



## **Presentation to Diggers and Dealers Mining Forum**

Attached is a presentation by Bob Vassie, Managing Director and CEO, to the Diggers and Dealers Mining Forum in Kalgoorlie, Western Australia.

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## Diggers & Dealers Mining Forum



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**2016** Diggers & Dealers Mining Forum **25<sup>th</sup> anniversary**

1st to 3rd August 2016, Kalgoorlie Western Australia

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The Company estimates its reserves and resources in accordance with the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves 2012 Edition (“JORC Code”), which governs such disclosures by companies listed on the Australian Securities Exchange.

*Financial figures are in Australian dollars unless otherwise noted.  
Financial year is 1 July to 30 June.*

## ASX 200 listed Company (SBM), founded 1969

> Shares on issue	495 M	> Ore Reserves June 2015	4.0 Moz <sup>1</sup>
> Market Cap <sup>2</sup>	A\$1,510 M	> Mineral Resources June 2015	9.2 Moz <sup>1</sup>
> ADR OTC code	STBMY		

## Consolidated production

> FY16	387 koz @ AISC <sup>4</sup> A\$933/oz
> FY17F <sup>3</sup>	355 koz @ AISC A\$1,030/oz

### Leonora

- > Gwalia underground mine
- > FY16 production  
267 koz @ AISC A\$783/oz
- > FY17F<sup>3</sup> production  
255 koz @ AISC A\$880/oz

### Exploration

- > Greenfields and brownfields exploration portfolio in Australia & PNG
- > Near mine targets

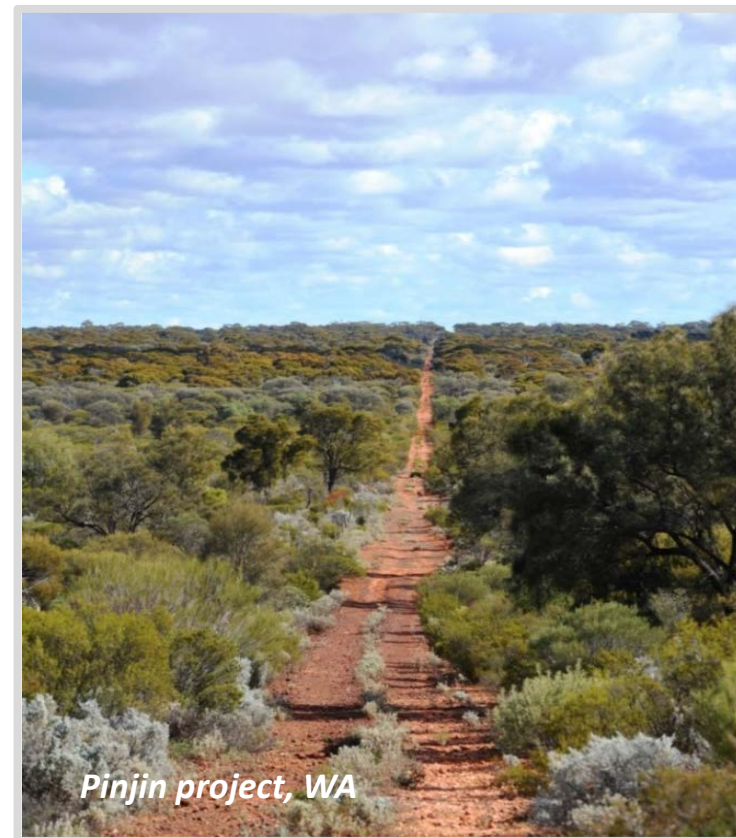


### Simberi

- > Open pit mine
- > FY16 production 110 koz
- > FY17F<sup>3</sup> production 100 koz
- > Potential for long life sulphide mine

1. Refer ASX announcement released 25 August 2015 titled 'Ore Reserves and Mineral Resources Statements 30 June 2015', includes King of the Hills & Kailis (sold October 2015, refer ASX announcement 16 Oct 2015). 2. As at close 28 July 2016, \$3.05 ea 3. FY17F is midpoint of guidance, released 19 July 2016 in Q4 June 2016 Quarterly Report. 4. Non IFRS measure, refer corresponding slide in Appendix

- > **Turnaround complete**
  - > **Record annual gold production** and guidance exceeded
  - > **Record safety performance:** TRIFR<sup>2</sup> of 2.1
  - > **Best performing stock in the ASX200 FY16 (↑418%)<sup>3</sup>**
- > **Strong cash flow generation**
  - > **FY16 AISC A\$933 / oz**
  - > **Cash contribution<sup>1</sup> A\$275 million** for FY16
  - > **US\$ debt reduced US\$197 million** since 1 June 2015
- > **Positive outlook for FY17**
  - > **Forecast production 340-370 koz at AISC of A\$985-\$1075/oz**
  - > **Forecast capex \$45-\$53m** (≈78% sustaining and ≈22% growth)
- > **Profitable growth options**
  - > **Gwalia** –decision on mine extension by end CY16
  - > **Simberi** – strategic review progressing
  - > **Exploration** – Gwalia, Pinjin, Simberi, Tatau, Big Tabar
  - > **Eyes open for other opportunities**

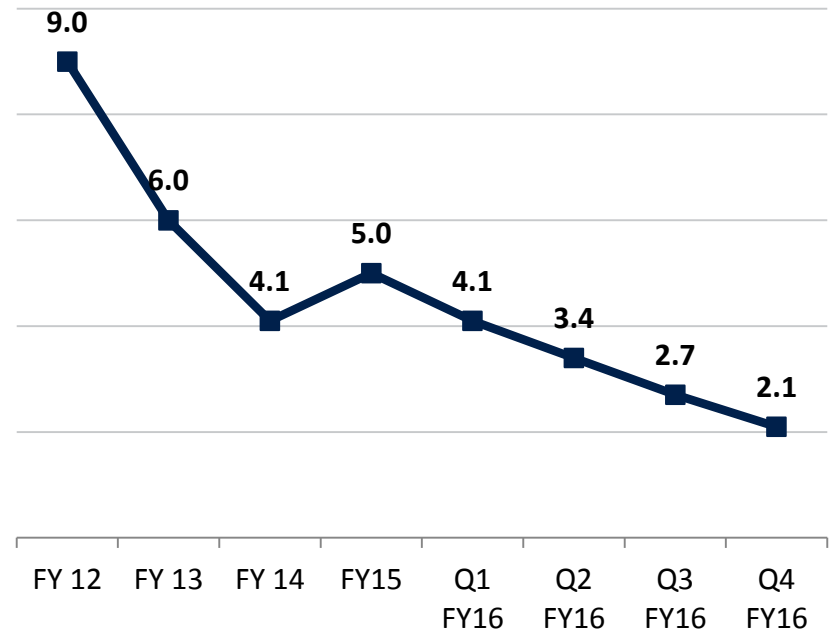




St Barbara's award winning Emergency Response Teams from Gwalia (top) and Simberi (bottom)

