Half Year Results FY23

6 months to 31 December 2022

St Barbara ("SBM" or the "Company") (ASX:SBM) announces the Company's financial results for the half year ended 31 December 2022 ("H1 FY23").

Key metrics and activities – H1 FY23

- Revenue $325.0M in line with prior year (H1 FY22 $325.3M)
- Statutory loss of $407.1M and underlying loss of $8.6M
- Half year operating cash contribution after sustaining and growth capital of $4.7M down 89% (H1 FY22 41.6M)
- Group gold production was 124,676 ounces, down 5.9% (H1 FY22 132,524 ounces)
  - Lower mined grades at Leonora and Atlantic partially offset by production from Simberi which was offline in the prior period due to the Deep Sea Tailings Placement (DSTP) pipeline replacement
- Group AISC[1] for the first half of $2,576 per ounce
  - Lower production from Gwalia
  - Atlantic and Simberi costs in line with expectations
- Non-cash impairment of Atlantic $420.0M (post tax $298.2M) and Simberi $74.2M (post tax $74.2M)
- Merger announced with Genesis to form Hoover House, and demerger of St Barbara's non-Leonora assets to form Phoenician Metals
- Ore Reserves increased 13% to 6.5Moz and Mineral Resources increased 21% to 16.4Moz[2]
- On track to reach lower end of Group production and therefore top end of cost guidance

Managing Director and CEO Dan Lougher said "Our financial results reflect the operational difficulties we have endured during the first half of the financial year, exacerbated by the non-cash impairment of Atlantic and Simberi. However, there is plenty to look forward to in the second half of FY23 and beyond.

We have started to make progress in positioning Leonora for improved performance over the next six months, led by our new management at site. Atlantic has transitioned well into its stockpile processing phase and is poised to deliver on its guidance with an appropriately sized workforce. Simberi recovered to breakeven cashflow for the half year.

In December, the Company announced the proposed merger of our Leonora operations with Genesis to form the new Hoover House, together with the demerger of Atlantic and Simberi to create Phoenician Metals. I believe that this will deliver value for our shareholders.

St Barbara has held preliminary integration planning discussions with Genesis as we commence preparations for what could be an exciting future of the Leonora Province.

Along with our financial results, today, we have updated our Reserves and Resources, underscoring our expansive position in the Leonora region. Since 31 December 2021, we have grown our Ore Reserves by 0.8Moz and our Mineral Resources by 2.9Moz."

1 This report uses certain Non-IFRS measures as set out on the last page of this report.

2 Compared to 31 December 2021

1. Overview of financial results

	Leonora		Simberi		Atlantic		Group	
$M	**HY23**	**HY22**	**HY23**	**HY22**	**HY23**	**HY22**	**HY23**	**HY22**
Revenue	176	248	97	0	53	77	325	325
Mine operating costs	(132)	(121)	(86)	(25)	(37)	(33)	(255)	(180)
Gross profit	**44**	**126**	**11**	**(25)**	**15**	**44**	**70**	**145**
Royalties	(5)	(11)	(2)	(0)	(1)	(2)	(9)	(12)
EBITDA	**38**	**115**	**9**	**(25)**	**14**	**43**	**61**	**133**
Depreciation and amortisation	(26)	(39)	(7)	(6)	(17)	(32)	(50)	(78)
Profit from operations[3]	**13**	**77**	**2**	**(31)**	**(3)**	**10**	**11**	**56**
Corporate costs							(13)	(17)
Exploration expenses							(9)	(10)
Other expenses[4]							2	(14)
Underlying Profit/(Loss)							**(9)**	**15**
Significant items after tax							(399)	(1)
Statutory Profit/(Loss)							**(407)**	**14**
Operating cash contribution	44	123	4	(54)	8	43	56	112
Capital – sustaining	(30)	(23)	(1)	(8)	(7)	(6)	(38)	(38)
Cash Contribution[5]	**14**	**100**	**3**	**(62)**	**2**	**37**	**18**	**74**
Growth capital[6]	(6)	(4)	(2)	(24)	(5)	(5)	(13)	(33)
Cash contribution after growth capital	**8**	**96**	**0**	**(86)**	**(4)**	**32**	**5**	**42**
Exploration cash costs							(9)	(19)
Corporate & royalties cash costs							(17)	(34)
Income tax paid							(6)	(23)
Financing costs							(13)	44
Other							(22)	(49)
Net movement in cash							**(65)**	**(44)**
Cash and cash equivalents							**38**	**94**
All-In Sustaining Cost per ounce	2,637	1,568	2,540	-	2,450	1,447	2,576	1,539
Realised Gold Price per ounce	2,580	2,447	2,592	2,380	2,332	2,324	2,540	2,417

