ASX Release / 21 February 2018

December 2017 Half Year Results and ASX Appendix 4D

Strong performance continues to strengthen balance sheet

St Barbara Ltd (ASX: SBM) reported a statutory profit after tax of $106 million for the half year to 31 December 2017 (2016 comparative period: $83 million), with underlying profit after tax[1] of $98 million (2016: $81 million).

Key features of the result are:

- Gold production of 197,768 ounces at a Group All-in Sustaining Cost[1] of A$899 per ounce
- EBITDA margin[1] of 49% for the Group and 60% for Gwalia operations
- Net cash contribution[1] generated from Gwalia and Simberi of $153 million
- Payment of $0.06 fully franked, FY17 full-year dividend in September 2017
- $0.04 fully franked interim dividend declared today for the half year to December 2017 to be paid in March 2018
- Net cash position of $215 million at 31 December 2017, with no debt[2]

Full details of the financial results are set out in the attached Interim Financial Report and Appendix 4D for the Half Year to 31 December 2017.

St Barbara MD & CEO, Bob Vassie, said: "We have had a very successful first half. Both Gwalia and Simberi continue to perform well, leading us last month to increase guidance for this financial year. Our various growth projects are progressing well including the Gwalia Extension Project, the deep-hole targeting 2,600 metres below surface at Gwalia, continued investigation of levers to improve the economics of the sulphide project at Simberi, and exploration in Australia and PNG.

A key part of St Barbara's future is explained in the separate release today of our medium and longer term outlook for Gwalia, which demonstrates the extraordinary quality of the historic Gwalia deposit. I am confident that Gwalia will continue to perform strongly for the outlook period. In addition, we continue to assess other growth opportunities, both within and outside Australia."

1 Non-IFRS measures, refer attached Interim Financial Report for the Half Year to 31 December 2017, pages 3 to 5. In addition, EBITDA margin = EBITDA as a % of Revenue

2 Cash excludes $1.2 million restricted cash. No interest bearing borrowings, except for equipment leases amounting to A$ 0.2 million

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Presentation on the December 2017 Half Year Financial Report and webcast

Bob Vassie, Managing Director & CEO, will brief analysts and institutional investors on the Interim Financial Report for the Half Year to 31 December 2017 at 11:00 am Australian Eastern Daylight Time (UTC + 11 hours) on Wednesday 21 February 2018. Participation on the conference call is by personal invitation only.

A live audio webcast of the briefing will be available on St Barbara's website at www.stbarbara.com.au/investors/webcast/ or by clicking here. The audio webcast is 'listen only' and does not enable questions. The audio webcast will subsequently be made available on the website.

Disclaimer

This release has been prepared by St Barbara Limited ("Company"). The material contained in this release is for information purposes only. This release is not an offer or invitation for subscription or purchase of, or a recommendation in relation to, securities in the Company and neither this release nor anything contained in it shall form the basis of any contract or commitment.

This release 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 release. Actual results may vary from the information in this release. The Company does not make, and this release 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 release 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 release.

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.

Appendix 4D

Half Year Report

ST BARBARA LIMITED

ABN or equivalent company reference	Half yearly *(tick)*	Preliminary final *(tick)*	Half year/financial year ended ('current period')
36 009 165 066	✓		**31 December 2017**

Results for announcement to the market

		%		A$'000
Revenue from ordinary activities	up	3%	to	329,752
Profit from ordinary activities after tax from continuing operations attributable to members *(Prior corresponding period profit: $82,552,000)*	up	28%	to	105,845
Net profit attributable to members of the parent entity *(Prior corresponding period profit: $82,552,000)*	up	28%	to	105,845
Fully franked dividends paid	up	100%	to	30,797

	31 Dec 17 $	**30 Jun 17 $**
Net Tangible Assets per security	1.07	0.93
Details of joint venture entities and associates	N/A	N/A
Foreign entity accounting standards	N/A	N/A
Audit dispute or qualification	N/A	N/A

Dividends

During the period, a fully franked dividend of $30,797,000 was paid. $24,826,000 of this amount was paid in cash, and $5,971,000 was satisfied by the issue of shares under the Company's dividend reinvestment plan.

Subsequent to 31 December 2017, the Directors recommended the payment of a fully franked dividend of 4 cents per fully paid ordinary share to be paid on 28 March 2018. The record date for determining entitlements to the dividend will be 7 March 2018. Elections to participate in the Dividend Reinvestment Plan (**DRP**) for this dividend must be made by 5.00pm AEDT on 8 March 2018. A 1.5% discount to the 5 day value weighted average price will apply to share allotments made under the DRP.

Dated: 21 February 2018

Bob Vassie
Managing Director and CEO

Interim Financial Report

for the half year ended 31 December 2017

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 half year ended 31 December 2017.

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

- T C Netscher
  Non-Executive Chairman
- R S Vassie
  Managing Director and CEO
- K J Gleeson
  Non-Executive Director
- D E J Moroney
  Non-Executive Director

Principal activities

During the period, 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 period.

Dividends

Dividends paid, or determined to be paid, by the Company to members during the period ended 31 December 2017 are set out in Note 4 to the financial statements.