## Record safety result of 2.1 for FY16

### Total Recordable Injury Frequency Rate <sup>1,2</sup>



1. Total Recordable Injury Frequency Rate (12 month avg)  
2. TRIFR includes Pacific Operations from September 2012



*Gwalia Haul Road*



*Underground Mining Trucks*

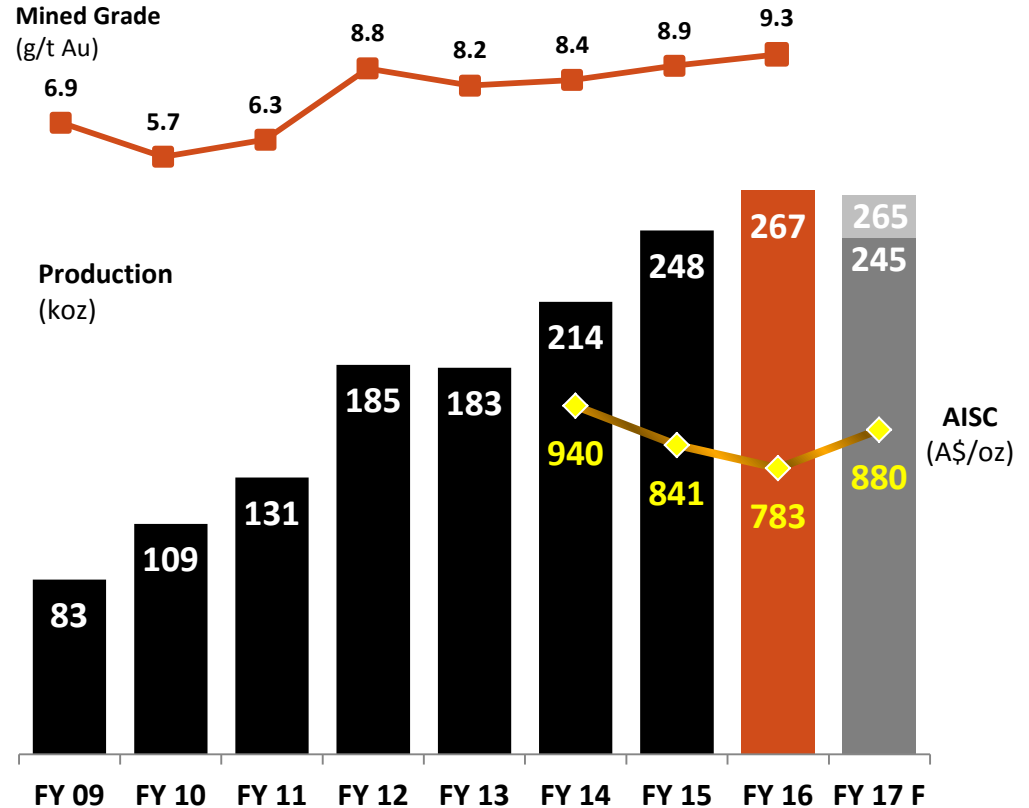


*Gwalia 'State Hotel'*



*Byrnecut Jumbo Underground Drill Rig*

# Gwalia: production increasing year on year



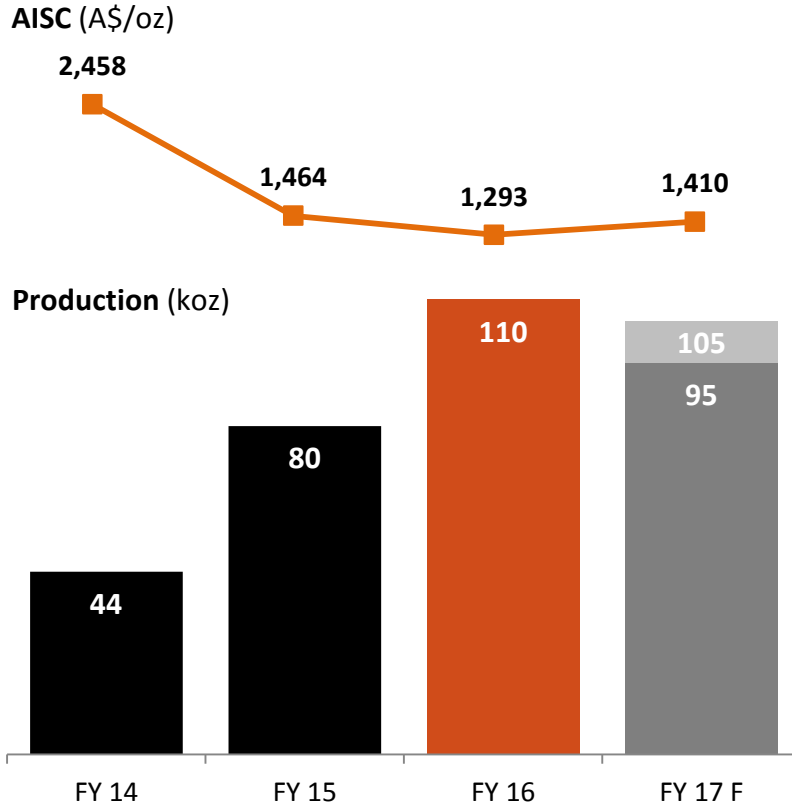
FY17F AISC is midpoint of guidance, released 19 July 2016 in Q4 June 2016 Quarterly Report. AISC is a non IFRS measure, refer corresponding slide in Appendix. June 2015 Reserve grade 9.4 g/t Au, refer ASX announcement released 25 August 2015 titled 'Ore Reserves and Mineral Resources Statements 30 June 2015'.





