(6,220)**	(4,676)
Cash and cash equivalents at the end of the year	13	**133,370**	405,541

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		Atlantic		Total segments	
	2021	2020	**2021**	2020	**2021**	**2020[4]**	**2021**	2020
	$'000	$'000	**$'000**	$'000	**$'000**	**$'000**	**$'000**	$'000
Gold revenue	**329,431**	355,319	**202,177**	237,340	**205,458**	232,903	**737,066**	825,562
Silver revenue	**462**	393	**2,577**	1,519	**142**	252	**3,181**	2,164
Total revenue	**329,893**	355,712	**204,754**	238,859	**205,600**	233,155	**740,247**	827,726
Mine operating costs	**(160,269)**	(164,515)	**(144,039)**	(151,291)	**(67,529)**	(69,014)	**(371,837)**	(384,820)
Gross profit	**169,624**	191,197	**60,715**	87,568	**138,071**	164,141	**368,410**	442,906
Royalties [1]	**(16,632)**	(16,896)	**(5,025)**	(5,952)	**(4,107)**	(4,326)	**(25,764)**	(27,174)
Depreciation and amortisation	**(71,951)**	(65,767)	**(16,470)**	(21,398)	**(96,759)**	(75,511)	**(185,180)**	(162,676)
Impairment loss on assets	**-**	-	**-**	-	**(349,296)**	-	**(349,296)**	-
Segment profit before income tax	**81,041**	108,534	**39,220**	60,218	**(312,091)**	84,304	**(191,830)**	253,056
Capital expenditure								
Sustaining	**(63,683)**	(52,559)	**(9,214)**	(5,194)	**(17,657)**	(15,327)	**(90,554)**	(73,080)
Growth[2]	**(32,499)**	(8,833)	**(5,129)**	(4,147)	**(11,501)**	(15,214)	**(49,129)**	(28,194)
Gwalia Extension Project	**-**	(31,751)	**-**	-	**-**	-	**-**	(31,751)
Total capital expenditure	**(96,182)**	(93,143)	**(14,343)**	(9,341)	**(29,158)**	(30,541)	**(139,683)**	(133,025)
Segment assets	**430,099**	414,370	**102,850**	146,409	**925,413**	1,286,081	**1,458,362**	1,846,860
Segment non-current assets	**401,070**	389,474	**50,028**	49,877	**863,782**	1,176,685	**1,314,880**	1,616,036
Segment liabilities	**53,608**	62,847	**50,284**	49,164	**355,745**	455,578	**459,637**	567,589

(1) Royalties include state and government royalties for each operation, and corporate royalties in relation to Atlantic Gold and Leonora gold sales.
(2) Growth capital at Leonora includes mining equipment purchased from the previous underground mining contractor to facilitate the transition to the new contractor in May 2021 and expenditure on projects associated with additional cooling and ventilation and the Tailings Storage Facility. At Simberi growth capital represents expenditure associated with the sulphides project. At Atlantic Gold growth capital represents expenditure associated with capitalised exploration and studies.

The Group has three operational business units: Leonora Operations, Simberi Operations, and Atlantic 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**	
	2021 $'000	2020 $'000	**2021 %**	2020 %
Customer A	**338,732**	462,501	**45.5**	57.1
Customer B	**50,970**	104,707	**6.9**	12.9
Customer C	**47,047**	87,183	**6.3**	10.8
Customer D	**144,343**	148,699	**19.4**	18.3
Customer E	**162,816**	-	**21.9**	-

1 Segment information (continued)

	Consolidated	
Operations	**2021 $'000**	2020 $'000
Total loss for reportable segments	**(191,830)**	253,056
Interest revenue	**1,103**	2,306
Other income	**1,113**	56
Exploration expensed	**(34,596)**	(23,596)
Corporate depreciation and amortisation	**(2,690)**	(2,690)
Finance costs	**(7,996)**	(13,255)
Corporate costs	**(26,621)**	(27,156)
Net foreign exchange (loss)/gain	**5,316**	(2,377)
Expenses associated with acquisition	**-**	(7,538)
Net derivative movement	**22,897**	(9,152)
Share based payments	**(1,765)**	(2,472)
Other expenses	**(22,695)**	(4,735)
Consolidated loss before income tax	**(257,764)**	162,447

Assets		
Total assets for reportable segments	**1,458,362**	1,846,860
Cash and cash equivalents	**84,792**	277,140
Trade and other receivables (current)	**35,015**	-
Trade and other receivables (non-current)	**4,250**	4,243
Financial assets	**42,163**	42,906
Corporate property, plant & equipment	**11,179**	3,864
Consolidated total assets	**1,635,761**	2,175,013

Liabilities		
Total liabilities for reportable segments	**459,637**	567,589
Trade and other payables	**26,242**	18,410
Interest bearing liabilities (current)	**762**	455
Interest bearing liabilities (non-current)	**1,921**	200,968
Provisions (current)	**9,183**	11,522
Provisions (non-current)	**1,436**	1,307
Current tax liability	**-**	2,422
Deferred tax liabilities	**22,913**	23,363
Consolidated total liabilities	**522,094**	826,036

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	
	2021	**2020**
	$'000	**$'000**
Current tax expense	**18,813**	55,043
Deferred income tax benefit	**(96,469)**	(24,637)
Under provision in respect of the prior year[(1)]	**(3,512)**	3,811
Total income tax (benefit)/expense	**(81,168)**	34,217

Numerical reconciliation of income tax expense to prima facie tax payable

	2021	2020
	$'000	$'000
(Loss)/ Profit before income tax	**(257,764)**	162,447
Tax at the Australian tax rate of 30%	**(77,329)**	48,734
Difference in overseas tax rates	**3,018**	272
Equity settled share-based payments	**(1,544)**	240
Sundry items[(1)]	**(1,413)**	773
Research and development incentive	**(2,639)**	(198)
Permanent differences arising from foreign exchange within the tax consolidated group	**(1,261)**	4,241
Change in tax rate in Nova Scotia[(2)]	**-**	(19,845)
Income tax (benefit)/expense	**(81,168)**	34,217

(1) Relates to under/over provision for Simberi & Allied Gold.

(2) \During 2020, the Nova Scotia provincial government reduced the provincial tax rate from 16% to 14%, representing an overall reduction, including the Canadian federal tax rate, from 31% to 29%. The amount of $19,845,000 represents the impact of the lower tax rate on Canadian related deferred tax balances.

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 Australian tax consolidated group at 30 June 2021 included: St Barbara Ltd (head entity) 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 2021, the Australian tax consolidated group did not have any unused tax losses.