Overview of group results

The consolidated result for the year is summarised as follows:

	Dec 17 $'000	Dec 16 $'000
EBITDA(3)(5)	**161,899**	143,558
EBIT(2)(5)	**119,916**	100,968
Profit before tax(4)	**121,640**	85,484
Statutory profit (1) after tax	**105,845**	82,552
Total net significant items after tax(7)	**7,489**	2,017
EBITDA (6) (excluding significant items)	**161,899**	163,620
EBIT (6) (excluding significant items)	**119,916**	121,030
Profit before tax (excluding significant items)	**121,640**	105,546
Underlying net profit after tax(5)(6)	**98,356**	80,535

(1) Statutory profit is net profit after tax attributable to owners of the parent.
(2) EBIT is earnings before interest revenue, finance costs and income tax expense.
(3) EBITDA is EBIT before depreciation and amortisation.
(4) Profit before tax is earnings before income tax expense.
(5) EBIT and EBITDA 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 a better understanding of the underlying performance of the Group by users.
(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.
(7) Details of significant items included in statutory profit for the year are provided in Note 3 to this Interim Financial Report.

During the period, the Group reported another strong financial performance, with key achievements being:

- Statutory net profit after tax of $105,845,000 for the six months ended 31 December 2017 (2016 comparative period: $82,552,000).
- Continued strong production performance from the Gwalia mine, with production of 127,118 ounces of gold (2016 comparative period: 138,043 ounces) at an All in Sustaining Cost (AISC) of $838 per ounce (2016: $744 per ounce). This operating performance translated into a cash contribution during the period of $118,283,000 (2016 comparative period: $135,091,000).
- Record performance from the Simberi mine in Papua New Guinea, with this operation producing 70,650 ounces of gold (2016 comparative period: 53,486 ounces) at an AISC of $1,010 per ounce (2016: $1,316 per ounce). Simberi generated a positive net cash contribution of $46,893,000 in the period (2016 comparative period: $24,551,000).
- Payment of a fully franked dividend of 6 cents per share in September 2017 totalling $30,797,000, with $24,826,000 paid in cash and $5,971,000 issued in new shares as part of the dividend reinvestment plan.

To provide additional clarity into the performance of the operations, underlying measures for the half year are reported together with the statutory results. Underlying net profit after tax, representing net profit excluding after tax significant items of $7,489,000 was $98,356,000 (2016 comparative period: $80,535,000 underlying net profit after excluding significant items of $2,017,000). The significant item in the period represents a tax credit relating to previously unrecognised PNG deferred tax assets.

The Group generated net cash flows before financing activities in the period of $79,602,000 (2016 comparative period: $116,757,000). This was after the Company paid income tax of $31,250,000 in December 2017 (2016: $Nil), made further investments in ASX listed Australian explorers Catalyst Metals Limited ($5,710,000) and Peel Mining Limited ($6,525,000) and funded growth capital expenditure at Gwalia of $17,484,000 (2016 comparative period: $6,408,000).

The investments in Catalyst and Peel are part of the Group's strategy of investing in early to advanced stage exploration. The Group also continued to invest in exploration at Gwalia and in the area surrounding the mine at Simberi, and at greenfields projects in Australia and PNG, with total exploration expenditure in the period of $6,836,000 (2016 comparative period: $8,507,000).

Cash on hand continued to build in the period to $214,574,000 at 31 December 2017 (30 June 2017: $160,909,000). Restricted cash included in trade and other receivables was $1,200,000 at 31 December 2017 (30 June 2017: $Nil), which represents cash on deposit to secure a bank guarantee facility.

Overview of operating results

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

$'000	Leonora Operations	Simberi Operations	Group
Period ended 31 December 2017			
Revenue	214,289	115,463	329,752
Mine operating costs	(77,795)	(61,406)	(139,201)
Gross Profit	**136,494**	**54,057**	**190,551**
Royalties	(8,336)	(2,554)	(10,890)
EDITDA	**128,158**	**51,503**	**179,661**
Depreciation and amortisation	(31,403)	(9,510)	(40,913)
Profit from operations(1)	**96,755**	**41,993**	**138,748**
Period ended 31 December 2016			
Revenue	227,449	92,397	319,846
Mine operating costs	(68,641)	(58,844)	(127,485)
Gross Profit	**158,808**	**33,553**	**192,361**
Royalties	(9,004)	(2,066)	(11,070)
EDITDA	**149,804**	**31,487**	**181,291**
Depreciation and amortisation	(30,544)	(10,012)	(40,556)
Profit from operations(1)	**119,260**	**21,475**	**140,735**

(1) 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.

Total production for the Group in the period was 197,768 ounces of gold (2016 comparative period: 191,529 ounces), and gold sales amounted to 197,362 ounces (2016: 189,248 ounces) at an average gold price of A$1,660 per ounce (2016: A$1,687 per ounce). The strong result in the period was attributable to record production from Simberi.

Consolidated All-In Sustaining Cost (AISC) for the Group was $899 per ounce in the period (2016 comparative period: $904 per ounce), reflecting the benefits of strong production results achieved at Simberi and consistent performance from Gwalia.

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

$'000	Leonora Operations	Simberi Operations	Group
Period ended 31 December 2017			
Operating cash contribution	136,055	47,499	183,554
Capital – sustaining	(17,772)	(606)	(18,378)
Cash contribution(1)	**118,283**	**46,893**	**165,176**
Capital – Gwalia Extension Project	(14,887)	-	(14,887)
Capital – growth(2)	(2,597)	-	(2,597)
Cash contribution after growth capital	**100,799**	**46,893**	**147,692**
Period ended 31 December 2016			
Operating cash contribution	148,243	27,828	176,071
Capital – sustaining	(13,152)	(3,277)	(16,429)
Cash contribution(1)	**135,091**	**24,551**	**159,642**
Capital – Gwalia Extension Project	(2,477)	-	(2,477)
Capital – growth(2)	(3,931)	-	(3,931)
Cash contribution after growth capital	**128,683**	**24,551**	**153,234**

(1) Cash contribution is non-IFRS financial information, which has not been subject to review or audited by the Group's external auditors. This measure is provided to enable an understanding of the cash generating performance of the operations. This amount excludes corporate royalties paid.
(2) Growth capital at Gwalia represents deep drilling expenditure.