*Josephine Lakngnen – Truck Driver at Simberi, March 2016*

# Simberi: Record FY16, gold production up 39%



## FY16

- > Record production 110,286 oz
- > AISC<sup>1</sup> A\$1,293 /oz
- > Mine output up 57% Y on Y to 9.9 Mt

## FY17

- > Improved mining practice and resource offset by more complex mining and anticipated lower grades
- > Capex US\$4 - US\$5 million

1. Non IFRS measure, refer corresponding slide in Appendix  
2. FY17F AISC is midpoint of guidance, released 19 July 2016 in Q4 June 2016 Quarterly Report.



> Sulphide Project - assess additional investment against potential eight year mine life extension

> Strategic review of PNG assets to maximize shareholder value

## Existing opportunities

- > Gwalia mine extension study well advanced
- > Simberi strategic review underway
- > Exploration in WA and PNG

## Eyes open for other opportunities

- > Consider sensible inorganic growth where it increases shareholder value
- > Systematic evaluation process underway

## Will consider

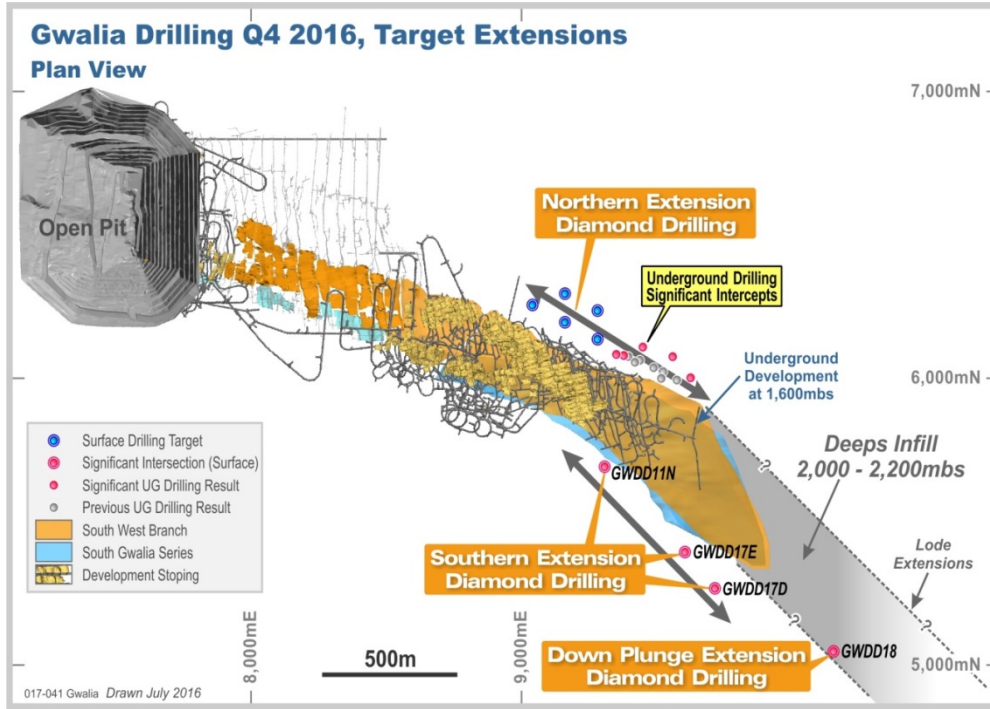
- > Exploration, project, development and operating assets
- > 'Investible' assets inside and outside of Australia





## Materials handling study outcome

- > Continued trucking with additional ventilation
- > Investment decision due by end CY16
- > Commence Q3 Mar 2017, anticipate 18-24 month construction
- > Capital cost est. A\$65 million ( $\pm 20\%$  at conceptual study accuracy)
- > Facilitates mining below 1,800 mbs and potential for increased production above 1,800 mbs