Current tax liability

As at 30 June 2021, the Company recognised a net current tax receivable of $4,143,000 (2020: $10,893,000 payable), consisting of an Australian receivable of $18,681,000 and a Canadian and Papua New Guinea tax payable of $14,538,000 relating to the year ended 30 June 2021.

Accounting judgements and estimates

At 30 June 2021, tax losses not recognised relating to entities associated with Atlantic Gold in Canada of $3,656,000 (tax effected) were not booked.

2 Tax (continued)

Deferred tax balances	Consolidated	
	2021	2020
	$'000	$'000
Deferred tax assets		
Tax losses	**8,664**	19,663
Provisions and accruals	**86,657**	71,969
Property, plant and equipment	**41,763**	67,333
Derivative financial liabilities	**14,088**	37,448
Other	**5,887**	9,494
Total	**157,059**	205,907
Tax effect	**46,651**	60,952
Deferred tax liabilities		
Accrued income	**270**	349
Mine properties – exploration	**148,877**	72,197
Mine properties – development	**584,080**	921,593
Consumables	**56,155**	78,050
Capitalised convertible notes costs	**948**	1,399
Unrealised foreign exchange gains	**22,157**	23,759
Property, plant & equipment	**84,170**	85,100
Investment at fair value	**12,890**	22,035
Other liabilities	**2,546**	-
Total	**912,093**	1,204,482
Tax effect	**266,070**	350,866
Net deferred tax balance	**(219,419)**	(289,914)

Comprising:		
Australia – net deferred tax liabilities	**(22,913)**	(23,363)
PNG – net deferred tax assets	**9,136**	13,670
Canada – net deferred tax liabilities	**(205,642)**	(280,221)
Net deferred tax balance	**(219,419)**	(289,914)

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	
	2021	2020
	$'000	$'000
Atlantic Gold Corporation acquisition costs[1]	**-**	(7,538)
Amortisation of derivative financial liability[2]	**-**	16,583
Gold hedge restructure[3]	**-**	11,810
Call option fair value movements[4]	**17,271**	(20,962)
Building Brilliance transformation[5]	**(22,695)**	-
Impairment loss on assets[6]	**(349,296)**	-
Capitalised exploration write off in exploration expensed[6]	**(8,000)**	-
Total significant items – pre tax	**(362,720)**	(107)
Tax Effect		
Nova Scotia tax rate change[7]	**-**	19,845
Tax effect of pre-tax significant items	**105,496**	20
Total significant items – post tax	**(257,224)**	19,758

(1) Atlantic Gold Corporation acquisition costs

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

(2) Amortisation of derivative financial liability

As part of the acquisition of Atlantic Gold, a derivative financial liability of $44,992,000 was recognised for the "out-of-the-money" position of the gold forward contracts acquired. This liability was amortised as a credit to revenue as the forward contracts matured. As a result of the restructure of the hedge program in February 2020 the forward contracts were acquired and cancelled, with the remaining amortisation accelerated and the amount recognised in revenue totalling $16,583,000.

(3) Gold hedge restructure

In February 2020, the Atlantic gold forwards were restructured, lifting the strike price on the remaining 78koz of forward contracts from C$1,549 per ounce to C$1,759 per ounce. This was achieved by selling 78,000 ounces of call options at a strike price of C$2,050 per ounce. The net impact of accelerating the remaining unamortised balance of the acquired forward contracts and recognising the fair value of the call options at the date of restructure was $11,810,000.

(4) Call option fair value movements

The gold call options were entered into as part of the Atlantic Gold hedge restructure and do not qualify for hedge accounting. This is on the basis that the sold call options do not protect against downside risk. Therefore, movements in the fair value of the call options are recognised in income statement. Fair value movements in the year were a total gain of $22,897,000 (2020: loss of 20,962,000), with the unrealised component amounting to $17,271,000.

(5) Building Brilliance transformation

Building Brilliance transformation program was established during the year to create sustainable value through improving operational performance and reducing costs. The costs incurred to manage the Building Brilliance program are included within other expenses.

(6) Impairment loss on assets

The impairment loss represents the write down of mineral rights in relation to Atlantic Gold (refer to note 8). Capitalised exploration written off relates to certain Atlantic Gold tenements intended to be relinquished.

(7) Canada province tax rate change

On 1 April 2020, the tax rate in Nova Scotia, the province in which the Atlantic Gold operations reside, was reduced from 16% to 14%. When added to the Canadian federal rate of 15%, the total tax rate reduced from 31% to 29%. The credit of $19,845,000 in the income tax expense represented the benefit from the reduction of the net deferred tax liability.

4. Earnings per share

	Consolidated	
	2021	2020
	Cents	Cents
Basic earnings per share	**(25.03)**	18.33
Diluted earnings per share	**(24.91)**	18.24

Reconciliation of earnings used in calculating earnings per share	Consolidated	
	2021	2020
	$'000	$'000
Basic and diluted earnings per share:		
(Loss)/profit after tax for the year	**(176,596)**	128,230

Weighted average number of shares	Consolidated	
	2021	2020
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	**705,572,502**	699,442,910
Weighted average number of ordinary shares and potential ordinary shares used in calculating diluted earnings per share	**709,015,656**	702,895,987

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	
	2021	2020
	$'000	$'000
Declared and paid during the year on ordinary shares (fully-franked at 30 per cent)		
2021 interim dividend: 4 cents (2020: 4 cents)	**28,214**	27,848
2020 final dividend: 4 cents (2019: 4 cents)	**28,142**	27,967
Total dividends paid	**56,356**	55,815
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	**45,357**	37,510
DRP – satisfied by issue of shares	**10,999**	18,305
Total dividends paid	**56,356**	55,815
Proposed and not recognised as a liability (fully-franked at 30 per cent)		
2021 final dividend: 2 cents (2020: 4 cents)	**14,160**	28,124
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	**63,585**	68,314
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	**(6,069)**	(12,053)

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 2021 interim dividend and the 2020 final dividend were issued at a 1% discount to the 5 day volume weighted average price.

Final Dividend

Subsequent to the 30 June 2021 full year report date, the Directors declared the payment of a final dividend of 2 cents per fully paid ordinary share fully franked. The aggregate amount of the proposed dividend is expected to be paid on30 September 2021 out of retained earnings at 30 June 2021, and has not been recognised as a liability at the end of the year.