During the period the Group produced significant net cash flows from operations of $147,692,000 (2016 comparative period: $153,234,000), which was after funding increased capital expenditure at Gwalia. The increase in capital at Gwalia was associated with higher mine development, continued deep drilling and advancement of the Extension Project.

Analysis of Leonora operations

Total gold sales revenue from the Gwalia mine in the period amounted to $214,061,000 (2016: $227,160,000) was generated from gold sales of 128,150 ounces (2016 comparative period: 134,228 ounces) at an average achieved gold price of A$1,670 per ounce (2016: A$1,692 per ounce).

A summary of production performance for the period ended 31 December 2017 is provided in the table below.

Details of production performance

	Gwalia	
Six months to 31 December	**2017**	2016
Underground ore mined (kt)	**359**	399
Grade (g/t)	**11.1**	11.1
Ore milled (kt)	**379**	416
Grade (g/t)	**10.7**	10.7
Recovery (%)	**97**	97
Gold production (oz)	**127,118**	138,043
Gold sales (oz)	**128,150**	134,228
Cash cost (1) (A$/oz)	**645**	563
All-In Sustaining Cost (AISC) (2) (A$/oz)	**838**	744

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

(2) All-In Sustaining Cost (AISC) is 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), which is a non-IFRS financial measure and has not been subject to review or audit by the Group's external auditors.

Gwalia reported another strong performance in the period with gold production of 127,118 ounces (2016 comparative period: 138,043 ounces). The reduction in production was predominately due to lower mining volumes during the period.

Ore tonnes mined from the Gwalia underground mine decreased during the period to 359,000 tonnes (2016 comparative period: 399,000 tonnes), largely due to a combination of ongoing proactive ground support upgrade work below the 1540 level and deployment of resources to various development tasks for the Gwalia Extension Project and future production.

Ore mined and milled grades were consistent with the prior corresponding period at 11.1 and 10.7 grams per tonne respectively. The Gwalia mill continued to perform strongly in the period at an average recovery of 97 percent, which was consistent with the prior corresponding period.

Gwalia unit Cash Costs for the period were $645 per ounce (2016 comparative period: $563 per ounce), with the higher unit cost predominantly due to the lower production. The unit All-In Sustaining Cost (AISC) for Gwalia was $838 per ounce for the period, which was higher than the $744 per ounce reported in the prior corresponding period. Total operating cash expenditure at Gwalia in the period totalled $78,006,000 (2016 comparative period: $78,914,000).

In the period Gwalia generated net cash flows, after sustaining capital expenditure, of $118,283,000 (2016 comparative period: $135,091,000). In the current period, Gwalia incurred sustaining capital expenditure of $17,772,000 (2016 comparative period: $13,152,000). The higher level of sustaining capital was attributable to increased mine development expenditure and infrastructure projects in processing.

Growth capital related to the deep drilling amounting to $2,597,000 in the period (2016 comparative period: $3,931,000).

During the 2017 financial year, the Board approved the Gwalia Extension Project. The Project will enable underground mining at Gwalia to extend to at least 2,000 metres below surface, and provide the foundation for potential further extensions. Capital expenditure associated with the Project in the period totalled $14,887,000 (2016 comparative period: $2,477,000 relating to pre-feasibility studies).

Analysis of Simberi operations

Total gold sales revenue from Simberi in the period was $115,238,000 (2016 comparative period: $92,111,000), generated from gold sales of 69,212 ounces (2016 comparative period: 55,020 ounces) at an average achieved gold price of A$1,640 per ounce (2016: A$1,673 per ounce).

A summary of production performance at Simberi for the period ended 31 December 2017 is set out in the table below.

Details of production performance

	Simberi	
Six months to 31 December	**2017**	2016
Open pit ore mined (kt)	**2,034**	1,919
Grade (g/t)	**1.27**	1.09
Ore milled (kt)	**1,907**	1,892
Grade (g/t)	**1.34**	1.10
Recovery (%)	**86**	80
Gold production (oz)	**70,650**	53,486
Gold sales (oz)	**69,212**	55,020
Cash cost(1) (A$/oz)	**935**	1,202
All-In Sustaining Cost (AISC)(2) (A$/oz)	**1,010**	1,316

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

(2) All-In Sustaining Cost (AISC) is 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), which is a non-IFRS financial measure and has not been subject to review or audit by the Group's external auditors.

Simberi production for the period of 70,650 ounces was a record for the mine (2016 comparative period: 53,486), and was significantly higher than the prior corresponding period due primarily to improved head grade, record material moved by the aerial rope conveyor and near record results in ore mined and milled.

Total material moved in the period was 7,161,000 tonnes (2016 comparative period: 7,512,000 tonnes), which included total ore mined of 2,034,000 tonnes at an average grade of 1.27 grams per tonne (2016 comparative period: 1,919,000 tonnes at 1.09 grams per tonne). Mining in the period benefited from an intensive strip campaign during the 2017 financial year, giving access to higher grade zones in the Pigipo and Sorowar open pits.

Ore milled increased to 1,907,000 tonnes in the period (2016 comparative period: 1,892,000 tonnes), which reflected the benefit of improved performance of the processing plant and the ore delivery system. The Simberi mill continued to perform consistently in the period at an average recovery of 86 percent (2016 comparative period: 80 percent), with capital and management improvements made in the 2017 financial year assisting performance of the mill.