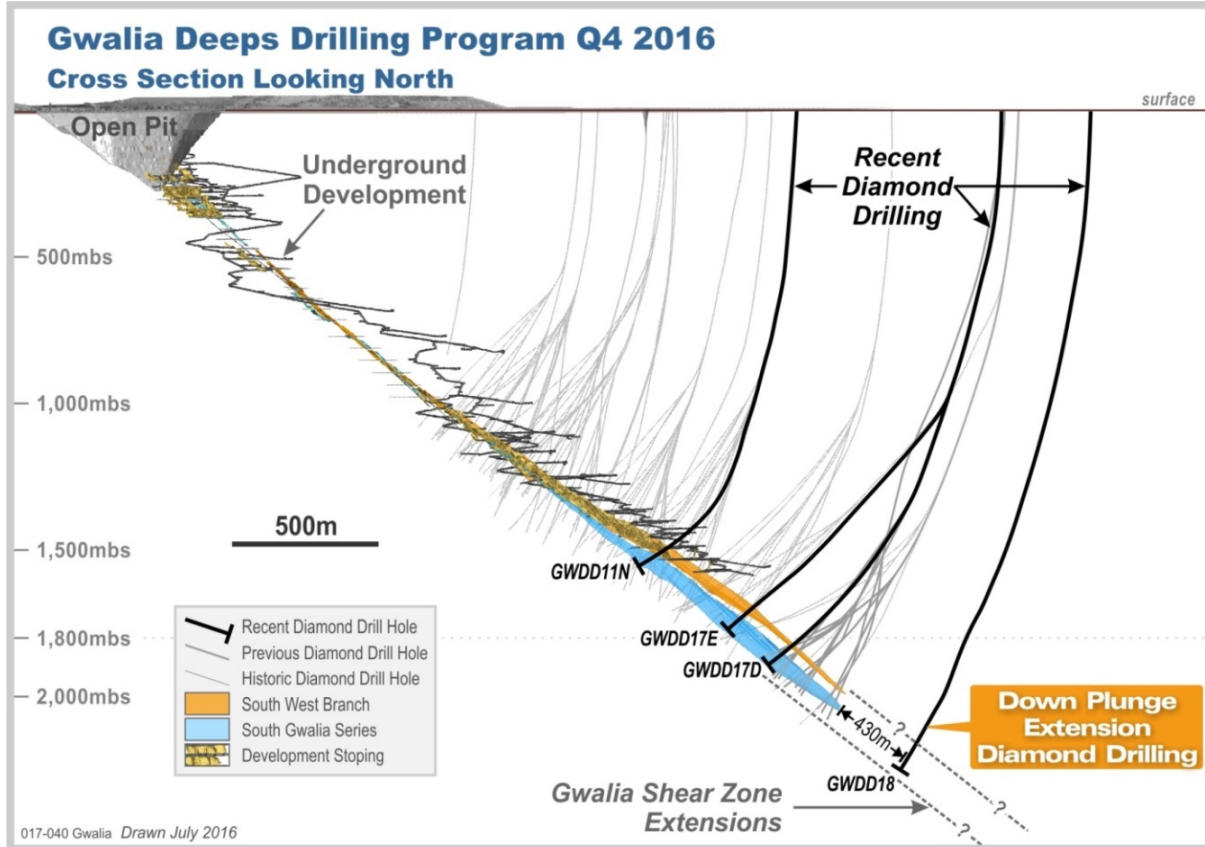


## Q4 June 2016 Results<sup>1</sup>

- > 2,200 mbs deep drilling
- > Southern Extension
- > Northern Extension

## FY17

- > Continued deep drilling & Northern Extension
- > Seismic Reflective campaign



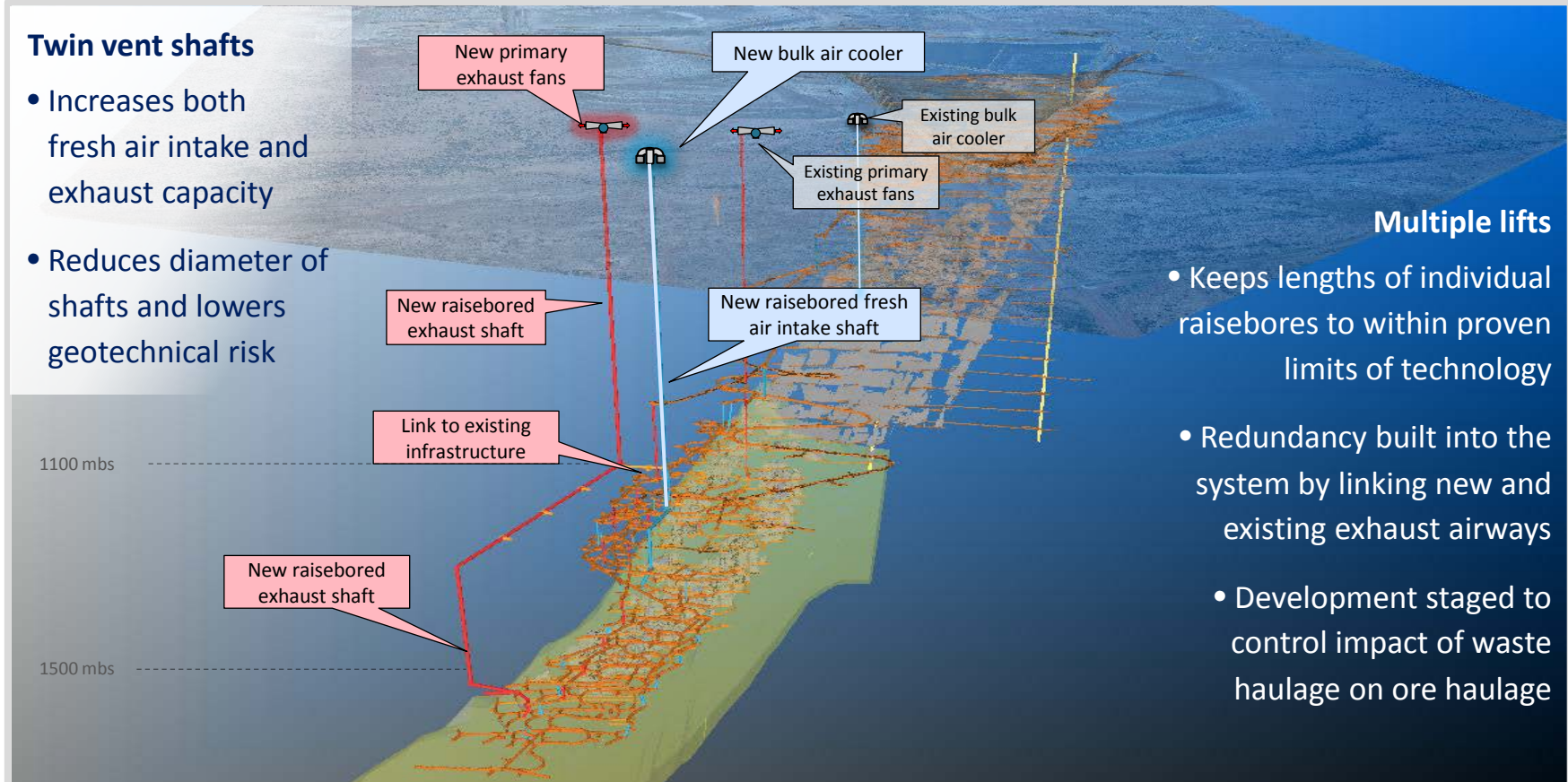
## New intercepts at 2200 mbs<sup>1</sup>

- > Deepest intersection to date
- > 200 m deeper vertically and 430 m further down-plunge than previous drilling
- > Intersected over 70m of mineralised Gwalia mine sequence

# Conceptual illustration of Gwalia ventilation solution

## Twin vent shafts

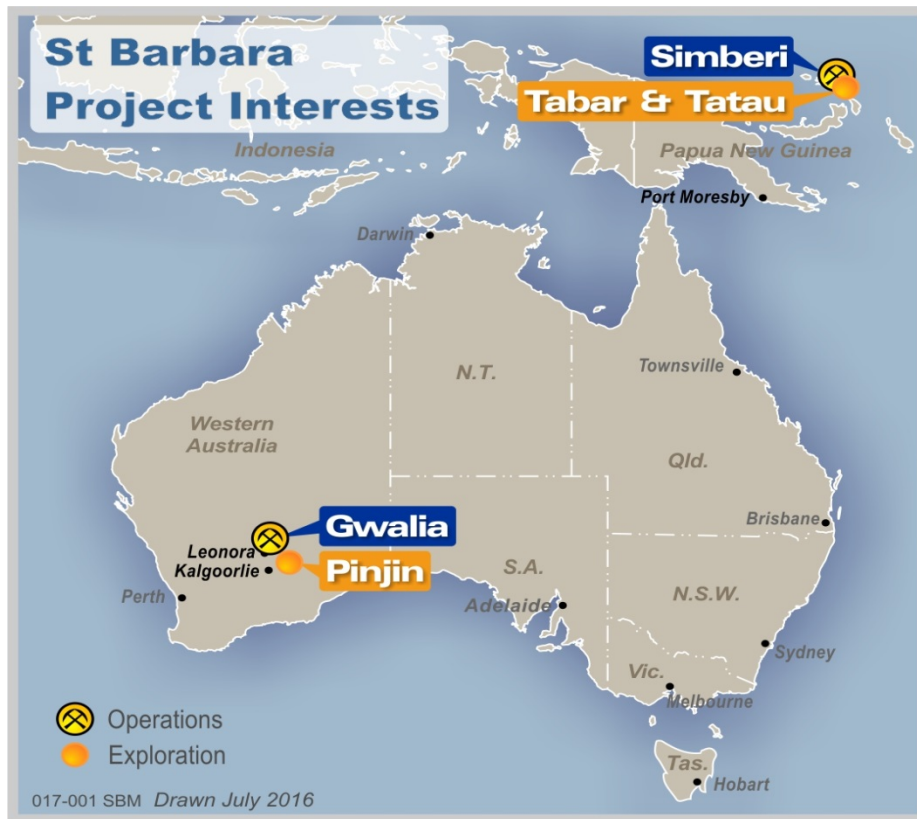
- Increases both fresh air intake and exhaust capacity
- Reduces diameter of shafts and lowers geotechnical risk