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

4 Includes Interest revenue, other income, corporate depreciation & amortisation, net foreign exchange gain/(loss), gold instrument fair value adjustment,

5 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 and growth capital.

6 Growth expenditure represents Gwalia optimisation studies and expenditure on projects associated with additional cooling and ventilation in the mine and for the Tailings Storage Facility, expenditure on the sulphides project at Simberi and capitalised near mine drilling and studies expenditure at Atlantic.

1.1. Movement in underlying profit/(loss)

Underlying loss after tax for H1 FY23 was $8.6M compared to an underlying profit of $15.1M in the first half of FY22. The underlying profit was lower than the prior comparative period due to a drop in contributions from Leonora and Atlantic driven by lower production which was exacerbated by cost inflation, partly offset by both a higher contribution from Simberi and the average gold price.

Total revenue was in line with the prior period at $325M (H1 FY22 $325M) due to lower gold sales from Leonora and Atlantic being offset by higher Simberi gold sales and a higher average gold price of A$2,540 per ounce.

Group mine operating costs were higher at $255M in the period (H1 FY22 $180M) principally due to increased diesel and reagent costs at Leonora and the recommencement of operations at Simberi (compared to the prior half year as Simberi was non-operational while the DSTP pipeline was being replaced).

Corporate costs decreased from $16.5M to $13.4M driven by progress on cost rationalisation initiatives. A provision for an expected credit loss of $23M was raised against recoverability of an $18M loan and additional $5M for toll treatment income pending greater certainty on recapitalisation of the counterparty. These amounts were not expected to be repaid this financial year.

Depreciation and amortisation decreased from $80M in H1 FY22 to $51M in the current half due to lower production at Leonora and Atlantic.

Impairments were recognised at the Simberi ($74M) and Atlantic ($420M) cash-generating units (CGU). These non-cash impairment charges were taken as the carrying value of the respective CGU exceeded revised estimates of their recoverable amounts. Correspondingly an income tax benefit was recognised at Atlantic of $121M to reverse the existing deferred tax accounting which was booked upon initial recognition of the associated mineral rights balance at acquisition.

1.2. Movement in cash

Cash flows from operating activities for the period were lower at $6M (H1 FY22 $19M). The lower cash flows from operating activities in the period was driven by the lower production at Leonora and Atlantic and higher costs across the Group partially offset by higher average gold prices and higher production at Simberi.

Investing cash flows at $65M were $31M lower than the prior period. The prior period included additional expenditure for the replacement of the DSTP at Simberi, a listed investment in Kin Minerals, offset by additional growth capital expenditure relating to processing plant studies for expansion and refractory ore treatment at Leonora in the current period.

The available cash balance at 31 December 2022 was $38M down from $99M at the end of June 2022.

1.3. Balance sheet

The Group’s net assets decreased during the period by $421M to $688M mainly due to the post-tax impairment of $372M.

Current assets decreased to $197M as at 31 December 2022 (30 June 2022 $255M) due mainly to the reduction in cash balance. The reduction was partially offset by some Atlantic low grade stockpiles being reclassified from non-current to current as they are anticipated to be consumed within the next 12 months.

The impairment recognised for the Atlantic and Simberi CGUs drove a decrease in total non-current assets during the period to $872M (30 June 2022 $1,343M). These reductions were primarily in property, plant and equipment and mineral rights.

Prior to 31 December 2022, the Company obtained a waiver from the banking syndicate in relation to the interest cover ratio covenant which was forecast to be breached at the period end. The waiver included a cap on further draw downs of $40M until the transaction with Genesis Minerals is complete, or if that does not occur, the syndicate banks are able to trigger a Review Event at 30 June 2023. A Review Event may include negotiations on pricing, facility limits, term or early repayment. As a result, the amount owing on the syndicated debt facility has been reclassified as current. Accordingly, the non-current liabilities decreased to $137M (30 June 2022 $373M) and current liabilities increased to $244M (30 June 2022 $117M).