Simberi unit Cash Costs for the period were lower than the prior corresponding period at $935 per ounce (2016 comparative period: $1,202 per ounce) due mainly to a decrease in the strip ratio and the benefit of higher grade. The unit All-In Sustaining Cost (AISC) was $1,010 per ounce for the period (2016 comparative period: $1,316 per ounce), which reflected the lower cash cost. Total operating cash expenditure at Simberi during the period was marginally higher than the prior corresponding period at $66,028,000 (2016: $64,286,000) due to increased production.

In the period Simberi generated net positive cash flows, after sustaining capital expenditure, of $46,893,000 (2016 comparative period: positive net cash flows of $24,551,000).

Discussion and analysis of the income statement

Revenue

Total revenue increased from $319,846,000 in the prior corresponding period to $329,752,000 in the current period due mainly to higher gold sales from Simberi, partially offset by the lower average gold price of A$1,660 per ounce (2016 comparative period: A$1,687 per ounce).

Mine operating costs

Mine operating costs in relation to the operations were $139,201,000 in the period (2016 comparative period: $127,485,000), with the higher operating costs mainly attributable to Gwalia and increased production at Simberi.

Other revenue and income

Interest revenue was $2,203,000 (2016 comparative period: $714,000), representing interest earned on cash held in the period.

Exploration

Total exploration expenditure during the period amounted to $6,836,000 (2016 comparative period: $8,507,000), with an amount of $2,597,000 relating to deep drilling at Gwalia (2016 comparative period: $3,931,000) capitalised to exploration and evaluation. Exploration expenditure expensed in the income statement in the period amounted to $4,239,000 (2016 comparative period: $4,576,000). Exploration activities during the period focused on investigating highly prospective near mine targets at Simberi and targets on the surrounding islands, continuing the deep drilling program at Gwalia and regional exploration in Australia.

Corporate costs

Corporate costs for the period of $11,609,000 (2016 comparative period: $11,540,000) comprised mainly expenses relating to the corporate office, compliance costs and business development activities.

Royalties

Royalty expenses for the period were $10,890,000 (2016 comparative period: $11,070,000). Royalties paid in Western Australia are 2.5% of gold revenues, plus a corporate royalty of 1.5% of gold revenues. Royalties paid in Papua New Guinea are 2.25% of gold revenues earned from the Simberi mine. The marginal decrease in royalty expenses was attributable to the lower gold revenue from Leonora.

Depreciation and amortisation

Depreciation and amortisation of fixed assets and capitalised mine development for the period amounted to $41,983,000 (2016 comparative period: $42,590,000). Depreciation and amortisation attributable to the Leonora Operations was $31,403,000 (2016 comparative period: $30,544,000). The expense at Simberi was $9,510,000 (2016 comparative period: $10,012,000).

Other expenses

Other expenditure of $1,683,000 (2016 comparative period: $2,608,000) included costs related to share based payments and expenses for other Group projects.

Net finance costs

Finance costs in the period were $479,000 (2016 comparative period: $16,198,000). The reduction in finance costs was due to the repayment of interest bearing borrowings in the 2017 financial year.

Net foreign currency loss

A net foreign exchange loss of $439,000 was recognised for the period (2016 comparative period: gain of $8,164,000), which related mainly to foreign exchange movements on the US cash balances and US denominated intercompany loans.

Income tax

An income tax expense of $15,795,000 was recognised for the period (2016 comparative period: $2,932,000), which comprised an income tax expense of $11,816,000 on Australian taxable income and an income tax expense relating to PNG operations of $3,979,000.

The income tax expense recognised for PNG is net of a tax credit of $7,489,000 relating to previously unrecognised PNG deferred tax assets booked in the period. This tax credit was recognised based on the current life of mine plan for the Simberi operations.

Discussion and analysis of the cash flow statement

Operating activities

Cash flows from operating activities for the period were $128,421,000 (2016 comparative period: $139,285,000), with higher receipts from customers offset by the income tax payment of $31,250,000 (2016 comparative period: $Nil). Receipts from customers of $332,119,000 (2016 comparative period: $320,449,000) were higher than the prior corresponding period due to increased gold sales.

Payments to suppliers and employees were $170,350,000 (2016 comparative period: $161,235,000), with the higher expenditure mainly the result of increased mining volumes at Simberi. Payments for exploration expensed in the period amounted to $4,239,000 (2016 comparative period: $4,576,000), which related to exploration activities in Western Australia and at Simberi and its neighbouring islands. Interest paid in the period of $48,000 (2016 comparative period: $9,600,000) and borrowing costs of $11,000 (2016 comparative period: $6,384,000), were significantly lower than the prior corresponding period as a result of repayment of the Senior Secured US Notes debt in the 2017 financial year.

Investing activities

Net cash flows used in investing activities in the period amounted to $48,819,000 (2016 comparative period: $22,528,000). The higher expenditure was due to an increase in development of mine properties mainly at Gwalia of $29,674,000 (2016 comparative period: $13,609,000), which included expenditure on the Gwalia Extension Project of $14,887,000.

The lower expenditure on the purchase of plant and equipment of $4,313,000 (2016 comparative period: $4,988,000), was mainly due to lower expenditure at Simberi.

Exploration expenditure capitalised during the period totalled $2,597,000 (2016 comparative period: $3,931,000), all of which related to the deep drilling program at Gwalia.

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

- Underground mine development and infrastructure at Gwalia: $14,787,000 (2016 comparative period: $13,609,000);
- Purchase of property, plant and equipment at Gwalia: $3,145,000 (2016 comparative period: $1,796,000)
- Gwalia extension project: $14,887,000 (2016 comparative period: $2,477,000)
- Investments in Catalyst Metals Limited and Peel Mining Limited shares totalling $12,235,000 (2016 comparative period: $Nil)

Financing activities

Net cash flows related to financing activities in the period were a net outflow of $26,336,000 (2016 comparative period: net outflow of $173,144,000), which included a movement of $1,200,000 to restricted cash (2016 comparative period: reduction of $20,000) held on deposit with Westpac Bank to secure bank guarantees in favour of various service providers.