DRP shares in relation to the 2021 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 2021 $'000	2020 $'000
Land and buildings		
At the beginning of the year	**12,206**	11,610
Recognition of right-of-use assets	**3,093**	1,860
Acquired fixed assets (Atlantic Gold)	**-**	1,038
Additions	**1,367**	434
Depreciation (range 3-15 years)	**(2,980)**	(2,721)
Disposals	**-**	(61)
Effects of movement in foreign exchange rates	**(171)**	46
At the end of the year	**13,515**	12,206
Plant and equipment		
At the beginning of the year	**312,073**	90,124
Recognition of right-of-use assets	**17,340**	35,634
Acquired fixed assets (MRRI/Atlantic Gold)	**20,284**	116,808
Additions	**44,922**	32,600
Transfers	**16,435**	105,182
Disposals	**(10,281)**	(80)
Depreciation (range 3-15 years)	**(67,910)**	(66,215)
Effects of movement in FX rates	**(2,064)**	(1,980)
At the end of the year	**330,799**	312,073
Total[1]	**344,314**	324,279

(1) The above PP&E table includes right-of-use assets and associated accumulated depreciation.

Security

In accordance with security arrangements the syndicated facility and gold call options are secured by the assets of the Group, excluding assets of the Simberi Operations.

Reconciliation of depreciation and amortisation to the consolidated income statement	Consolidated 2021 $'000	2020 $'000
Depreciation		
Land and buildings	**(2,980)**	(2,721)
Plant and equipment	**(67,910)**	(66,215)
Capitalised depreciation	**-**	6,775
Amortisation		
Mine properties[1]	**(40,635)**	(41,059)
Mineral rights[1]	**(76,345)**	(62,146)
Total	**(187,870)**	(165,366)

The above depreciation table includes right-of-use asset depreciation

(1) Refer Note 8: Mine properties and mineral rights.

Capital commitments	Consolidated 2021 $'000	2020 $'000
Purchase orders raised for contracted capital expenditure	**10,612**	9,870

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.

6. Plant, property and equipment (continued)

Right-of-use assets (leases)

This note provides information for right-of-use of assets where the group is a lessee

	Consolidated	
Right-of-use assets	**2021**	2020
	$'000	$'000
Land and buildings		
At the beginning of the year	**1,394**	1,860
Additions	**3,093**	-
Depreciation (range 1-5 years)	**(563)**	(465)
Disposals	**-**	-
At the end of the year	**3,924**	1,395
Plant and equipment		
At the beginning of the year	**25,936**	35,634
Acquired right-of-use assets	**15,794**	1,425
Additions	**1,546**	2,557
Disposals	**(10,279)**	-
Depreciation (range 1-5 years) (1)	**(11,401)**	(13,680)
At the end of the year	**21,596**	25,936
Total	**25,520**	27,331

(1) Depreciation of right-of-use assets which are used in mine development are capitalised.

	Consolidated	
Lease liabilities (2)	**2021**	2020
	$'000	$'000
Current	**9,327**	12,199
Non-current	**15,709**	15,378
Total	**25,036**	27,577

(2) The Group has lease liabilities relating to a finance lease relating to the purchase of mining equipment.

The Group's leasing activities

The Group leases offices, warehouses, equipment and vehicles as part of its operational requirements. Contracts are typically made for fixed periods of 6 months to 8 years but may have extension options as described below.

Contracts may contain both lease and non-lease components. The group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone value. As a Lessee the Group will individually access single lease components.

Lease terms are negotiated on individual operational requirements and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets are not used as security for borrowing purposes.

All finance and operating leases are recognised as right-of-use assets with a corresponding liability at the date at which each leased asset is available for use by the group.

Accounting judgements and estimates

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments, less any lease incentives receivable
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options under management's assessment are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain the asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Management has applied judgement in determining whether assets used by a supplier in providing services to the Group qualify as right-of-use assets.

Right-of-use assets are depreciated over the shorter of the asset's useful life or the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The Group has chosen not to do so for the right-of-use assets held by the Group.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. During the current financial year, the financial effect of remeasuring lease terms to reflect the effect of exercising extension and termination options was an increase in recognised lease liabilities and right-of-use assets of $145,515 (2020: $2,557,000).

7. Deferred mining costs

	Consolidated	
	2021	2020
	$'000	$'000
Current		
Deferred operating mine development	**2,987**	2,039
Non-current		
Deferred operating mine development	**3,173**	4,386

Certain mining costs, principally those that relate to the stripping of waste in open pit operations and operating development in underground mines, which provides 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 2021 (2020: $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

Mine properties	Consolidated 2021 $'000	2020 $'000
At beginning of the year	**172,165**	226,330
Direct expenditure	**79,550**	89,690
Rehabilitation asset(1)	**18,266**	7,372
Transfer to PP&E(2)	**(21,135)**	(109,329)
Amortisation for the year	**(40,635)**	(41,059)
Study costs written off(3)	**(2,022)**	(839)
At end of the year	**206,189**	172,165

(1) Rehabilitation asset generated as a result of an increase to the provision at Atlantic Gold and Simberi (refer Note 10).

(2) Relates to the Gwalia Extension Project where the majority of costs incurred were in respect of the purchase and construction of PP&E.

(3) Study costs relating to the ventilation study of the Gwalia Mass Extraction Program and exploration drilling surrounding Gwalia deposits which were previously capitalised.

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.

Mineral rights	Consolidated 2021 $'000	2020 $'000
At the beginning of the year	**922,118**	1,872
Acquired mineral rights (MRRI/Atlantic Gold)(1)	**67,044**	988,709
Amortisation	**(76,345)**	(62,146)
Impairment write off	**(349,296)**	-
Effects of movements in FX rates	**5,709**	(6,317)
At the end of the year	**569,230**	922,118

(1) Refer Note 23: Business combinations.

Mineral rights

Mineral rights comprise identifiable exploration and evaluation assets, mineral resources and ore reserves that 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 Atlantic Gold Operations and interests.

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, resources and metallurgical recovery, changes to these estimates and assumptions could impact the amortisation charge in the consolidated income statement and asset carrying values.

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.

Impairment is assessed at the level of CGU which, in accordance with AASB 136 'Impairment of Assets', is identified as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets. 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.

The identified CGUs of the Group are: Leonora, Simberi and Atlantic Gold. The carrying value of all CGUs are assessed when an indicator of impairment is identified. The recoverable amount is assessed by reference to the higher of value in use (being the net present value of expected future cash flows of the relevant cash-generating unit in its current condition) and fair value less costs of disposal ('Fair Value'). The Group has used the fair value methodology.

Fair Value is estimated based on discounted cash flows using market-based commodity price and exchange rate assumptions, estimated quantities of recoverable minerals, production levels, operating costs, capital requirements and rehabilitation and restoration costs, based on the CGU's latest life-of-mine (LoM) plans. In certain cases, where multiple investment options and economic input ranges exist, Fair Value may be determined from a combination of two or more scenarios that are weighted to provide a single Fair Value. When plans and scenarios used to estimate Fair Value do not fully utilise the existing mineral resource for a CGU, and options exist for the future extraction and processing of all or part of those resources, an estimate of the value of unmined resources, in addition to an estimate of the value of exploration potential outside of resources, is included in the calculation of Fair Value.

