

FY19 Financial Report, Appendix 4E, briefing and audio webcast

St Barbara Limited (ASX:SBM) (the “Company”) reported statutory net profit after tax of \$144 million for the year ended 30 June 2019 (2018: \$227 million) and cash flow from operating activities of \$241 million (2018: \$316 million).

Highlights

- Underlying net profit after tax¹ of \$142 million for the year (2018: \$202 million)
- Record annual production from Simberi mine of 142,177 ounces (2018:134,661 ounces)
- Consolidated All-In Sustaining Cost¹ of \$1,080 per ounce (2018: \$891 per ounce)
- Total cash at bank and term deposits of \$110 million as at 30 June 2019²
- 4 cents per share fully franked final dividend declared today (in respect of the 2019 financial year)

Financial Results		FY19	FY18	Change
Underlying EBITDA¹	A\$ million	279	346	(19%)
Underlying net profit after tax¹	A\$ million	142	202	(30%)
Statutory net profit after tax	A\$ million	144	227	(36%)
Cash flow from operating activities	A\$ million	241	316	(24%)
Earnings per share (basic)	cents	27	44	(39%)
Underlying earnings per share (basic)	cents	27	39	(33%)
Dividends per share				
– interim	cents	4	4	
– final	cents	4	8	
– total declared for year	cents	8	12	(33%)
Realised gold price	A\$ / oz	1,762	1,691	4%

Details of the results for the financial year ended 30 June 2019 are set out in the attached Appendix 4E and Directors’ and Financial Report.

St Barbara Managing Director and CEO, Mr Bob Vassie, said, “This is a solid result for the Company in a year where mining at Gwalia experienced limited ventilation and the Gwalia Extension Project (GEP) construction activities peaked. It was very pleasing for Simberi to make yet another strong contribution this year. I look forward to the completion of GEP and the doubling of ventilation capacity the project delivers. I also look forward to the contribution of Atlantic Gold from the successful acquisition that completed in July.”

Mr Vassie and Mr Garth Campbell-Cowan, Chief Financial Officer, will host a conference call for analysts and institutional investors to discuss the full year financial results at **11:00 am Australian Eastern Standard Time (UTC + 10 hours) on Wednesday 21 August 2019**. 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’. The audio webcast will subsequently be made available on the website.

1 This is a non-IFRS measure which is detailed in the attached FY19 Directors’ and Financial Report

2 Net of \$780 million Atlantic Gold consideration paid in July 2019

Investor Relations	Mr David Cotterell	Manager Investor Relations	+61 3 8660 1900	ASX:SBM
Media Relations	Mr Tim Duncan	GRACosway with Hintons	+61 408 441 122	ADR:STBMY



Appendix 4E
For the year ended 30 June 2019

Preliminary Final Report
Financial year ended 30 June 2018

This information should be read in conjunction with the St Barbara Limited 2018 Financial Report attached.

Name of entity

St Barbara Limited

ABN or equivalent company reference

36 009 165 066

Results for announcement to the market	% Change			A\$'000
Revenue and other income	down	4%	to	660,509
Profit after tax from ordinary activities (before significant items) attributable to members - Underlying <i>(Prior year underlying profit: \$201,892,000)</i>	down	30%	to	141,728
Net profit attributable to members of the parent entity <i>(Prior year net profit: \$226,998,000)</i>	down	36%	to	144,163

During the year there was a significant item that had a material impact on the income statement of the consolidated entity as set out in the table below:

A\$'000	Year ended 30 June 2019	Year ended 30 June 2018
Net profit after tax as reported – Statutory Profit	144,163	226,998
<u>Significant Items</u>		
Atlantic Gold Corporation acquisition costs	3,865	-
Tax adjustments	(6,300)	(25,106)
Underlying net profit after tax	141,728	201,892

Net tangible asset backing		
Net tangible assets per ordinary security*	\$1.81	\$1.29

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

Dividends

Subsequent to 30 June 2019, the Board has declared a fully franked dividend of 4 cents per ordinary share to be paid on 25 September 2019. The record date for determining entitlements to the dividend will be 4 September 2019. Elections to participate in the Dividend Reinvestment Plan (**DRP**) for this dividend must be made by 5.00pm AEDT on 5 September 2019. A 1% discount to the 5 day value weighted average price will apply to share allotments made under the DRP.