## Multiple lifts

- Keeps lengths of individual raisebores to within proven limits of technology
- Redundancy built into the system by linking new and existing exhaust airways
- Development staged to control impact of waste haulage on ore haulage





## Guidance A\$18 to A\$22 million

A\$10- A\$12 million Gwalia

- > Gwalia Deep Drilling infill + Northern Extension
- > Gwalia Seismic

A\$8- A\$10 million – 30% Pinjin WA, 70% PNG

- > Pinjin – complete drilling
- > Simberi Oxides – near mine
- > Tatau Copper- Gold
- > Tatau Oxides/Sulphides



## Simberi

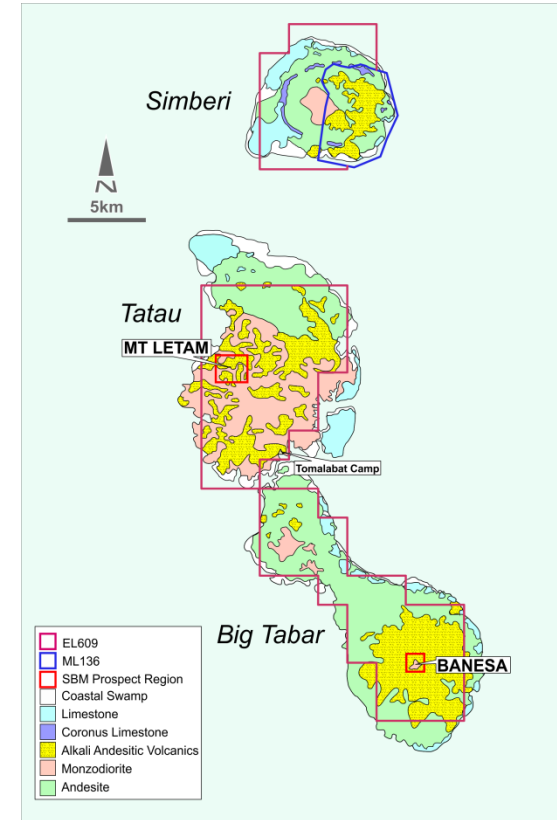
- > Near mine oxide drilling & trenching

## Tatau

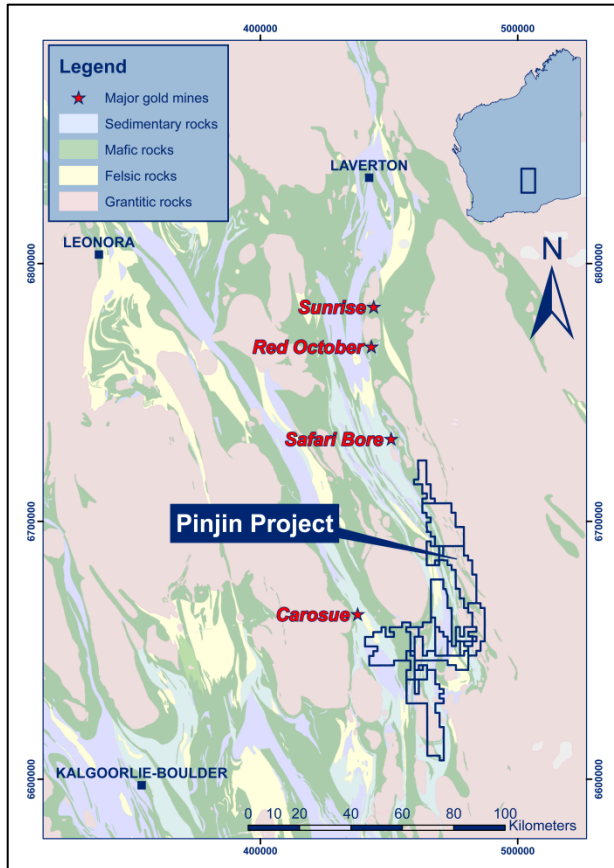
- > Preparing to drill anomaly near historical copper- gold prospect at Mt Letam
- > Further copper- gold zones in Southwest Tatau as well as Sulphide/Oxide targets

