



Presentations to 2018 Annual General Meeting and audio webcast

Attached are the Chairman's address and the Managing Director and CEO's presentation to the 2018 Annual General Meeting in Melbourne today.

A live audio webcast of the meeting will be available on St Barbara's website at www.stbarbara.com.au/investors/webcast/ or by [clicking here](#), commencing at 11:00 am Melbourne time (UTC +11 hours) today. The audio webcast is 'listen only' and does not enable questions. The audio webcast will subsequently be made available on the website.

2018 Annual General Meeting
Chairman's Address to Shareholders

Introduction

Good morning ladies and gentlemen and welcome to St Barbara's 2018 Annual General Meeting. The 2018 financial year has been another highly successful year in which the Company has built on the achievements in 2017 and set new records.

Another record year

2018 represents St Barbara's fourth consecutive annual record for profit, production and costs. Consolidated production for 2018 was just over 403,000 ounces of gold (up from 381,101 ounces of gold in 2017), while All-in Sustaining Costs¹ were also a new record low of A\$891 per ounce (down from A\$907 per ounce in 2017).

On safety, our Total Recordable Injury Frequency Rate of 2.1 recordable injuries per million hours worked represents a slight increase compared to last year, due to nine low severity recordable injuries. However minor, we do not like any recordable injury and so we continue to strive to eliminate these. We are pleased that our comparable Lost Time Injury Frequency Rate remains well below the industry benchmark.

Operationally, both Gwalia and Simberi exceeded guidance for 2018, leading to a new record operating cash flow of A\$349 million, being 10% higher than 2017. Cash and cash deposits at 30 September 2018 totalled A\$350 million, a 76% increase from this time last year.

¹ Non-IFRS measure, refer details page 5, 2018 Annual Report.

The Company is in a strong financial position, as we continue to execute on our organic growth projects and consider inorganic opportunities that will add value for shareholders. I will discuss some of our projects and our growth strategy later in this address.

The Company has demonstrated record financial performance over several years and now has a balance sheet which places the Company in a strong position to both grow and to return excess cash to shareholders.

Dividends

Shareholder often ask about dividends. As you are no doubt aware, the Company paid a total of 12 cents per share fully franked dividends for the 2018 financial year, double the total dividend paid for 2017.

The Board considers dividends at each financial reporting date, rather than adopting a fixed formula in advance. Dividends are one component of capital management, which seeks to maximise the value of the Company for shareholders. As you are aware, dividends combine with share price appreciation as part of total shareholder return.

We have published our dividend policy each time we have paid a dividend and it can be summarised as follows: the quantum of each dividend is considered after assessing all capital requirements, competing internal and external investment opportunities and the outlook for the Company. In the current volatile world, together with our risk management strategies, it is important for the Company's balance sheet to be sufficiently robust to withstand unexpected shocks which may come our way.

Growth initiatives and strategy

The strategy and growth outlook for St Barbara remain a key focus for the Board, and there are a number of organic growth initiatives underway.

At the Gwalia mine, the immediate focus is the A\$100 million Gwalia Extension Project, which we commenced in March 2017 and which is approximately 50% complete. The first of the surface ventilation shafts is complete, with the second surface shaft underway. The paste aggregate fill component is due for completion in the March 2019 quarter, while the overall extension project is on track for delivery in the December 2019 quarter. The Extension Project allows the mine to produce until at least 2024, but will also enable potential future mine life extensions.

This leads to the Gwalia Mass Extraction Project, which was announced in February 2018. It considers a change in mining method and material handling below 1800 metres below surface and supports a revised Life of Mine Plan to 2031. The project is at Feasibility Study stage, which is due to be completed in the March 2019 quarter. Bob Vassie will speak to these more in his presentation.

A multi-faceted exploration program is underway at Gwalia. The deep drilling program at Gwalia has shown that the mineralisation extends to at least 2,600 metres below surface, which is almost 1 km vertically below our current mining infrastructure, and 400 metres deeper than the base of our current mineral resource. Last week in our quarterly report, we announced high-grade results from infill drilling at approximately 2,000 metres below surface, which need to be followed up with further drilling. These results help to increase our confidence in the orebody at that depth.

We have also been drilling exploration targets identified through the 3D seismic reflection program at Gwalia. The results were promising with the two drill holes intersecting mafic shearing similar to the Gwalia deposit, along with low grade gold mineralisation. We have identified a third target area for drilling in the current quarter.

The Board visited the Gwalia mine two weeks ago and we viewed first-hand the progress made on the Extension Project, including the paste-aggregate-fill infrastructure at 1,420 metres below surface. We were also provided with a technical update on the Gwalia Mass Extraction Project and exploration programs. I am personally excited with what we saw and I am impressed by the innovation and energy of the Gwalia team.