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

Details	Cents per share	A\$'000	Percentage franked
2018 final dividend	8	41,641	100%
2019 interim dividend	4	20,971	100%
Total	12	62,612	100%

Dividend Reinvestment Plan

The Company's Dividend Reinvestment Plan (DRP) continues to be available to eligible shareholders, whereby holders of ordinary shares may elect to have all or parts of their dividend entitlements satisfied by the issue of new ordinary shares instead of receiving cash.

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

DRP shares in relation to the 2019 interim dividend were issued at a 1% discount to the 5 day volume weighted average price.

Other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position.

During the 2019 financial year the Group recorded strong financial performance despite lower production and profit from the Leonora operations. The key results for the year were:

- Statutory net profit after tax of \$144,163,000 (2018: \$226,998,000);
- Production at Gwalia and Simberi totalling 362,346 ounces (2018: 403,089 ounces), with lower production from Gwalia compared to the prior year partially offset by record production from Simberi;
- Cash flows from operations of \$213,209,000 (2018: \$300,553,000), which reflected an increase in sustaining capital expenditure in 2019 at Gwalia and Simberi, and was after growth capital of \$75,439,000 (2018: \$37,129,000); and
- Total 2019 dividends of \$62,612,000 (2018: \$51,414,000).

Underlying net profit after tax, representing net profit excluding significant items, was \$141,728,000 for the year (2018: \$201,892,000). Net significant items in the 2019 financial year included the benefit from an increase in deferred tax assets associated with the Simberi operations, and costs associated with the acquisition of Atlantic Gold Corporation (Atlantic Gold).

Cash on hand and deposits held to maturity within 12 months at 30 June 2019 was \$890,199,000 (2018: \$342,643,000). The significant increase in cash during the year was attributable to net proceeds from new shares issued to fund the acquisition of Atlantic Gold of \$479,558,000. Net cash generated during the year, excluding the net proceeds from the equity issue and movements in deposits held to maturity, was \$63,647,000 (2018: \$176,048,000).

Total interest bearing borrowings at 30 June 2019 were \$Nil (2018: \$39,000).

The consolidated result for the year is summarised as follows:

	2019 \$'000	2018 \$'000
EBITDA ⁽³⁾⁽⁶⁾ (including significant items)	274,810	345,514
EBIT ⁽²⁾⁽⁶⁾ (including significant items)	195,167	258,238
Profit before tax ⁽⁴⁾	204,294	262,603
Statutory profit⁽¹⁾ after tax for the year	144,163	226,998
Total net significant items after tax	2,435	25,106
EBITDA ⁽⁶⁾ (excluding significant items)	278,675	345,514
EBIT ⁽⁶⁾ (excluding significant items)	199,032	258,238
Profit before tax (excluding significant items)	208,159	262,603
Underlying net profit after tax⁽⁵⁾⁽⁶⁾ for the year	141,728	201,892

(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) Underlying net profit after income tax is net profit after income tax ("statutory profit") excluding significant items as described in Note 3 to the consolidated financial statements.

(6) EBIT, EBITDA and underlying net profit after tax are non-IFRS financial measures, which have not been subject to review or audit by the Group's external auditors. These measures are presented to enable understanding of the underlying performance of the Group by users.

Details of significant items included in the Statutory Profit for the year are displayed in the table below. Descriptions of each item are provided in Note 3 to the financial report.

	2019 \$'000	2018 \$'000
Atlantic Gold Corporation acquisition costs	(3,865)	-
Significant items before tax	(3,865)	-
Income tax	6,300	25,106
Significant items after tax	2,435	25,106

Overview of Operating Results

During the 2019 financial year the Group's operations continued to achieve strong production and cost performance.

Safety of people working across the Group is of paramount importance and the focus has been to maintain a low total recordable injury frequency rate (TRIFR) calculated as a rolling 12 month average. During 2019 the TRIFR increased to 5.0 (2018: 2.1) due to 23 low severity recordable injuries, with 15 of these injuries in the most minor category involving no lost time or reduced duties. Nearly all the injuries were hand or forearm laceration or finger injuries. The Group continues to work in an urgent and focused way on preventing future injuries through training programs and improved supervision of employees and contractors. Investigating and learning from incidents to prevent reoccurrence is a key consideration in developing training and supervision programs.