## Big Tabar

- > Historical copper-gold prospect

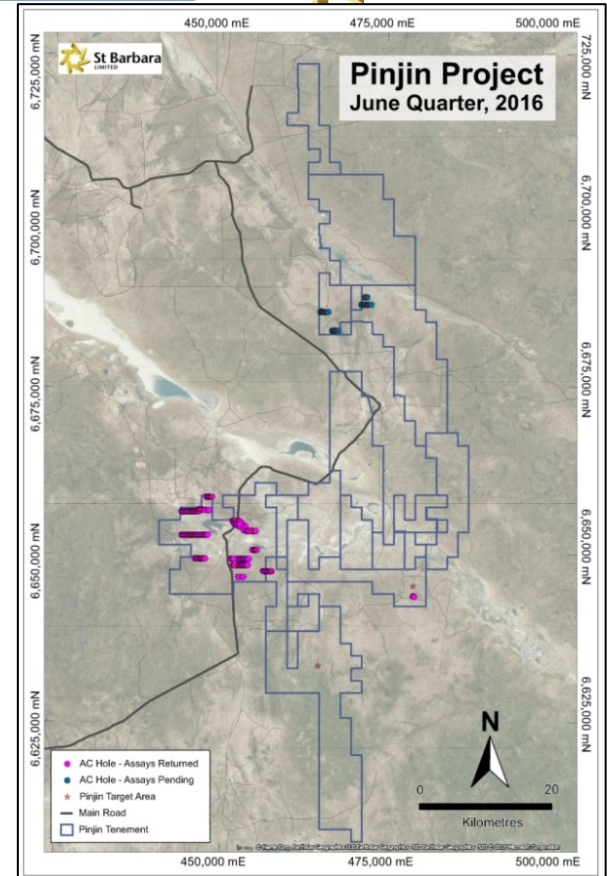


## Simberi Island Group (PNG)

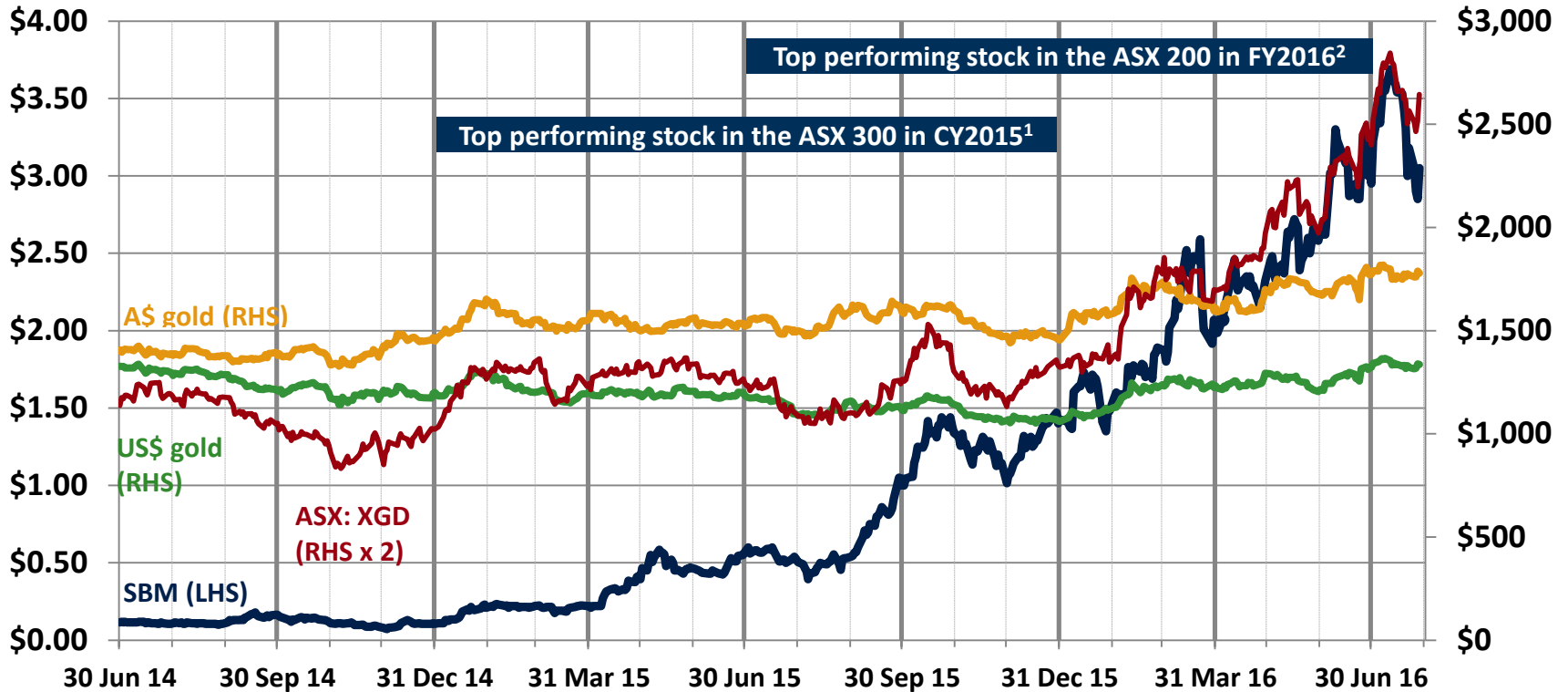


## Pinjin Project

- > Located 150 km northeast of Kalgoorlie, WA
- > Comprises 1,358 km<sup>2</sup> tenement package
- > 288 holes drilled to date for a total of 14,385 m with 7 positive intersections<sup>1</sup>



# St Barbara share price vs gold in A\$ and US\$



Source: IRESS to 28 July 2016

1. <http://www.asx.com.au/education/investor-update-newsletter/201601-making-money-this-year.htm>
2. [www.mywealth.commbank.com.au](http://www.mywealth.commbank.com.au), 1 July 2016.