1.4. Non-cash impairment

The impairment at Atlantic of $420M comprised numerous impacts arising from delays in Beaver Dam development timing[7] (including revision of valuation basis, but also the need to allow for care and maintenance costs for Touquoy post the processing of available stockpiles by December 2024), an upwards revision to anticipated development capital cost and operating costs for Fifteen Mile Stream, an upwards revision to the estimated rehabilitation and closure costs for Touquoy, revision of exploration tenure valuation to current market multiples, and the incorporation of higher discount rates for future cashflows.

On 12 December 2022, St Barbara announced that the permitting of Beaver Dam was to be paused to allow for further consultation with First Nations, with Department of Fisheries and Oceans and other stakeholders. The Company intendeds to resume permitting and development of the larger Fifteen Mile Stream project with investigation of potential for repurposing the Touquoy processing plant for relocation. Given the uncertainty created from delays in permitting of Beaver Dam to allow for further consultations with First Nations and the Department of Fisheries and Oceans, and the potential that the Touquoy processing plant could be repurposed for Fifteen Mile Stream, the decision has been taken to change the valuation method for the Beaver Dam from a discounted value of future cashflows basis to a resource multiple basis. The valuation method for Cochrane Hill has also been changed from a discounted value of future cashflows basis to a resource multiple basis.

The closure and rehabilitation cost estimate for Touquoy was increased to $39.4M to incorporate escalation of contractor costs and some scope changes since the last revision and a larger contingency.

The driver of the $74M impairment at Simberi relates to allowance for delayed development timing for the Simberi Sulphides project[7]. Whilst the impact of the deferral of the Simberi Sulphides project development has been partly offset by the success with extension of oxide production outlook through FY25 the carrying value has been revised downward to reflect additional discounting of future revenues.

The closure and rehabilitation cost estimate for Simberi was increased to $45.1M to incorporate escalation in costs and a larger contingency.

2. Half year briefing and audio webcast

Mr Dan Lougher, Managing Director & CEO, will brief analysts and investors on St Barbara's half year results at 10.00 am Australian Eastern Daylight Time (UTC + 11 hours) on Wednesday 22 February 2023.

Analysts and investors can register for the briefing at
https://register.vevent.com/register/BI86b3bdeb94014fd5a1a15fe4655f2efc.

An audio webcast will be available live and after the event on St Barbara's website at stbarbara.com.au/investors/webcast/ or by clicking here. The audio webcast is listen only and does not enable questions.

Authorised by

Dan Lougher

Managing Director & CEO
22 February 2023

7 Refer to announcement titled "Merger of St Barbara and Genesis to form Hoover House" released to ASX on 12 December 2022.

Corporate directory

St Barbara Limited ABN 36 009 165 066

Board of Directors

Tim Netscher, *Non-Executive Chairman*

Dan Lougher, *Managing Director & CEO*

Kerry Gleeson, *Non-Executive Director*

Stef Loader, *Non-Executive Director*

David Moroney, *Non-Executive Director*

Company Secretary

Sarah Standish, *General Counsel & Company Secretary*

Executives

Dan Lougher, *Managing Director & CEO*

Lucas Welsh, *Chief Financial Officer*

Peter Cowley, *Chief Operating Officer (Australasia)*

Meryl Jones, *President Americas*

Andrew Strelein, *Chief Development Officer*

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Australian Securities Exchange (ASX) Listing code "SBM"

American Depositary Receipts (ADR OTC code "STBMY") through BNY Mellon, www.adrbnymellon.com/dr_profile.jsp?cusip=852278100

Financial figures are in Australian dollars (unless otherwise noted)