The other main movements in financing cash flows in the period included:

- Repayment of finance leases amounting to $310,000 (2016 comparative period: $590,000).
- Dividend payment of 6 cents per share totalling $24,826,000 (2016 comparative period: $Nil).

Discussion and analysis of the balance sheet

Net assets and total equity

The Group's net assets and total equity increased during the period by $91,154,000 to $552,281,000 due to the strong operating results from the Group.

Total current assets increased to $282,227,000 as at 31 December 2017 (30 June 2017: $231,127,000) due mainly to the increase in cash.

The deferred tax balance was a net liability of $5,005,000 (30 June 2017: net liability of $1,822,000). This is represented by a net deferred tax liability of $30,031,000 relating to temporary differences on Australian taxable income. A net deferred tax asset of $25,026,000 was recognised in relation to the PNG jurisdiction, representing the benefit of using available deferred tax assets to reduce future Simberi taxable profits. Given the sustained operating performance of Simberi it is probable that future taxable profits will be generated to utilise the deferred tax assets.

A current provision for tax payable of $15,159,000 was recognised at 31 December 2017 (30 June 2017: $29,692,000). This provision relates to tax payable on Australian taxable income for the period.

Debt management and liquidity

The available cash balance at 31 December 2017 was $214,574,000 (30 June 2017: $160,609,000), with an additional $1,200,000 (30 June 2017: $Nil) held on deposit as restricted cash and reported within trade receivables.

Total interest bearing liabilities decreased to $225,000 as at 31 December 2017 (30 June 2017: $547,000) comprising lease liabilities.

The AUD/USD exchange rate as at 31 December 2017 was 0.7801 (30 June 2017: 0.7695).

Auditor independence

A copy of the Auditor's Independence Declaration required under section 307C of the Corporations Act 2001 is set out on page 10 and forms part of this Directors' Report.

Events occurring after the end of the financial period

Except as noted below, the Directors are not aware of any matter or circumstance that has arisen since the end of the reporting period that, in their opinion, has significantly affected or may significantly affect in future periods the Company's operations, the results of those operations or the state of affairs:

- Subsequent to year end, the Directors have declared an interim fully franked final dividend of 4 cents per ordinary share to be paid on 28 March 2018. A provision for this dividend has not been recognised in the 31 December 2017 financial statements.

Rounding of amounts

St Barbara Limited is a Company of the kind referred to in ASIC Corporations (Rounding in the Financial/Directors' Report) Instrument 2016/191 issued by the Australian Securities and Investment Commission (ASIC). As a result, amounts in this Directors' Report and the accompanying Financial Report have been rounded to the nearest thousand dollars, except where otherwise indicated.

This report is made in accordance with a resolution of Directors.

For and on behalf of the Board

Dated at Melbourne this 21st day of February 2018.

Bob Vassie

Managing Director and CEO

Auditor's Independence Declaration

As lead auditor for the review of St Barbara Limited for the half-year ended 31 December 2017, 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 review; and

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

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

John O'Donoghue
Partner
PricewaterhouseCoopers

Melbourne
21 February 2018

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Interim Financial Report

Contents

About this report

St Barbara Limited (the "Company") 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 six months ended 31 December 2017 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.

This general purpose financial report for the half year reporting period ended 31 December 2017 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This consolidated half year financial report does not include all the notes of the type normally included in the annual financial report. Accordingly, this report are to be read in conjunction with the audited annual financial report for the year ended 30 June 2017.

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

The comparative amounts for Income Statement items are for the six months ended 31 December 2016, and for Balance Sheet items balances are as at 30 June 2017.

The Board of Directors approved the consolidated half year financial report on 21 February 2018.

The AUD:USD exchange rate as at 31 December 2017 was 0.7801 (30 June 2017: 0.7695).

Income statement
for the half year ended 31 December 2017

	Notes	CONSOLIDATED 2017 $'000	2016 $'000
Operations			
Revenue	1	**329,752**	319,846
Mine operating costs	1	**(139,201)**	(127,485)
Gross profit		**190,551**	192,361
Interest revenue		**2,203**	714
Other income		**208**	100
Exploration expensed		**(4,239)**	(4,576)
Corporate costs		**(11,609)**	(11,540)
Royalties		**(10,890)**	(11,070)
Depreciation and amortisation		**(41,983)**	(42,590)
Other expenses		**(1,683)**	(2,608)
Impairment losses and asset write-downs		**-**	(27,273)
Operating profit		**122,558**	93,518
Finance costs		**(479)**	(16,198)
Net foreign exchange (loss)/gain		**(439)**	8,164
Profit before income tax		**121,640**	85,484
Income tax expense	2	**(15,795)**	(2,932)
Net profit after tax		**105,845**	82,552
Profit attributable to equity holders of the Company		**105,845**	82,552
Other comprehensive income(1)			
Items that may be reclassified subsequently to profit and loss:			
Changes in fair value of available for sale financial assets		**12,244**	157
Foreign currency translation differences - foreign operations		**397**	397
Income tax on other comprehensive income		**(3,624)**	525
Other comprehensive profit net of tax		**9,017**	1,079
Total comprehensive income attributable to equity holders of the Company		**114,862**	83,631
Earnings per share for operations:			
Basic earnings per share (cents per share)		**20.76**	16.62
Diluted earnings per share (cents per share)		**20.51**	15.95

(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. Comprehensive income attributable to equity holders of the company comprises the result for the year adjusted for the other comprehensive income.