# St Barbara share price vs gold in A\$ and US\$ Indexed from 30 June 2014

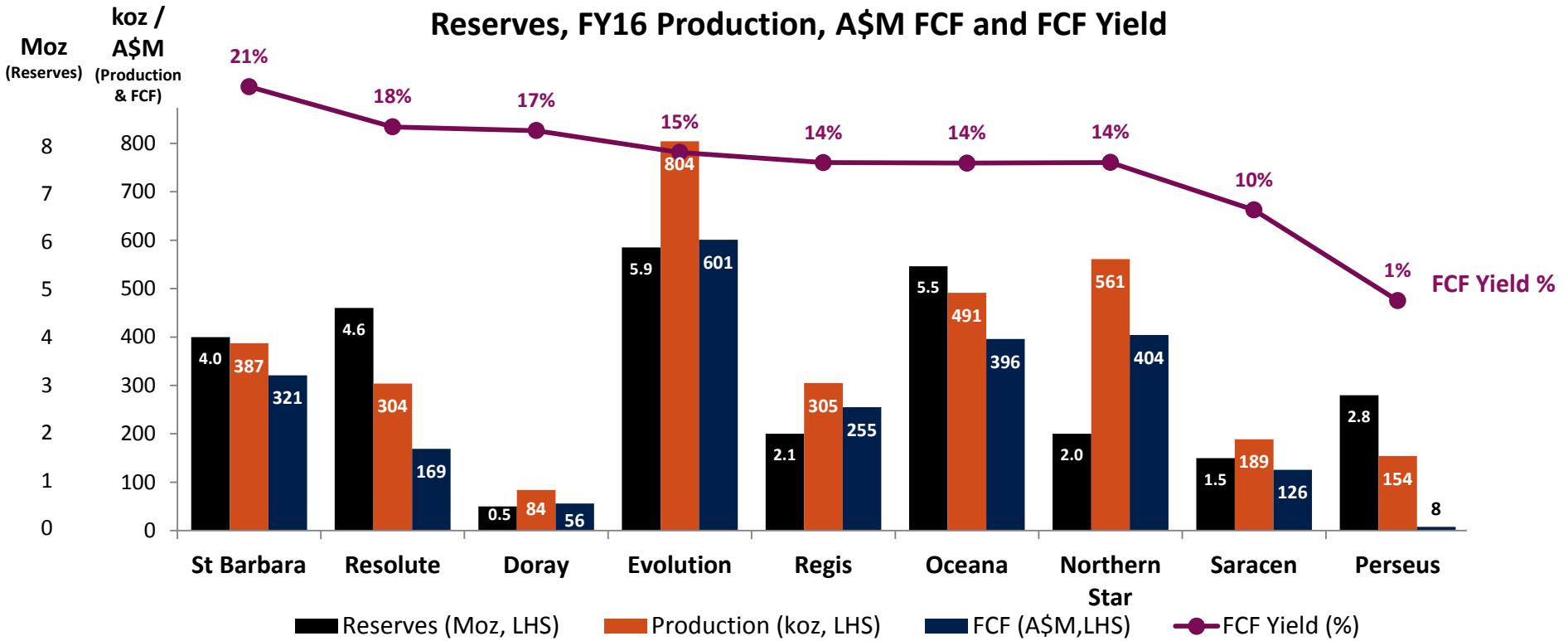


Source: IRESS to 28 July 2016

1. <http://www.asx.com.au/education/investor-update-newsletter/201601-making-money-this-year.htm>
2. [www.mywealth.commbank.com.au](http://www.mywealth.commbank.com.au), 1 July 2016.

## St Barbara vs selected Australian gold companies

Reserves, FY16 Production, A\$M FCF and FCF Yield



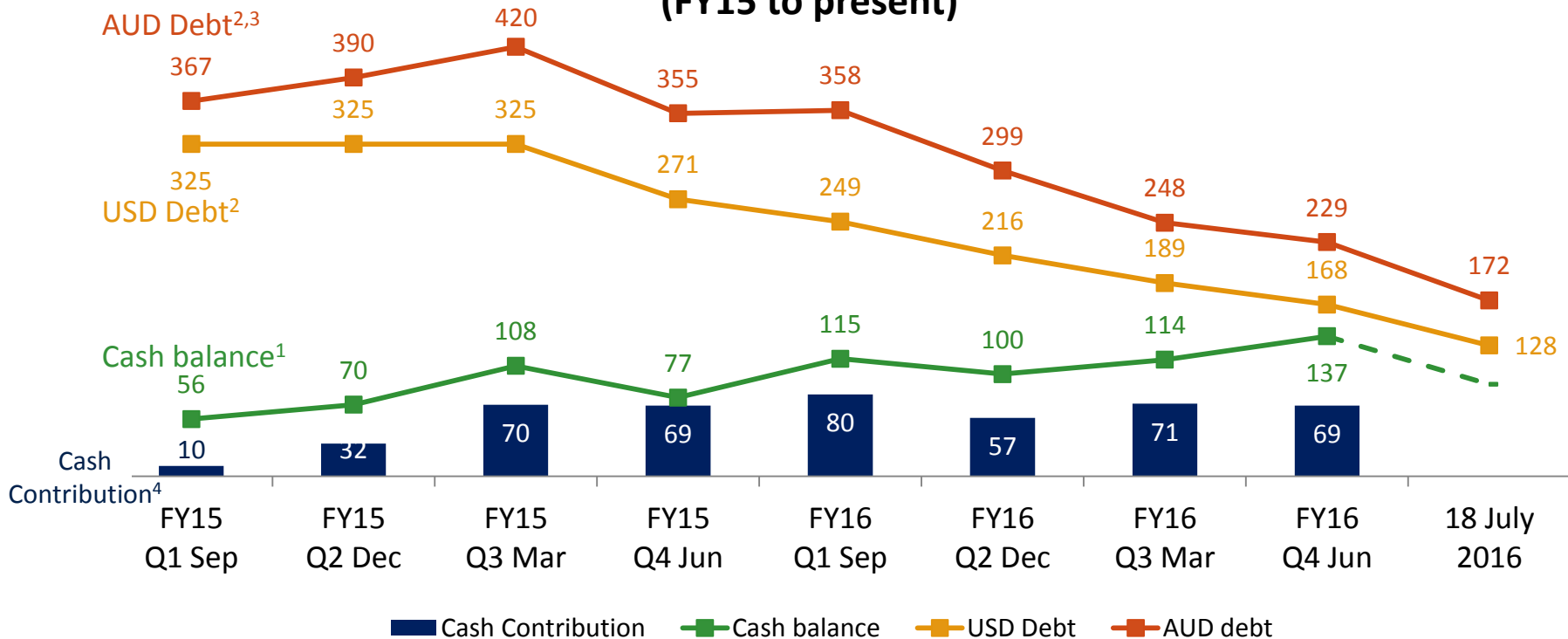
- > **Turnaround complete**
- > **Strong** production and cash flow outlook
- > **Record safety** performance
- > **Profitable growth** options in current portfolio:
  - > **Gwalia**
  - > **Pinjin**
  - > **Simberi & Tatau**
- > **Eyes open for new opportunities**