Fair Value estimates are considered to be level 3 fair value measurements as defined by accounting standards, as they are derived from valuation techniques that include inputs that are not based on observable market data. The Group considers the inputs and the valuation approach to be consistent with the approach taken by market participants.

Estimates of quantities of recoverable minerals, production levels, operating costs, capital requirements and rehabilitation and restoration costs are sourced from the Group's planning and budgeting process, including LoM plans, latest short-term forecasts, CGU-specific studies and rehabilitation and restoration plans to meet environmental and regulatory obligations. In the case of future mines included in the estimation of Fair Value, some assumptions are management's best estimates based on experience and cost structures of similar mines and advice from independent experts.

Key Assumptions and Estimates

The table below summarises the key assumptions used in the carrying value assessment as at 30 June 2021.

Assumptions	2022	2023	2024	2025	Long Term
Gold (US$ per ounce)	$1,780	$1,733	$1,689	$1,646	$1,500
AUD/USD exchange rate	$0.75	$0.73	$0.73	$0.73	$0.72
USD/PGK exchange rate	$3.50	$3.50	$3.50	$3.50	$3.50
AUD/CAD exchange rate	$0.95	$0.95	$0.95	$0.95	$0.97
Discount rate (%)	Atlantic Gold CGU: 5%				

Commodity prices and exchange rates estimation

Commodity prices and foreign exchange rates are estimated with reference to external market forecasts. The rates applied have regard to observable market data including spot and forward values and are expressed in real terms.

Discount rate

In determining Fair Value of CGUs the future cash flows were discounted using rates based on the Group's estimated real after tax weighted average cost of capital, with an additional premium applied having regard to the geographic location of, and specific risks associated with the CGU. In the case of the Atlantic Gold CGU no specific risk premium was applied. The Group uses a capital asset pricing model to estimate it's real after tax weighted average cost of capital.

Production activity, operating costs and capital requirements

LoM production activity and operating and capital cost assumptions are based on the Group's latest forecasts and longer term LoM plans. These projections can include expected operating performance improvements reflecting the Group's objectives to maximise free cash flows, optimise and reduce operating activity, apply technology, improve capital and labour productivity. In the case of projects to be developed into future mines, Fair Value is based on estimates on production profiles, operating cost and capital requirements from feasibility studies and assumptions about the timing of regulatory approvals and permitting the mines. Estimates of rehabilitation and restoration costs are based on expected restoration and closure activities to satisfy environmental legislation requirements.

Changes in these key assumptions and estimates will impact the Fair Value and recoverable amount of the CGU. In the case of estimating the timing of approvals and permitting future mines, significant delays could have a material impact on Fair Value and result in care and maintenance costs for current operations.

Impact of impairment assessment

Following an assessment of the recoverable amount of the Group's CGUs as at 30 June 2021, it has been determined that the Atlantic Gold CGU carrying value exceeded its recoverable amount of $623,000,000.

Cash-Generating Unit	Pre-Tax $'000	Tax $'000	Post-Tax $'000
Atlantic Gold	**349,296**	**(101,296)**	248,000

The drivers of the impairment at Atlantic Gold are:

- Based on the latest permitting and development schedules for the Beaver Dam, Fifteen Mile Stream and Cochrane Hill projects that form part of the Atlantic CGU, there is a significant delay in commencement of mining from these future mines and in realising the cash flows from operations. The delay in future cash flows has materially impacted the discounted cash flows in support of the carrying value of the CGU.
- Increase in the estimated capital requirements for developing the projects and costs for rehabilitation and restoration of the mines.

In total approximately 15% of the Atlantic Gold Fair Value is attributable to unmined resources not included in production in the LoM model and exploration value.

Unfavourable changes to key assumptions would further reduce the Fair Value.

Sensitivity analysis

The Atlantic CGU Fair Value has a high sensitivity to the gold price, change in discount rate and timing for commencement of mining at the future mines. Changes in key assumptions will impact the Fair Value of the Atlantic Gold CGU. The sensitivities were estimated as set out below and represent the theoretical impacts on Fair Value of the changes assessed on an individual basis.

Sensitivity	Impact ($'000)
A$50 per ounce change in gold price	50,000
0.5% change in discount rate	21,000
Change in commencement of mining at Beaver Dam and Fifteen Mile Stream	
• 6-month earlier	9,000
• 6-month delay	(9,000)

The above sensitivities assume that the specific assumption moves in isolation, with all other assumptions remaining constant. In reality, the factors may not move in isolation and may have offsetting impacts. Action is also taken by management to respond to adverse change that may mitigate the impact of the change. The sensitivity analysis has not calculated a delay in permitting future mines beyond six months, which could materially change the Fair Value of the CGU and result in care and maintenance of the current operations at Touquoy.

Accounting judgements and estimates - Impairment

Significant judgements and assumptions are required in determining estimates of Fair Value. This is particularly the case in the assessment of long-life assets and development projects expected to be cash generating mines in the future. The CGU valuations are subject to variability in key assumptions including, but not limited to: short and long-term gold prices, currency exchange rates, discount rates, production profiles, operating costs, future capital expenditure, permitting of new mines and the impact of environmental legislation on rehabilitation and restoration estimated costs. 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 amount. This could lead to the recognition of impairment losses in the future.

At 30 June 2021, the Group's net assets exceeded the market capitalisation of St Barbara Limited. As a result, an impairment assessment was carried out on each of the Group's CGUs. The assessment confirmed that there was no impairment of the Leonora and Simberi CGUs due to long mine life in the case of Leonora and low carrying value to recover at Simberi. In the case of the Atlantic Gold CGU the delays to permitting of future mines that form part of the CGU and higher estimated development capital requirements caused the carrying value to exceed recoverable amount at 30 June 2021.

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	
	2021	2020
Non-current	**$'000**	$'000
At beginning of the year	**149,949**	40,858
Acquired exploration (Atlantic Gold)	**-**	87,712
Additions	**7,593**	17,995
Transfers	**4,702**	4,147
Write off of capitalised exploration	**(8,000)**	-
Effects of movement in FX rates	**(301)**	(763)
At end of the year	**153,943**	149,949

Commitments for exploration

	Consolidated	
	2021 **$'000**	2020 $'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, Papua New Guinea and Canada. This requirement will continue for future years with the amount dependent upon tenement holdings.	**8,867**	14,155

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 represent 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. Pre-feasibility expenditures are expensed as incurred until a decision has been made to proceed to feasibility at which time the costs are capitalised.