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

Balance sheet

as at 31 December 2017

	Notes	CONSOLIDATED 31 Dec 2017 $'000	30 June 2017 $'000
Assets			
Current assets			
Cash and cash equivalents		**214,574**	160,909
Trade and other receivables		**7,446**	9,270
Inventories		**56,589**	55,340
Deferred mining costs		**3,618**	5,608
Total current assets		**282,227**	231,127
Non-current assets			
Property, plant and equipment		**116,232**	126,493
Financial assets	6	**29,119**	4,569
Deferred mining costs		**7,947**	9,253
Mine properties		**175,559**	159,859
Exploration and evaluation		**25,759**	35,411
Mineral rights		**5,635**	7,560
Deferred tax assets	2	**25,026**	29,399
Total non-current assets		**385,277**	372,544
Total assets		**667,504**	603,671
Liabilities			
Current liabilities			
Trade and other payables		**27,357**	36,480
Interest bearing borrowings		**225**	547
Rehabilitation provision		**488**	488
Other provisions		**12,224**	12,154
Current tax liability		**15,159**	29,692
Total current liabilities		**55,453**	79,361
Non-current liabilities			
Rehabilitation provision		**27,881**	27,750
Deferred tax liabilities	2	**30,031**	31,221
Other provisions		**1,858**	4,212
Total non-current liabilities		**59,770**	63,183
Total liabilities		**115,223**	142,544
Net assets		**552,281**	461,127
Equity			
Contributed equity	5	**893,964**	887,254
Reserves		**(46,340)**	(55,736)
Accumulated losses		**(295,343)**	(370,391)
Total equity		**552,281**	461,127

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

Statement of changes in equity

for the half year ended 31 December 2017

		CONSOLIDATED				
	Notes	**Contributed Equity $'000**	**Foreign Currency Translation Reserve $'000**	**Other Reserves $'000**	**Accumulated Losses $'000**	**Total $'000**
Balance at 1 July 2016		887,216	(59,577)	938	(527,963)	300,614
Transactions with owners of the Company recognised directly in equity:						
Share-based payments expense		38	-	881	-	919
Total comprehensive income for the period						
Profit attributable to equity holders of the Company		-	-	-	82,552	82,552
Other comprehensive gain for the period		-	922	157	-	1,079
Balance at 31 December 2016		887,254	(58,655)	1,976	(445,411)	385,164
Balance at 1 July 2017		**887,254**	**(58,673)**	**2,937**	**(370,391)**	**461,127**
Transactions with owners of the Company recognised directly in equity:						
Share-based payments expense		**-**	**-**	**1,118**	**-**	**1,118**
Performance rights issued		**739**	**-**	**(739)**	**-**	**-**
Dividends paid		**-**	**-**	**-**	**(24,826)**	**(24,826)**
Dividends reinvested		**5,971**	**-**	**-**	**(5,971)**	**-**
Total comprehensive income for the period						
Profit attributable to equity holders of the Company		**-**	**-**	**-**	**105,845**	**105,845**
Other comprehensive gain for the period		**-**	**397**	**8,620**	**-**	**9,017**
Balance at 31 December 2017		**893,964**	**(58,276)**	**11,936**	**(295,343)**	**552,281**

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

Cash flow statement

for the half year ended 31 December 2017

	Notes	CONSOLIDATED 2017 $'000	2016 $'000
Cash flows from operating activities:			
Receipts from customers (inclusive of GST)		**332,119**	320,449
Payments to suppliers and employees (inclusive of GST)		**(170,350)**	(161,235)
Payments for exploration and evaluation		**(4,239)**	(4,576)
Interest received		**2,203**	714
Interest paid		**(48)**	(9,600)
Finance charges – finance leases		**(3)**	(83)
Borrowing costs paid		**(11)**	(6,384)
Income tax paid		**(31,250)**	-
Net cash inflow from operating activities		**128,421**	139,285
Cash flows from investing activities:			
Payments for property, plant and equipment		**(4,313)**	(4,988)
Payments for development of mining properties		**(29,674)**	(13,609)
Payments for exploration and evaluation		**(2,597)**	(3,931)
Investments in financial assets		**(12,235)**	-
Net cash used in investing activities		**(48,819)**	(22,528)
Cash flows from financing activities:			
Movement in restricted cash		**(1,200)**	20
Other loan facility repayments		**-**	(1,652)
US senior secured notes repayments		**-**	(170,922)
Principal repayments - finance leases		**(310)**	(590)
Dividend payment		**(24,826)**	-
Net cash used in financing activities		**(26,336)**	(173,144)
Net increase/(decrease) in cash and cash equivalents		**53,266**	(56,387)
Cash and cash equivalents at the beginning of the period		**160,909**	136,689
Net movement in foreign exchange rates		**399**	6,875
Cash and cash equivalents at the end of the period		**214,574**	87,177

Cash flows are included in the 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 cash flow statement should be read in conjunction notes to the financial statements.