Total production for the Group in the 2019 financial year was 362,346 ounces of gold (2018: 403,089 ounces), and gold sales amounted to 368,444 ounces (2018: 400,956 ounces) at an average gold price of \$1,762 per ounce (2018: \$1,691 per ounce). The impact of lower production at Gwalia of 220,169 ounces (2018: 268,428 ounces) was partially offset by a new production record at Simberi of 142,177 ounces (2018: 134,661 ounces).

Consolidated All-In Sustaining Cost (AISC) for the Group was \$1,080 per ounce in 2019 (2018: \$891 per ounce), reflecting the impact of lower production and higher operating costs at Gwalia, and increased sustaining capital expenditure at both Gwalia and Simberi.

Year ended 30 June 2019 \$'000	Leonora Operations	Simberi Operations	Group
Revenue	392,678	257,643	650,321
Mine operating costs	(155,236)	(143,839)	(299,075)
Gross Profit	237,442	113,804	351,246
Royalties	(15,663)	(5,778)	(21,441)
EDITDA	221,779	108,026	329,805
Depreciation and amortisation	(59,763)	(18,220)	(77,983)
Profit from operations⁽¹⁾	162,016	89,806	251,822

(1) Excludes corporate costs, exploration expenses, interest and tax and is non-IFRS financial information, which has not been subject to review or audit by the Group's external auditors. The measure is presented to enable an understanding of the underlying performance of the operations.

The table below provides a summary of the cash contribution, after capital expenditure, from continued operations in Australia and at Simberi.

Year ended 30 June 2019 \$'000	Leonora Operations	Simberi Operations	Group
Operating cash contribution	229,907	112,338	342,245
Capital – sustaining	(44,161)	(9,436)	(53,597)
Cash contribution⁽¹⁾	185,746	102,902	288,648
Capital – Gwalia Extension Project	(59,716)	-	(59,716)
Capital – growth ⁽²⁾	(11,127)	(4,596)	(15,723)
Cash contribution after growth capital	114,903	98,306	213,209

(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 represents deep drilling expenditure at Gwalia, Gwalia feasibility studies and sulphide drilling at Simberi.

Total net cash contribution from the operations was \$213,209,000 (2018: \$300,553,000), reflecting the impact of lower production from Gwalia and significant increase in capital expenditure at both operations. Simberi generated record cash flows from operations despite an increase in capital expenditure, mainly to refresh the mining fleet.

Analysis of Leonora Operations

Total sales revenue from the Leonora operations of \$392,678,000 (2018: \$461,264,000) was generated from gold sales of 222,625 ounces (2018: 271,141 ounces) in the year at an average achieved gold price of \$1,762 per ounce (2018: \$1,699 per ounce). The reduction in gold ounces sold was attributable to lower production.

A summary of production performance for the year ended 30 June 2019 is provided in the table below.

Details of 2019 Production Performance

	Gwalia	
	2019	2018
Underground ore mined (kt)	625	679
Grade (g/t)	11.1	12.5
Ore milled (kt)	652	711
Grade (g/t)	10.8	12.0
Recovery (%)	98	98
Gold production (oz)	220,169	268,428
Cash cost ⁽¹⁾ (A\$/oz)	746	613
All-In Sustaining Cost (AISC) ⁽²⁾ (A\$/oz)	1,027	802

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

Gwalia

The Gwalia mine produced 220,169 ounces of gold in 2019 (2018: 268,428 ounces). The lower gold production was attributable to lower ore tonnes mined and lower grade in the 2019 year.

Ore tonnes mined from the Gwalia underground mine decreased to 625,000 tonnes in 2019 (2018: 679,000 tonnes), largely due to a combination of ventilation constraints limiting parallel work activities in the underground and Gwalia Extension Project activities. Gwalia Extension Project development and raise boring activities continued to compete for ventilation and trucking capacity during the year.

Ore mined grade decreased from 12.5 grams per tonne in 2018 to 11.1 grams per tonne in 2019, primarily due to the mining sequence passing through stopes with lower grade compared to the prior year. The Gwalia mill continued to perform consistently in 2019, with the average recovery at 98% (2018: 98%).