Exploration and evaluation assets not relating to operating 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	
	2021	2020
	$'000	$'000
Current		
Provision for rehabilitation	**8,160**	354
Non-current		
Provision for rehabilitation	**61,701**	53,162
	69,861	53,516
Movements in Provisions		
Rehabilitation		
Balance at start of year	**53,516**	31,090
Acquired rehabilitation (Atlantic Gold)	**-**	12,951
Change in discount rate(1)	**-**	7,372
Unwinding of discount	**-**	1,953
Provision used during the year	**-**	(58)
Increase in provisions	**18,266**	-
Effects of movements in FX rates	**(1,921)**	208
Balance at end of year	**69,861**	53,516

(1) Represents a reduction in real discount rate to 0% applied to the rehabilitation provision at all operations in the prior year. This reduction was reflective of the reduction in the long term government bond rates.

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 that 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.

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, and changes in timing of cash flows which are based on life of mine plans. 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	
	2021	2020
	$'000	$'000
Current		
Trade receivables	**826**	630
Other receivables[1]	**25,493**	8,070
Loan receivable	**11,500**	-
Prepayments	**2,482**	2,525
Total	**40,301**	11,225

(1) Consist mainly of a tax receivable from the ATO as well as goods and service tax and harmonized sales tax refunds due to the Company at the end of the year.

Non-current		
Loan receivable	**4,250**	-
Total	**4,250**	-

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.

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 2021, there were no amounts receivable from Director related entities (2020: $Nil).

Inventories	Consolidated	
	2021	2020
	$'000	$'000
Current		
Consumables	**61,368**	58,862
Ore stockpiles	**3,061**	4,432
Gold in circuit	**18,073**	12,720
Bullion on hand	**4,126**	11,387
	86,628	87,401
Non-current		
Ore stockpiles	**40,077**	33,335
Total	**126,705**	120,736

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 judgement and estimation in relation to timing and cost of processing, future 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	
	2021	2020
	$'000	$'000
Current		
Trade payables	**67,107**	63,550
Other payables	**2,476**	3,420
Total	**69,583**	66,970

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, cash holdings and interest bearing liabilities 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), Papua New Guinea Kina (PGK) and Canadian Dollars (CAD).

The exchange rates at the reporting date were as follows:

Closing rate as at	30 June 2021	30 June 2020
AUD/USD	**0.7501**	0.6904
AUD/PGK	**2.5644**	2.3364
AUD/CAD	**0.9296**	0.9351

Exposure to currency		
USD		
Cash and cash equivalents	**5,150**	39,330
Trade receivables	**326**	291
Trade payables	**(6,592)**	(5,269)
Interest bearing liabilities	**(879)**	-
PGK		
Cash and cash equivalents	**7,712**	6,321
Trade receivables	**166**	133
Trade payables	**(1,402)**	(2,322)
CAD		
Cash and cash equivalents	**36,700**	82,314
Trade receivables	**1,658**	1,415
Trade payables	**(10,389)**	(1,668)
Interest bearing liabilities	**(80,288)**	(105,966)

Sensitivity analysis:

The following table details the Group's sensitivity to a 10% movement (i.e. increase or decrease) in the AUD against the USD, PGK and CAD 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)/decrease profit	
	2021	2020
	$'000	$'000
AUD/USD +10%	**266**	(3,435)
AUD/USD -10%	**(266)**	3,435
AUD/CAD +10%	**5,465**	3,491
AUD/CAD -10%	**(5,465)**	(3,491)

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	**2021 $'000**	**2020 $'000**
Total shareholders' funds	**1,113,667**	1,348,977
Borrowings	**(109,253)**	(331,766)
Cash and cash equivalents[(1)]	**109,253**	331,766
Total capital	**1,113,667**	1,348,977

(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. In July 2019 the Group established an A$200,000,000 syndicated facility to support the Group following the acquisition of Atlantic Gold. This facility was restructured in December 2019 to combine the A$200,000,000 facility with the C$100,000,000 debt facility acquired as part of the acquisition of Atlantic Gold. The syndicated facility has a term that expires on 23 July 2022.

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 investments 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 $186,000 of the trade receivables carrying amount at 30 June 2021 (2020: $62,000), 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 2021 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 $23,121,000.

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.

Forward contracts acquired from Atlantic Gold with a forward price of C$1,549 per ounce were restructured with the effect of lifting the forward price to C$1, 759 per ounce. This was achieved by selling gold call options with delivery dates from March 2021 to December 2022 at a strike price of C$2,050 per ounce.

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. All forward gold contracts were closed out during the year. The gold call options do not qualify for hedge accounting as they do not protect against gold price risk.

The maturity profile of the gold call options remaining as at 30 June 2021 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
Call options					
C$2,050/oz.	66,010	18,000	23,000	25,010	-

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 2021, the Group did not hold any gold forwards to hedge against the risk of negative movements in the gold price, however this is reviewed by the Board as part of the risk management framework.

Changes in the fair value of the call options are recognised in the income statement.

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 2021						
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	133,370	-	-	-	133,370	133,370
Restricted cash and cash equivalent	-	-	-	-	-	-
Receivables	-	11,500	4,250	26,319	42,069	42,069
Financial assets[1]	-	-	-	42,163	42,163	42,163
	133,370	11,500	4,250	68,482	217,602	217,602
Weighted average interest rate	0.18%	8.50%	8.50%	n/a	n/a	n/a
Financial liabilities						
Trade and other payables	-	-	-	69,583	69,583	69,583
Lease liabilities	-	9,327	15,709	-	25,036	25,036
Loans from other entities	-	84,216	-	-	84,216	84,216
Derivative financial liabilities	-	8,750	5,338	-	14,088	14,088
	-	102,293	21,047	69,583	192,923	192,923
Weighted average interest rate	n/a	2.68%	1.58%	n/a	n/a	n/a
Net financial assets	133,370	(90,793)	(16,797)	(1,101)	24,679	24,679

Fixed Interest Maturing in 2020						
Financial assets						
Cash and cash equivalents	178,038	227,503	-	-	405,541	405,541
Restricted cash and cash equivalent	-	-	-	-	-	-
Receivables	-	-	-	8,700	8,700	8,700
Financial assets(1)	-	-	-	48,905	48,905	48,905
	178,038	227,503	-	57,605	463,146	463,146
Weighted average interest rate	0.26%	0.86%	n/a	n/a		
Financial liabilities						
Trade and other payables	-	-	-	66,970	66,970	66,970
Lease liabilities	-	12,199	15,378	-	27,577	27,577
Loans from other entities(2)	-	-	307,404	-	307,404	308,707
Derivative financial liabilities	-	-	-	37,448	37,448	37,448
	-	12,199	322,782	104,418	439,399	440,702
Weighted average interest rate	n/a	4.14%	2.76%	n/a		
Net financial assets	178,038	215,304	(322,782)	(46,813)	23,747	22,444

(1) Fair value is determined based on Level 1 inputs as the balance represents investments in listed securities.
(2) Excludes capitalised borrowing costs of $3,215,000.