Financial year commences 1 July and ends 30 June

Q1 Sep FY23 = quarter to 30 Sep 2022

Q2 Dec FY23 = quarter to 31 Dec 2022

Q3 Mar FY23 = quarter to 31 Mar 2023

Q4 Jun FY23 = quarter to 30 Jun 2023

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Substantial Shareholders

% of Holdings[8]	
L1 Capital	10.83%
IPConcept (Luxembourg) S.A.	8.32%

Scheduled future reporting

Date	Report
27 April 2023	Q3 March 2023 Quarterly Report

Dates are tentative and subject to change

8 As notified by the substantial shareholder up to 15 February 2023

Condensed consolidated statement of profit or loss and other comprehensive income

for the half year ended 31 December 2022

	CONSOLIDATED	
	2022	2021
	$'000	$'000
Operations		
Revenue	**325,042**	325,273
Mine operating costs	**(255,083)**	(179,818)
Gross profit	**69,959**	145,455
Interest revenue	**1,239**	784
Other income	**475**	286
Exploration expensed	**(9,234)**	(9,607)
Corporate costs	**(13,358)**	(16,541)
Royalties	**(8,519)**	(12,309)
Depreciation and amortisation	**(51,155)**	(79,674)
Share based payments expense	**(891)**	(156)
Bad debt expense	**(22,844)**	-
Other expenses	**(4,331)**	(4,408)
Impairment loss on assets	**(494,202)**	-
Operating (loss)/profit	**(532,861)**	23,830
Finance costs	**(6,139)**	(3,354)
Net foreign exchange gain/(loss)	**1,892**	(1,199)
Gold instrument fair value adjustment	**5,798**	(350)
(Loss)/profit before income tax	**(531,861)**	18,927
Income tax benefit /(expense)	**124,196**	(5,017)
Net (loss)/profit after tax	**(407,114)**	13,910
(Loss)/profit attributable to equity holders of the Company	**(407,114)**	13,910
Other comprehensive income(1)		
Items that will not be reclassified subsequently to profit or loss:		
Changes in fair value of financial assets	**(526)**	(9,601)
Income tax on other comprehensive income	**-**	2,870
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation differences - foreign operations	**(14,069)**	12,078
Other comprehensive (loss)/profit net of tax	**(14,595)**	5,347
Total comprehensive income attributable to equity holders of the Company	**(421,709)**	**19,257**
Earnings per share:		
Basic earnings per share (cents per share)	**(49.89)**	1.96
Diluted earnings per share (cents per share)	**(49.89)**	1.95

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

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

Condensed consolidated balance sheet

as at 31 December 2022

	CONSOLIDATED	
	31 Dec 2022 $'000	**30 June 2022 $'000**
Assets		
Current assets		
Cash and cash equivalents	**37,514**	98,512
Trade and other receivables	**29,964**	26,866
Inventories	**126,554**	126,174
Deferred mining costs	**2,878**	3,923
Total current assets	**196,910**	255,475
Non-current assets		
Inventories	**18,746**	42,297
Property, plant and equipment	**258,908**	347,083
Financial assets	**33,317**	33,980
Trade and other receivables	**-**	16,780
Deferred mining costs	**659**	26,604
Mine properties	**205,171**	180,676
Exploration and evaluation	**107,998**	164,536
Mineral rights	**224,785**	525,031
Deferred tax assets	**22,067**	5,876
Total non-current assets	**871,651**	1,342,863
Total assets	**1,068,561**	1,598,338
Liabilities		
Current liabilities		
Trade and other payables	**75,133**	78,593
Interest bearing borrowings	**149,377**	15,197
Rehabilitation provision	**172**	268
Other provisions	**14,875**	14,693
Derivative financial liabilities	**2,246**	8,154
Current tax liability	**2,027**	-
Total current liabilities	**243,830**	116,905
Non-current liabilities		
Interest bearing borrowings	**12,403**	156,441
Rehabilitation provision	**106,190**	74,753
Deferred tax liabilities	**16,019**	139,385
Other provisions	**2,272**	2,189
Total non-current liabilities	**136,884**	372,768
Total liabilities	**380,714**	489,673
Net assets	**687,847**	1,108,665
Equity		
Contributed equity	**1,593,161**	1,592,576
Reserves	**(53,930)**	(39,641)
Accumulated losses	**(851,384)**	(444,270)
Total equity	**687,847**	1,108,665