A. Key results

1 Segment information

	Leonora		Simberi		Total segments	
	2017 $'000	2016 $'000	**2017 $'000**	2016 $'000	**2017 $'000**	2016 $'000
Gold Revenue	**214,061**	227,160	**115,238**	92,111	**329,299**	319,271
Silver Revenue	**228**	289	**225**	286	**453**	575
Total Revenue	**214,289**	227,449	**115,463**	92,397	**329,752**	319,846
Mine operating costs	**(77,795)**	(68,641)	**(61,406)**	(58,844)	**(139,201)**	(127,485)
Gross profit	**136,494**	158,808	**54,057**	33,553	**190,551**	192,361
Royalties [1]	**(8,336)**	(9,004)	**(2,554)**	(2,066)	**(10,890)**	(11,070)
Impairment losses and asset write downs	**-**	-	**-**	(27,273)	**-**	(27,273)
Depreciation and amortisation	**(31,403)**	(30,544)	**(9,510)**	(10,012)	**(40,913)**	(40,556)
Segment profit/(loss) before income tax	**96,755**	119,260	**41,993**	(5,798)	**138,748**	113,462
Capital expenditure						
Sustaining	**17,772**	13,152	**606**	3,277	**18,378**	16,429
Growth[2]	**2,597**	3,931	**-**	-	**2,597**	3,931
Gwalia Extension Project	**14,887**	2,477	**-**	-	**14,887**	2,477
Total capital expenditure	**35,256**	19,560	**606**	3,277	**35,862**	22,837
	31 Dec 2017 $'000	30 Jun 2017 $'000	**31 Dec 2017 $'000**	30 Jun 2017 $'000	**31 Dec 2017 $'000**	30 Jun 2017 $'000
Segment assets	**303,314**	304,904	**119,694**	123,693	**423,008**	428,867
Segment non-current assets	**272,918**	279,276	**72,880**	86,148	**345,798**	365,424
Segment liabilities	**27,836**	26,130	**24,334**	29,775	**52,170**	55,905

(1) Royalties include state and government royalties and corporate royalties.
(2) Growth capital at Gwalia represents deep drilling expenditure reported as part of exploration.

Reconciliation of reportable segment revenues, profit or loss, assets, and other material items:

	Consolidated	
Operations	**2017 $'000**	2016 $'000
Total profit for reportable segments	**138,748**	113,462
Other income and revenue	**2,411**	814
Exploration expensed	**(4,239)**	(4,576)
Unallocated depreciation and amortisation	**(1,070)**	(2,034)
Finance costs	**(479)**	(16,198)
Corporate costs	**(11,609)**	(11,540)
Net foreign exchange (loss)/gain	**(439)**	8,164
Other expenses	**(1,683)**	(2,608)
Consolidated profit before income tax	**121,640**	85,484

	Consolidated	
Assets	**31 Dec 2017 $'000**	30 Jun 2017 $'000
Total assets for reportable segments	**423,008**	428,867
Cash and cash equivalents	**206,503**	160,106
Trade and other receivables	**6,463**	7,578
Financial assets	**29,119**	4,569
Property, plant & equipment	**2,411**	2,551
Consolidated total assets	**667,504**	603,671

The Group has two operational business units: Leonora operations and Simberi operations. The operational business units are managed separately due to their separate geographic regions.

The Leonora operations comprise underground gold mining operations in Leonora, Western Australia, consisting of the Gwalia processing plant and mine. The results of all segments are reviewed regularly by the Group's Executive Leadership Team, in particular production, cost per ounce and capital expenditures.

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

2 Tax

Income tax expense

	Consolidated	
	2017	2016
	$'000	$'000
Current tax expense	**15,191**	18,686
Under/(over) provision in respect of the prior year	**158**	(2,759)
Deferred income tax expense	**446**	(12,995)
Total income tax expense	**15,795**	2,932

Numerical reconciliation of income tax expense to prima facie tax payable

	2017	2016
	$'000	$'000
Profit before income tax	**121,640**	85,484
Tax at the Australian tax rate of 30%	**36,492**	25,645
Tax effect of amounts not deductible/(taxable) in calculating taxable income:		
Equity settled share based payments	**(12,277)**	276
Sundry items	**(931)**	423
Recognition of previously unbooked deferred tax assets in PNG	**(7,489)**	(16,061)
Use of tax losses not previously recognised	**-**	(4,363)
Interest expense previously treated as non deductible	**-**	(2,988)
Income tax expense	**15,795**	2,932

Current tax liability

As at 31 December 2017 the Company recognised a current tax liability of $15,159,000 (June 2017: $29,692,000). At 30 June 2017 an amount of $10,478,000 was provided for in relation to R&D credits previously claimed and subject to review by AusIndustry. During the period this matter was concluded in favour of AusIndustry. The amount was paid during the period and included within income tax paid with no further financial impact.

Deferred tax balances

	Consolidated	
	31 Dec 2017	30 Jun 2017
	$'000	$'000
Deferred tax assets		
Provisions and accruals	**42,998**	41,699
Property, plant and equipment	**99,864**	113,384
Other	**-**	630
Total	**142,862**	155,713
Tax effect @ 30%	**42,859**	46,714
Deferred tax liabilities		
Accrued income	**269**	255
Mine properties – exploration	**40,753**	38,595
Mine properties – development	**36,960**	57,131
Consumables	**48,702**	46,033
Capitalised convertible notes costs	**2,971**	3,347
Unrealised foreign exchange gains	**17,906**	16,426
Financial assets	**11,984**	-
Total	**159,545**	161,787
Tax effect @ 30%	**47,864**	48,536
Net deferred tax balance	**(5,005)**	(1,822)
Comprising of:		
Australia – net deferred tax liabilities	**(30,031)**	(31,221)
PNG – net deferred tax assets	**25,026**	29,399
Deferred tax assets have not been recognised in respect of the following items:		
Tax losses – PNG Operations	**52,287**	53,079
Property, plant and equipment – PNG Operations	**23,710**	48,159
Total	**75,997**	101,238
Tax effect @ 30%	**22,799**	30,371

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.

At 31 December 2017 tax losses not recognised amounted to $15,686,000 (tax effected) relating to entities associated with Simberi operations in PNG and Australia. These tax losses have not been recognised as it is not deemed probable at the reporting date that future taxable profits will be available against which they can be utilised. Deferred tax balances recognised are based on taxable profit forecasts from current life of mine models.