(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.

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 – 2021	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	**69,583**	**-**	**-**	**69,583**	**69,583**
Lease liabilities	**8,903**	**14,935**	**2,295**	**26,133**	**25,036**
Syndicated facility	**88,858**	**-**	**-**	**88,858**	**84,216**
Call options	**8,750**	**5,338**	**-**	**14,088**	**14,088**
	176,094	**20,273**	**2,295**	**198,662**	**192,923**

Maturity of financial liabilities – 2020					
Trade and other payables	66,970	-	-	66,970	66,970
Lease liabilities	13,025	16,100	-	29,125	27,577
Syndicate facility(1)	8,571	316,640	-	325,211	307,404
Call options	5,760	31,688	-	37,448	37,448
	94,326	364,428	-	458,754	439,399

(1) Excludes capitalised borrowing costs of $3,215,000.

13. Net debt

Cash and cash equivalents	Consolidated 2021 $'000	2020 $'000
Cash at bank and on hand	**133,370**	178,038
Term deposits	**-**	227,503
	133,370	405,541

Cash and cash equivalents include 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 2021 was invested "at call" earning interest at an average rate of 0.18% per annum (2020: 0.26% per annum)

Interest bearing liabilities	Consolidated 2021 $'000	2020 $'000
Current		
Secured		
Lease liabilities	**9,327**	12,199
Syndicated facility[1]	**84,216**	-
Total current	**93,543**	12,199
Non-current		
Secured		
Lease liabilities	**15,709**	15,378
Syndicated facility	**-**	307,404
Capitalised borrowing costs	**-**	(3,215)
Total non-current	**15,709**	319,567
Total interest-bearing liabilities	**109,252**	331,766

[1] Refer to note 21 – Events occurring after the balance sheet date for details of reclassification

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 2021 $'000	2020 $'000
Finance Costs		
Interest paid/payable	**4,658**	5,971
Bank fees and borrowing costs	**2,431**	2,036
Finance lease interest	**907**	3,295
Provisions: unwinding of discount	**-**	1,953
	7,996	13,255

13. Net debt (continued)

Reconciliation of (loss)/profit from ordinary activities after income tax to net cash flows from operating activities

	Consolidated	
	2021	2020
	$'000	$'000
(Loss)/profit after tax for the year	**(176,596)**	128,230
Depreciation and amortisation	**187,870**	165,366
Impairment loss on assets	**349,296**	-
Capitalised exploration write off	**8,000**	-
Net derivative movement	**(22,897)**	9,152
Difference between income tax expenses and tax payments	**(103,320)**	(7,027)
Unwinding of rehabilitation provision	**-**	1,953
Unrealised/realised foreign exchange (profit)/loss	**(5,316)**	2,377
Equity settled share-based payments	**1,765**	2,472
Change in operating assets and liabilities		
Receivables and prepayments	**(4,166)**	3,338
Inventories	**(6,874)**	(7,813)
Other assets	**1,213**	(5,673)
Trade creditors and payables	**2,379**	(2,691)
Provisions and other liabilities	**(4,256)**	(10,151)
Net cash flows from operating activities	**227,098**	279,533

14. Contributed equity

Details	Number of shares	$'000
Opening balance 1 July 2020	703,094,616	1,422,290
Vested performance rights	487,435	1,284
Shares issued on DRP	4,441,738	10,999
Closing balance 30 June 2021	**708,023,789**	**1,434,573**

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.

D. Business portfolio

15. Parent entity disclosures

As at, and throughout, the financial year ended 30 June 2021, the parent company of the Group was St Barbara Limited.

Financial statements

	Parent Entity	
	2021	**2020**
	$'000	**$'000**
Results of the parent entity		
Profit after tax for the year	**8,599**	38,732
Other comprehensive (loss)/profit	**(3,117)**	6,281
Total comprehensive income for the year	**5,482**	45,013

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

Financial position of the parent entity at year end	**2021** **$'000**	2020 $'000
Current assets	**139,703**	310,468
Total assets	**1,093,583**	1,264,445
Current liabilities	**74,656**	65,331
Total liabilities	**138,838**	330,041
Total equity of the parent entity comprising:		
Share capital	**1,434,573**	1,422,290
Reserves	**(8,228)**	(11,345)
Dividend payments	**(56,356)**	(55,815)
Accumulated losses	**(415,244)**	(420,726)
Total equity	**954,745**	934,404

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 $6,251,000 (2020: $7,019,000), operating lease rents of $Nil (2020: $Nil), and paid interest of $3,179,000 (2020: $546,000) to entities in the wholly-owned group.

Net loans payable to the Company amount to a net payable of $118,212,000 (2020: net payable $53,011,000).

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	
	2021 **$'000**	2020 $'000
Current		
Investment in private company	**-**	5,999
Non-current		
Australian listed shares and equity	**42,163**	42,906

At the 30 June 2021 reporting date, the Group's non-current financial assets of $42,163,000 (30 June 2020: $42,906,000) represented investments in shares listed on the Australian Securities Exchange, which are valued using Level 1 inputs.

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

- Peel Mining Limited (PEX)
- Catalyst Metals Limited (CYL)
- Duketon Mining Limited (DKM)

The Group recognised Level 1, 2 and 3 financial assets on a recurring fair value basis as at 30 June 2021 as follows:

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted marked price used for financial assets held by the group is the close price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques, which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

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 2020 and 30 June 2021.

	Country of Incorporation
Parent entity	
St Barbara Limited	Australia
Subsidiaries of St Barbara Limited	
Allied Gold Pty Ltd	Australia
Subsidiaries of Allied Gold Pty Ltd	
Nord Pacific Limited	Canada
Subsidiaries of Nord Pacific Limited	
Nord Australex Nominees (PNG) Ltd	PNG
Simberi Gold Company Limited	PNG
Atlantic Mining NS Inc.[1]	Canada
Moose River Resources[1]	Canada

[1]On 14 September 2020, the Group, through its subsidiary Atlantic Mining Nova Scotia, acquired the remaining 93% of the issued shares of Moose River Resources Incorporated ("MRRI") resulting in 100% St Barbara ownership.