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

Condensed consolidated statement of cash flows

for the half year ended 31 December 2022

	CONSOLIDATED	
	2022 $'000	2021 $'000
Cash flows from operating activities:		
Receipts from customers (inclusive of GST)	**320,252**	313,492
Payments to suppliers and employees (inclusive of GST)	**(293,408)**	(259,410)
Payments for exploration and evaluation	**(9,234)**	(9,607)
Interest received	**507**	444
Interest paid	**(4,532)**	(1,893)
Borrowing costs paid	**(1,524)**	(1,406)
Income tax paid	**(6,167)**	(22,861)
Net cash inflow from operating activities	**5,894**	18,759
Cash flows from investing activities:		
Payments for property, plant and equipment	**(21,900)**	(50,855)
Payments for development of mining properties	**(34,129)**	(15,690)
Payments for exploration and evaluation	**(9,417)**	(8,853)
Investment in financial assets	**-**	(25,401)
Divestment of financial assets	**-**	4,000
Net cash used in investing activities	**(65,446)**	(96,799)
Cash flows from financing activities:		
Dividend payment	**-**	(12,525)
Principal repayments - finance leases	**(5,020)**	(3,035)
Syndicate facility drawn	**-**	50,000
Net cash used in financing activities	**(5,020)**	34,440
Net decrease in cash and cash equivalents	**(64,574)**	(43,600)
Cash and cash equivalents at the beginning of the period	**98,512**	133,370
Net movement in foreign exchange rates	**3,574**	3,884
Cash and cash equivalents at the end of the period	**37,514**	93,654

Cash flows are included in the condensed 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 receipts from customers and payments to suppliers and employees.

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

Disclaimer

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This report contains forward-looking statements that are subject to risk factors associated with exploring for, developing, mining, processing and the sale of gold. Forward-looking statements include those containing such words as anticipate, estimates, forecasts, indicative, should, will, would, expects, plans or similar expressions. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, and which could cause actual results or trends to differ materially from those expressed in this report. Actual results may vary from the information in this report. The Company does not make, and this report should not be relied upon as, any representation or warranty as to the accuracy, or reasonableness, of such statements or assumptions. Investors are cautioned not to place undue reliance on such statements.

This report has been prepared by the Company based on information available to it, including information from third parties, and has not been independently verified. No representation or warranty, express or implied, is made as to the fairness, accuracy or completeness of the information or opinions contained in this report. To the maximum extent permitted by law, neither the Company, their directors, employees or agents, advisers, nor any other person accepts any liability, including, without limitation, any liability arising from fault or negligence on the part of any of them or any other person, for any loss arising from the use of this presentation or its contents or otherwise arising in connection with it.

Non-IFRS measures

The Company supplements its financial information reporting determined under International Financial Reporting Standards (IFRS) with certain non-IFRS financial measures, including Cash Operating Costs and All-In Sustaining Cost. We believe that these measures provide additional meaningful information to assist management, investors and analysts in understanding the financial results and assessing our prospects for future performance.

All-In Sustaining Cost (AISC) is based on Cash Operating Costs and adds items relevant to sustaining production. It includes some, but not all, of the components identified in World Gold Council's Guidance Note on Non-GAAP Metrics - All-In Sustaining Costs and All-In Costs (June 2013).

- AISC is calculated on gold production in the quarter.
- For underground mines, amortisation of operating development is adjusted from "Total Cash Operating Costs" in order to avoid duplication with cash expended on operating development in the period contained within the "Mine & Operating Development" line item.
- Rehabilitation is calculated as the amortisation of the rehabilitation provision on a straight-line basis over the estimated life of mine.

Cash Contribution is cash flow from operations before finance costs, refer reconciliation of cash movement earlier in this quarterly report.

Cash Operating Costs are calculated according to common mining industry practice using The Gold Institute (USA) Production Cost Standard (1999 revision).

Competent Persons Statement

Mineral Resources and Ore Reserves Estimates

The information in this report that relates to Mineral Resources or Ore Reserves is extracted from the report titled 'Ore Reserves and Mineral Resources Statements as at 31 December 2022' released to the ASX on 22 February 2023 (Original Report) and available to view at stbarbara.com.au and for which Competent Persons' consents were obtained. Each Competent Person's consent remains in place for subsequent releases by the Company of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the Original Report and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the Original Report continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the Original Report.

Full details are contained in Original Report available at stbarbara.com.au