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 period are detailed below.

	Consolidated	
	2017	2016
	$'000	$'000
Impairment losses	**-**	(27,273)
Included within net foreign exchange gain		
Effect of foreign exchange movements on US cash balances	-	3,475
Unrealised foreign exchange	-	2,922
Foreign exchange gain on USD debt repayments	-	814
Total significant items – pre tax	**-**	(20,062)
Tax Effect		
Tax effect of pre-tax significant items	**-**	6,018
PNG deferred tax asset recognised(1)	**7,489**	16,061
Total significant items – post tax	**7,489**	2,017

(1) PNG deferred tax asset recognised

Prior to 30 June 2016, there had been no deferred tax asset recognised in relation to the PNG jurisdiction, as it had been previously determined that it was not probable that the Simberi operation would generate future taxable profits. At 30 June 2016, following the successful completion of the turnaround in performance of the Simberi operation, net deferred tax asset was recognised. At 31 December 2017 a further $7,489,000 was recognised as a deferred tax asset based on the current life of mine plan.

4 Dividends

	Consolidated	
	2017	2016
	$'000	$'000
Ordinary shares:		
Final dividend for the year ended 30 June 2017 of 6 cents per share fully franked - paid	**30,797**	-
Total dividends provided for or paid	**30,797**	-
Dividends paid in cash or satisfied by the issues of shares under the dividend reinvestment plan during the period were as follows:		
Paid in cash	**24,826**	-
DRP – satisfied by issue of shares	**5,971**	-
Total dividends provided for or paid	**30,797**	-
Interim dividend for the 31 December 2017 period of 4 cents per share fully franked.	**20,617**	

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 in cash.

DRP shares in relation to the 2017 final dividend were issued at a 2% discount to the 5 day volume weighted average price.

DRP shares in relation to the 2018 interim dividend will be issued at a 1.5% discount to the 5 day volume weighted average price.

Interim Dividend

Subsequent to 31 December 2017 half year report date, the Directors recommended the payment of an interim dividend of 4 cents per fully paid ordinary share fully franked. The aggregate amount of the proposed dividend is expected to be paid on 28 March 2018 out of retained earnings at 31 December 2017, and has not been recognised as a liability at the end of the period.

B. Other disclosures

5 Contributed equity

Details	Number of shares	$'000
Opening balance 1 July 2017	497,331,095	887,254
Vested performance rights	15,953,028	739
Dividend reinvestment plan	2,143,069	5,971
Closing balance 31 December 2017	515,427,192	893,964

6 Fair value of financial assets

As at 31 December 2017, the Group's Level 1 financial instruments comprise financial assets (shares) of $29,119,000 (30 June 2017: $4,569,000), which are traded in an active market and their fair values are based upon quoted market prices at the end of the reporting period. The accumulated fair value adjustments are recognised in other comprehensive income as gains or losses.

These financial assets relate to the Company's investment in shares of Catalyst Metals Limited and Peel Mining Limited, both companies listed on the Australian Securities Exchange.

7 Events occurring after the balance sheet date

The Directors are not aware of any matter or circumstance that has arisen since the end of the financial year that, in their opinion, has significantly affected or may significantly affect in future years the Company's or the Group's operations, the results of those operations or the state of affairs, except as described in this note:

- Subsequent to period end, the Directors declared a fully franked interim dividend in relation to the 2018 financial year of 4 cents per ordinary share, to be paid on 28 March 2018. A provision for this dividend has not been recognised in the 31 December 2017 financial statements.

8 Contingencies

During July 2014, the Company announced that by operation of its internal reporting mechanisms, the provision of benefits to a foreign public official that may violate its Anti-Bribery and Anti-Corruption Policy or applicable laws in Australia or in foreign jurisdictions were identified. The amount of the benefits provided to the foreign public official was not material to the Company. The Company self-reported the matter to relevant authorities, including the Australian Federal Police, and the matter is being assessed and investigated. To date, there has been no action taken against the Company, consequently, the range of potential penalties, if any, cannot be reliably estimated. Should there be any prosecution, potential penalties are governed by laws in various jurisdictions including *Criminal Code 1995 (Cth)* in Australia and/or the UK *Bribery Act*.

9 Basis of preparation

Significant accounting policies

The accounting policies applied by the Group in this consolidated half year financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2017. These accounting policies are consistent with Australian Accounting Standards.

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 half-year report. Accounting policies are applied consistently by each entity in the Group.

Critical accounting judgement and estimates

The preparation of the half year financial report 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.

In preparing this consolidated half year financial report, the significant estimates and judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the most recent annual financial report.

Directors' declaration

In the Directors' opinion:

(a) the financial statements and notes set out on pages 11 to 19 are in accordance with the *Corporations Act 2001,* including:

   i) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*; and

   ii) giving a true and fair view of the Group's financial position as at 31 December 2017 and of its performance for the six month period ended on that date; 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.

This declaration is made in accordance with a resolution of the Directors.

Bob Vassie

Managing Director and CEO

Melbourne
21 February 2018

Independent auditor's review report to the members of St Barbara Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of St Barbara Limited (the Company), which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the half-year ended on that date, selected explanatory notes and the directors' declaration for the St Barbara Limited Group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of St Barbara Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of St Barbara Limited is not in accordance with the *Corporations Act 2001* including:

1. giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date;

2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

John O'Donoghue
Partner

Melbourne
21 February 2018

Corporate Directory

BOARD OF DIRECTORS

T C Netscher	Non-Executive Chairman
R S Vassie	Managing Director & CEO
K J Gleeson	Non-Executive Director
D E J Moroney	Non-Executive Director

COMPANY SECRETARY
R R Cole

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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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