E. Remunerating our people

18. Employee benefit expenses and other provisions

Expenses	Consolidated	
	2021	2020
	$'000	$'000
Employee related expenses		
Wages and salaries	**85,909**	100,005
Retirement benefit obligations	**7,262**	7,436
Equity settled share-based payments	**1,765**	2,472
	94,936	109,913

Key management personnel	Consolidated	
	2021	2020
	$'000	$'000
Short term employee benefits	**2,438**	3,193
Post-employment benefits	**102**	81
Leave	**210**	248
Share-based payments	**910**	924[1]
	3,660	4,446

(1) FY20 share-based payments comparative has been revised from $144,000 to $924,000 for an accounting correction.

Other provisions	Consolidated	
	2021	2020
	$'000	$'000
Current		
Employee benefits – annual leave	**5,531**	5,665
Employee benefits – long service leave	**3,200**	4,512
Other provisions	**5,200**	9,745
	13,931	19,922
Non-current		
Employee benefits - long service leave	**2,286**	1,937
	2,286	1,937

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.

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

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 outflow

19. Share-based payments

Employee Performance Rights

During the year ended 30 June 2021, there was no amount transferred as a gain for performance rights that expired during the year (2020: $2,367,000). Accounting standards preclude the reversal through the consolidated income statement of amounts that 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 2021								
24 Oct 2018	30 Jun 2021	$4.92	683,038	-	(152,289)	(590,582)	-	-
21 Dec 2018	30 Jun 2021	$4.92	54,523	-	(4,427)	(50,096)	-	-
27 Nov 2019	30Jun 2021	$2.91	50,982	-	(10,400)	(40,582)	-	-
27 Nov 2019	30 Jun 2022	$2.91	1,381,392	-	-	(331,605)	1,049,787	-
03 Feb 2020	30 Jun 2022	$2.91	86,664	-	-	(60,309)	26,355	-
28 Oct 2020	30 Jun-2022	$2.91	-	107,388	-	-	107,388	-
24 Jul 2020	30 Sep 2023	$3.15	-	1,525,965	-	(248,357)	1,277,608	-
28 Oct 2020	30 Sep 2023	$3.15	-	238,095	-	-	238,095	-
2 Nov 2020	30 Sep 2023	$2.73	-	123,809	-	-	123,809	-
Total			**2,256,599**	**1,995,257**	**(167,116)**	**(1,321,531)**	**2,823,042**	**-**
Consolidated and parent entity 2020								
16 Nov 2017	30 Jun 2020	$2.89	1,175,059	-	(341,277)	(833,782)	-	-
24 Oct 2018	30 Jun 2021	$4.92	711,080	-	-	(28,042)	683,038	-
21-Dec 2018	30 Jun 2021	$4.92	54,523	-	-	-	54,523	-
27 Nov 2019	30 Jun 2020	$2.91	-	56,544	(16,824)	(39,720)	-	-
27 Nov 2019	30 Jun 2021	$2.91	-	56,544	-	(5,562)	50,982	-
27 Nov 2019	30 Jun 2022	$2.91	-	1,505,276	-	(123,884)	1,381,392	-
03 Feb 2020	30 Jun 2022	$2.91	-	86,664	-	-	86,664	-
03 Feb 2020	30 Jun 2022	$3.15	-	107,388	-	-	107,388	-
Total			1,940,662	1,812,416	(358,101)	(1,030,990)	2,363,987	-

The weighted average remaining contractual life of performance rights outstanding at the end of the year was 1.5 years (2020: 1.1 years). Conditions associated with rights granted during the year ended 30 June 2021 included:

- Rights are granted for no consideration. The vesting of rights granted in 2021 is subject to a continuing service condition as at the vesting date, Return on Capital Employed over a three-year period (for the key management personnel only), and relative Total Shareholder Return over a three year period measured against a peer group.
- Performance rights do not have an exercise price.
- Any performance right that does not vest will lapse.
- 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.

St Barbara engaged BDO Corporate Finance to provide an opinion on the fair value of the performance and retention rights issued during the year. The assessed fair value of these rights was $4,428,000. This outcome was based on the likelihood of the market and non-market conditions 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	
	2021	**2020**
	$	**$**
Performance rights issued under performance rights plan	**1,765,000**	2,472,000

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 contains 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.

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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	
	2021	2020
	$	$
PricewaterhouseCoopers Australia audit and review of financial reports	**401,130**	407,820
PricewaterhouseCoopers Papua New Guinea audit and review of financial reports	**24,969**	24,969
Accounting advice and other assurance related services	**5,500**	-
Taxation consulting services	**-**	32,950
Total remuneration for audit and non-audit related services	**431,599**	465,739

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.

Due to the non-cash impairment at 30 June 2021 the Group was not able to satisfy certain ratio covenants under the terms of the syndicated facility. As a result, the amount outstanding on the facility was reclassified from non-current to current liabilities at the reporting date. Subsequent to year end a waiver from compliance with the relevant covenants has been granted by the lenders in accordance with the terms of the facility.

Subsequent to year end, the directors have declared a fully franked final dividend in relation to the 2021 financial year of 2 cents per ordinary share, to be paid on 30 September 2021. A provision for this dividend has not been recognised in the 30 June 2021 consolidated financial statements.

22. Contingencies

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 by tax authorities 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. Business combinations

On 14 September 2020, the Group, through its subsidiary Atlantic Mining Nova Scotia, acquired the remaining 93% of the issued shares of Moose River Resources Incorporated ("MRRI") resulting in 100% St Barbara ownership.

Current Year

The acquisition of MRRI consolidates 100 percent of the Touquoy Mine and surrounding tenements within St Barbara. The initial accounting for the acquisition of MRRI was provisionally determined at 31 December 2020. The necessary calculations have been finalised as at 30 June 2021 and therefore the fair value of the assets and liabilities have been reported as final in this report.

Prior Year

On 19 July 2019, the Group, through its subsidiary Nord Pacific Limited, acquired 100 percent of the issued shares of Atlantic Gold Corporation ("Atlantic Gold"), a gold mining, development and exploration company with operations in Nova Scotia, Canada.

Details of this business combination were disclosed in note 23 of the Group's annual financial statements for the year ended 30 June 2020.

	Consolidated	
	2020	**2019**
	$'000	**$'000**
Consideration transferred		
Cash and cash equivalents(1)	62,799	779,857
Total Consideration	**62,799**	**779,857**
Goodwill arising on acquisition		
Consideration transferred(1)	62,799	779,857
Less: Fair value of identifiable net assets acquired	(62,799)	(779,857)
Total goodwill arising on acquisition	**-**	**-**
Consideration paid in cash	62,176	779,857
Less: Cash and cash equivalents balance acquired	(58)	(4,207)
Net cash out flow on acquisition	**62,118**	**775,650**

(1) Consideration transferred during the year ended 30 June 2021 was $62,176,000. $623,000 was paid as a deposit in June 2020.