Gwalia unit cash operating costs⁽¹⁾ for the year were \$746 per ounce (2018: \$613 per ounce). The higher unit operating cost in the 2019 financial year was due mainly to the impact of lower production and grade. The unit All-In Sustaining Cost (AISC)⁽²⁾ for Gwalia was \$1,027 per ounce in 2019 (2018: \$802 per ounce), with the higher unit cost attributable to the increase in unit cash operating cost and higher sustaining capital expenditure. Total cash operating costs at Gwalia were \$164,246,000 (2018: \$164,546,000).

Gwalia generated net cash flows in 2019 of \$114,903,000 (2018: \$217,957,000), after sustaining and growth capital. The reduced cash contribution from Gwalia in 2019 was due to lower production and a significant increase in capital expenditure. Sustaining capital in 2019 increased to \$44,161,000 (2018: \$33,829,000) mainly due to higher mine development to prepare the mine for a new mining method to lift mining rates. Growth capital in 2019 of \$70,843,000 (2018: \$36,793,000) consisted of expenditure on the Gwalia Extension Project, continued deep drilling targeting extensions to the Gwalia lode system and feasibility study costs.

Analysis of Simberi Operations

During 2019 the Simberi operations continued its strong performance, setting a new production and cash generation record. Total sales revenue from Simberi in 2019 was \$257,643,000 (2018: \$217,940,000), generated from gold sales of 145,819 ounces (2018: 129,815 ounces) at an average achieved gold price of A\$1,761 per ounce (2018: A\$1,673 per ounce). As at 30 June 2019 there were 3,876 ounces of gold inventory (2018: 9,521 ounces).

A summary of production performance at Simberi for the year ended 30 June 2019 is provided in the table below.

Details of 2019 Production Performance

	Simberi	
	2019	2018
Open pit ore mined (kt)	3,396	4,199
Grade (g/t)	1.43	1.25
Ore milled (kt)	3,072	3,586
Grade (g/t)	1.64	1.35
Recovery (%)	87	85
Gold production (oz)	142,177	134,661
Cash cost ⁽¹⁾ (A\$/oz)	1,016	969
All-In Sustaining Cost (AISC) ⁽²⁾ (A\$/oz)	1,162	1,068

- (1) Cash operating 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 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 a meaningful measure by which to assess the total sustaining cash cost of operation. It is calculated in accordance with the World Gold Council's Guidance Note on Non-GAAP Metrics – All-In Sustaining Costs and All-In Costs (June 2013), which is a non-IFRS financial measure.

Simberi

Simberi production of 142,177 ounces of gold was the highest since the Group acquired the operations in September 2012 (2018: 134,661 ounces). The production result was driven by significantly higher grade as a result of mining higher-grade zones in the Sorowar pit, and improved recovery in the mill.

Ore mined in 2019 totalled 3,396,000 tonnes (2018: 4,199,000), which was a decrease of 19% on the prior year. The decrease in mining performance in 2019 was largely attributable to low productivity from the Pigibo pit, extended haul distances from the Pigiput and Sorowar North pits and reduced availability with some units in the mining fleet. Waste material moved in 2019 was 8,949,000 tonnes (2018: 9,411,000 tonnes).

Ore mined grade was higher than the prior year at 1.43 grams per tonne gold (2018: 1.25 grams per tonne). The higher grade in 2019 was as a result of mining in higher-grade zones at the base of mining stages in the Sorowar and Pigibo pits.

Ore milled during the year totalled 3,072,000 tonnes (2018: 3,586,000 tonnes), with the lower throughput attributable to harder ore types being processed through the SAG mill and inconsistent performance from the Ball Mill circuit in the first half of the year. The recovery performance of the Simberi mill for the year was an average of 87% (2018: 85%).

Simberi unit cash operating costs for the year were \$1,016 per ounce (2018: \$969 per ounce). The unit All-In Sustaining Cost (AISC) for Simberi for the year was \$1,162 per ounce (2018: \$1,068 per ounce), which reflected the impact of higher sustaining capital expenditure in 2019. Total cash operating costs at Simberi during 2019 were higher than prior year at \$144,452,000 (2018: \$130,487,000) due mainly to the impact of a weaker AUD/USD exchange rate.