At Simberi, the outstanding performance in 2018 and an improved understanding of the orebody has led to a further one-year extension of mine life to 2021 after a record production year. The operation continues to deliver and posted a record A\$34 million dollar cash contribution² in the recent Q1 September FY19 quarter.

We have a number of significant exploration programs underway at Simberi and on the neighbouring islands of Tatau and Big Tabar. On Simberi we are focused on drilling for sulphide ore beneath the Sorowar pit, with the potential to progress the Sulphide Project on which we announced Pre-Feasibility Study results in 2016. Drilling results to date have been very encouraging and we expect the drill program to be complete in the March 2019 quarter.

There is also the potential for economic copper-gold porphyry-type mineralisation and, along with our joint venture partner Newcrest, we have drilled some deep holes on Tatau Island and are due to commence on Big Tabar Island soon.

We made several strategic investments in junior mining exploration companies over the last 18 months. These may be viewed as an extension of St Barbara's exploration expenditure, with each company having very promising projects.

Lastly, as I mentioned earlier, the Company's strong balance sheet allows us to consider inorganic opportunities. We have a valuation driven approach which has examined a number

² Non-IFRS measure, refer details in Q1 Sep FY19 Quarterly Report.

of opportunities over the last 12 months, but we have yet to uncover a merger or acquisition that has survived our due diligence and made sense for shareholders. Going forward we will continue to apply the same disciplined approach. Having the discipline to walk away from a potentially value destructive transaction is at least as important as completing a good, value-accretive transaction.

Culture, community and sustainability

I believe the culture of a company is directly reflected in its performance and its relationship with its immediate communities. I am extremely proud of the culture we have achieved within St Barbara and how it resonates across our operations and in the communities in which we operate. Bob Vassie as MD and CEO, together with the Executive Team and Operational Leadership Teams has built a strong culture, with the goal of delivering sustainable high performance.

We describe our culture as ‘talented people who deliver extraordinary results’. This culture has resulted in the achievement of year-on-year records across the Company, but more importantly has built a sense of individual ownership. While delivering these record results, we have consistently adhered to our values, particularly in the fields of community relations, environmental stewardship and pro-active safety management.

At Simberi, the vision for the community is to support the growth of local businesses which will continue independently beyond the mining operation. This is separate to our substantial efforts in maintaining and developing infrastructure and community services across the island.

At Gwalia, we continue to support the local Leonora community through the sponsorship of athletic, sporting, education and community events. Recently we joined with Saracen to support the Shooting Stars netball program at the Leonora District High School. The Company also supports education programs and local apprenticeship programs.

St Barbara published its second Sustainability Report in conjunction with the Annual Report and it incorporates a number of developments. We responded to the Carbon Disclosure Project for the first time, became a supporter of the Extractive Industries Transparency Initiative and became a signatory to the United Nations Global Compact (UNGC). In addition, the report contains our first Communications on Progress on furthering the goals contained in the UNGC principles and we recognise the risk of climate change as defined in the Paris 2015 Climate Change Agreement.

Board appointment

Finally, I will provide an update on the Board. St Barbara's Board comprises a small, dedicated team, which we believe has had the necessary skills, expertise and experience appropriate for a mid-cap mining company, and has served us well in the turnaround delivered in recent years.

However, to enhance our existing collective skills and aligned with the future plans for the Company, I am pleased to announce the appointment of a fourth independent Non-Executive Director, taking the Board total to five Directors. This is also consistent with recommendations from some of our shareholders and proxy advisors.

I would like to extend a warm welcome to Stefanie Loader, who I introduced to you earlier and who will join the Board on 1 November.

Stef is a company director, geologist and former mining executive with experience in mining operations, mineral exploration and project development. In her 24-year executive career, Stef has worked in seven countries across four continents.

Stef is a Non-Executive Director of Clean TeQ Ltd, Deputy Chair of CatholicCare Wilcannia-Forbes Ltd, and advises organisations in the areas of leadership, strategy and regional economic development.

I am sure that Stef will prove to be a valuable addition to the St Barbara board and I look forward to her quickly stepping up to become a key player in our small, high performance team.

Conclusion

In conclusion, I would like to congratulate Bob Vassie, the Executive Leadership Team, all St Barbara employees and our contract partners for their dedication and hard work in contributing to another outstanding year.

I also extend my thanks to my fellow Directors, Kerry, David and Bob, for their ongoing commitment to St Barbara.

Finally, to our shareholders, thank you for your continued support and faith in your company, St Barbara Limited.