The assets and liabilities recognised as a result of the acquisition are as follows:

	Provisional Fair value
	$'000
Assets	
Current assets	
Cash and cash equivalents	**58**
Trade and other receivables	**100**
Total current assets	**158**
Non-current assets	
Property, plant and equipment	**20,284**
Mineral rights	**67,044**
Total non-current assets	**87,328**
Total assets	**87,486**
Liabilities	
Current liabilities	
Trade and other payables	**235**
Total current liabilities	**235**
Non-current liabilities	
Deferred tax liabilities	**24,452**
Total non-current liabilities	**24,452**
Total liabilities	**24,687**
Net identifiable assets acquired	**62,799**
Net assets acquired	**62,799**

24. 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;
- Derivative financial liabilities 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 2021 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 Simberi Operations is US dollars (USD), and the functional currency of the Atlantic Operations is Canadian dollars (CAD).

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.

25. Accounting standards

New Standards adopted

The accounting policies applied by the Group in this 30 June 2021 consolidated financial report are consistent with Australian Accounting Standards. All new and amended Australian Accounting Standards and interpretations mandatory as at 1 July 2020 to the group have been adopted and have no material impact on the recognition.

The Group has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current full year report, with no material impacts to the financial statements.

Critical accounting judgement and estimates

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

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 46 to 82 and the remuneration report in the Directors' report, set out on pages 21 to 42, 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 2021 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 2021.

3 The directors draw attention to page 46 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:

Craig Jetson
Managing Director and CEO

Melbourne

26 August 2021

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 2021 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 2021
- 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 significant accounting policies and other explanatory information
- 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 & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

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.

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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 \$6.2 million, which represents approximately 5% of the Group's three year adjusted weighted average of 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, and due to fluctuations in profit and loss from year to year, we chose an adjusted weighted three year average. • We utilised a 5% threshold based on our professional judgement, noting that it is within the range of commonly accepted profit related 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 mines in Western Australia, Papua New Guinea (PNG) and Nova Scotia, Canada and has a centralised corporate accounting function based in Melbourne.	• Amongst other relevant topics, we communicated the following key audit matters to the Audit and Risk Committee: – Assessing the carrying value of mining assets – Accounting for the cost of rehabilitation • 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*
Assessing the carrying value of mining assets *(Refer to note 8)* As at 30 June 2021, the Group recognised $344 million of Property, Plant and Equipment, $206 million of Mine Properties, $154 million of Exploration and Evaluation, and $569 million of Mineral Rights on the consolidated balance sheet (together the mining assets). During the year the Group identified an indicator of impairment and therefore undertook an impairment assessment of each CGU. The recoverable amounts of the CGUs were assessed under the fair value less cost of disposal method, using discounted cash flow models (the models). The Group recognised an impairment charge of $349 million before tax on its mining assets related to the Atlantic Gold CGU. No impairment charge was recognised for either of the Leonora or Simberi CGUs. The impairment assessment required the Group to make significant judgements in relation to assumptions, such as: ● Short and long-term gold prices and currency exchange rates ● Production levels ● Discount rates ● Operating costs, future capital expenditure, and ● Permitting of new mines at Atlantic Gold. This was a key audit matter due to the significance of the carrying value of mining assets to the consolidated balance sheet and the judgements and assumptions outlined above in determining the recoverable amount and whether an impairment charge was required.	We performed the following procedures, amongst others, for all CGUs: ● Assessed whether the division of the Group's mining assets into CGUs, which are the smallest identifiable group of assets that can generate largely independent cash flows, was consistent with our knowledge of the Group's operations. ● Assessed whether each CGU appropriately included all directly attributable assets and liabilities. ● Assessed whether the valuation methodology, utilising a discounted cash flow model to estimate the recoverable amount of each CGU, was consistent with the basis required by Australian Accounting Standards. ● Assessed the Group's judgement in relation to the timing of permitting of new mines by comparing to a sample of technical planning documents. ● Assessed whether the forecast cash flows in the models were appropriate by comparing: - Short and long-term gold pricing data and currency exchange rate assumptions used to current independent industry forecasts, assisted by PwC valuation experts. - the Group's forecast gold production over the life of mine to the Group's most recent reserves and resources statements - the forecast cash flows to historical actual cash flows achieved by each CGU for previous years to assess the accuracy of the Group's forecasting, and - the forecast cash flows including operating costs and capital expenditure to the most recent internal budgets, Life of Mine operating plans and other technical planning documents on a sample basis. ● Assessed the discount rate used for each CGU, assisted by PwC valuation experts. ● Performed tests of the mathematical accuracy of the models' calculations, and ● Evaluated the reasonableness of the disclosures made in Note 8 in light of the requirements of Australian Accounting Standards.

Accounting for the cost of rehabilitation
(Refer to note 10)

The Group is required under the laws and regulations of Western Australia, PNG and Nova Scotia, Canada to rehabilitate the Gwalia, Simberi and Atlantic Gold operations respectively, at the completion of mining activities.

At 30 June 2021 the consolidated balance sheet included provisions for such obligations of $70 million.

Calculating the rehabilitation obligations requires significant estimation and judgement by the Group. Assumptions are required to be made in respect of methods of rehabilitation, timing of cash flows, changes to discount rates as well as the potential for changes in regulatory requirements and technology.

Given the financial significance of this balance and the judgemental factors outlined above, the accounting for the cost of rehabilitation was a key audit matter.

To assess the Group's rehabilitation provisions, we performed the following procedures, amongst others:

- Obtained the Group's calculation of the rehabilitation provisions. We checked the mathematical accuracy of these calculations on a sample basis and whether the timing of the cash flows in the rehabilitation models was consistent with the Life of Mine plans.
- Evaluated the competency and independence of the experts used by the Group to assist with the assessment of its rehabilitation obligations.
- Assessed whether the significant rehabilitation cost assumptions made within the models were appropriate by comparing these, on a sample basis, to other similar costs incurred by the Group.
- Assessed whether the discount rates used in the rehabilitation models were appropriate by comparing them to those generally used in the industry to discount liabilities of this nature.

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 2021, 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: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.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 21 to 42 of the directors' report for the year ended 30 June 2021.

In our opinion, the remuneration report of St Barbara Limited for the year ended 30 June 2021 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

Melbourne
26 August 2021

Corporate Directory

BOARD OF DIRECTORS

T C Netscher	Non-Executive Chairman
C A Jetson	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
Sarah Standish

REGISTERED OFFICE
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STOCK EXCHANGE LISTING
Shares in St Barbara Limited are quoted on the Australian Securities Exchange
Ticker Symbol: SBM

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Computershare Investment Services Pty Ltd
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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

Our values

We act with honesty and integrity

We treat people with respect

We value working together

We deliver to promise

We strive to do better