## Debt, Cash Balance & Contribution from Operations (FY15 to present)

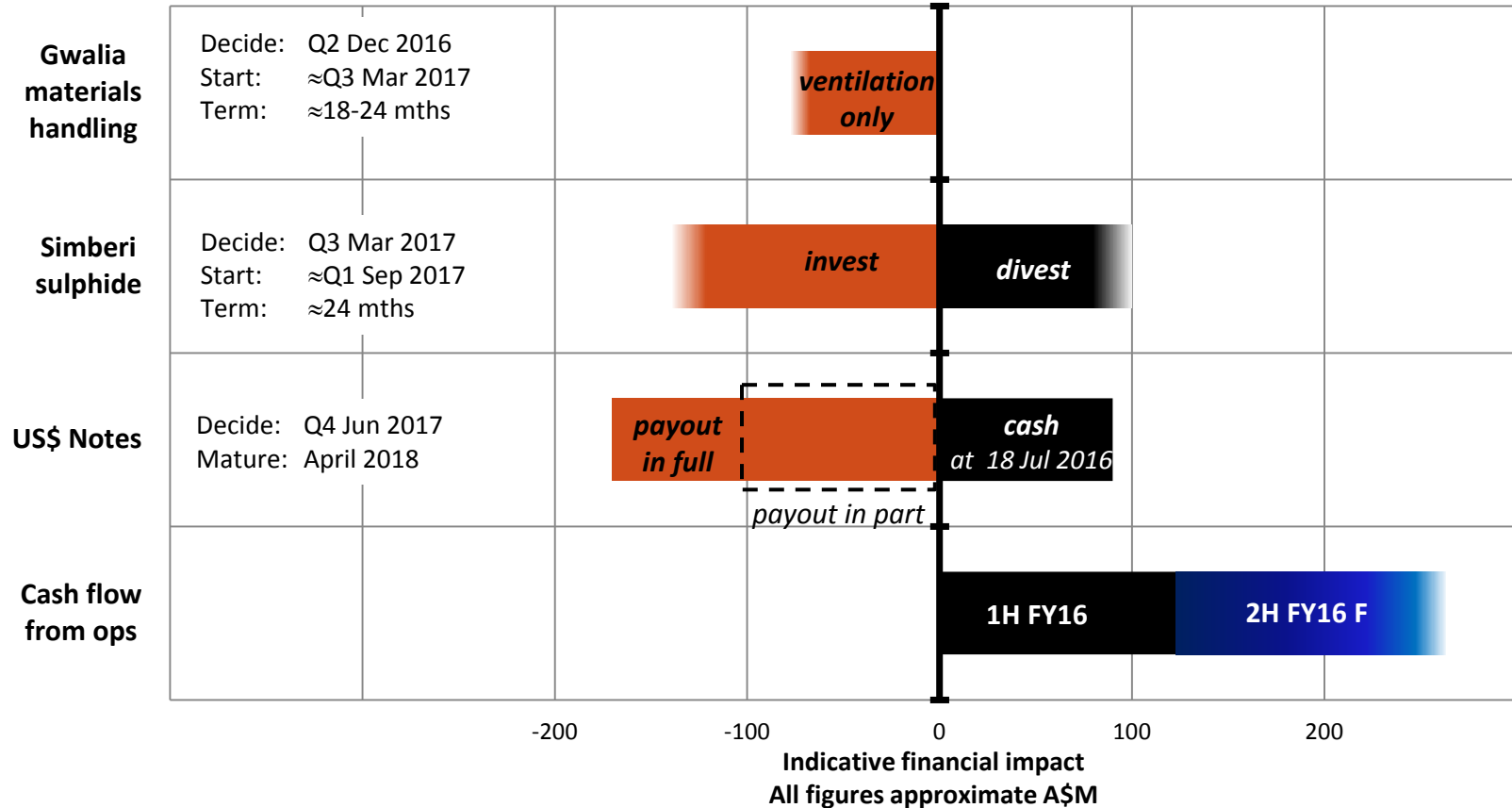


**US\$/AUD\$M**

1. Excluding restricted cash
2. A\$/US\$ exchange rates per Reuters
3. A\$ equivalent excl. transaction costs

4. Non-IFRS measure, cash contribution as per cash movement table in Quarterly Reports (eg: p12, 19 July 2016 'Q4 June Quarterly Report')

# 'Three moving parts'



## Ore passes

Allows bogger to work constantly, independent of ore trucks, removes ore from fired stopes more rapidly, allowing paste-filling and adjacent stopes to be fired earlier



## Underground Storage

At critical times shorter waste removal turnaround time gives greater availability of trucks for taking ore to surface



## Continuous Remote Tele-bogging (CY16)

At critical times bogger operates 24 hours a day



## Exploration Results

The information in this presentation that relates to Exploration Results for Simberi and Pinjin is based on information compiled by Dr Roger Mustard, who is a Member of The Australasian Institute of Mining and Metallurgy. Dr Mustard is a full-time employee of St Barbara and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Mustard consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this presentation that relates to Exploration Results for Gwalia and the Leonora region is based on information compiled by Mr Robert Love, who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Love is a full-time employee of St Barbara and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Love consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

## Mineral Resource and Ore Reserve Estimates

The information in this presentation that relates to Mineral Resources or Ore Reserves is extracted from the report titled 'Ore Reserves and Mineral Resources Statements 30 June 2015' released to the Australian Securities Exchange (ASX) on 25 August 2015 and available to view at [www.stbarbara.com.au](http://www.stbarbara.com.au) and for which Competent Persons' consents were obtained. Each Competent Person's consent remain 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 ASX announcement released on 25 August 2015 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 ASX announcement 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 ASX announcement.

Competent Persons Dr Mustard and Mr John de Vries (prior to his resignation from St Barbara in July 2015) are entitled to participate in St Barbara's long term incentive plan, details of which are most recently included in the 2015 Annual Report and Notice of 2015 Annual General Meeting released to the ASX on 20 October 2015. In 2012 and 2013 increase in Ore Reserves was one of the performance measures under that plan.

*Full details are contained in the ASX release dated 25 August 2015 'Ore Reserves and Mineral Resources Statements 30 June 2015' available at [www.stbarbara.com.au](http://www.stbarbara.com.au).*

We supplement our financial information reporting determined under International Financial Reporting Standards (IFRS) with certain non-IFRS financial measures, including cash operating costs. We believe that these measures provide meaningful information to assist management, investors and analysts in understanding our financial results and assessing our prospects for future performance.

## **Cash operating costs**

- > Calculated according to common mining industry practice using The Gold Institute (USA) Production Cost Standard (1999 revision).

Refer most recent quarterly report available at [www.stbarbara.com.au](http://www.stbarbara.com.au) for example

## **All-In Sustaining Cost**

- > All-In Sustaining Cost 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).

Refer most recent quarterly report available at [www.stbarbara.com.au](http://www.stbarbara.com.au) for example

## **Cash contribution**

- > Cash flow from operations before finance costs, refer reconciliation of cash movement in the most recent quarterly report available at [www.stbarbara.com.au](http://www.stbarbara.com.au)

## **Free cash flow**

- > Calculated as operating cash flow minus capital expenditure

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