In 2019 Simberi generated positive net cash flows of \$98,306,000 (2018: \$82,596,000), after sustaining and growth capital expenditure. Sustaining capital expenditure of \$9,436,000 (2018: \$4,081,000) was higher in 2019 due to the refresh of the mining fleet. Growth capital of \$4,596,000 (2018: \$336,000) comprised sulphide drilling expenditure beneath the Sorowar pit to improve the potential for a sulphide gold processing project and feasibility study costs.

Discussion and analysis of the consolidated income statement

Revenue

Total revenue decreased from \$679,204,000 in 2018 to \$650,321,000 in 2019. The lower total revenue was due to the reduced production for the Group, partially offset by the higher average gold price of \$1,762 per ounce (2018: \$1,691 per ounce).

Mine operating costs

Mine operating costs in 2019 were \$299,075,000 compared with \$275,695,000 in the prior year. The increase in operating costs was mainly attributable to Simberi as a result of higher processing costs, the release of costs associated with gold in safe inventory and the impact of a weaker AUD/USD exchange rate on conversion of Simberi USD denominated results. In addition, prior year operating costs relating to ore stockpiles on hand were deferred to the balance sheet.

Other revenue and income

Interest revenue was \$10,073,000 in 2019 (2018: \$5,283,000), earned on cash held during the year.

Other income for the year was \$115,000 (2018: \$2,053,000), representing minor asset sales.

Exploration

Total exploration expenditure during the 2019 year amounted to \$31,401,000 (2018: \$14,169,000), with an amount of \$12,676,000 (2018: \$5,020,000) capitalised, relating to deep drilling expenditure at Gwalia and sulphide drilling at Simberi. Exploration expenditure expensed in the income statement in the year was \$18,725,000 (2018: \$9,149,000). Exploration activities during the year related to investigating highly prospective near mine targets at Simberi and targets on the surrounding islands. The Group continued its 3D Seismic programs at Gwalia and in the Leonora area and regional exploration in Australia.

Corporate costs

Corporate costs for the year of \$21,859,000 (2018: \$23,840,000) comprised mainly expenses relating to the corporate office and compliance related costs.

Royalties

Royalty expenses for the year were \$21,441,000 (2018: \$23,015,000). 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 decrease in royalty expenses in 2019 was attributable to lower gold revenue from Gwalia.

Depreciation and amortisation

Depreciation and amortisation of fixed assets and capitalised mine development amounted to \$79,643,000 (2018: \$87,276,000) for the year. Depreciation and amortisation attributable to the Leonora operations was \$59,763,000 (2018: \$65,734,000), with the decrease associated mainly with lower amortisation as a result of reduced production. The expense at Simberi was \$18,220,000 (2018: \$17,516,000), with higher depreciation attributable to increased production.

Expenses associated with acquisition

Expenses associated with acquisition of \$3,865,000 (2018: \$Nil) relates mainly to advisory fees for the Atlantic Gold acquisition.

Share based payments

Share based payments of \$3,099,000 (2018: \$3,636,000) relate to employee benefits under the performance rights plan (refer to Note 19)

Other expenses

Other expenditure of \$3,855,000 (2018: \$608,000) included amounts associated with business development activities and studies.

Net finance costs

Finance costs in the year were \$946,000 (2018: \$918,000). Finance costs comprised interest paid and payable on finance leases of \$1,000 (2018: \$15,000), borrowing costs relating to banking facilities and guarantee fees of \$60,000 (2018: \$50,000) and the unwinding of the discount on the rehabilitation provision of \$885,000 (2018: \$853,000).

Net foreign exchange gain

A net foreign exchange loss of \$3,707,000 was recognised for the year (2018: net gain of \$200,000). The foreign exchange loss related to movements in exchange rates associated with US dollar bank accounts and intercompany balances.

Income tax

An income tax expense of \$60,131,000 was recognised for the 2019 year (2018: income tax expense of \$35,605,000). A tax credit of \$5,140,000 (2018: \$25,106,000) was booked relating to previously unrecognised PNG deferred tax assets.

The effective tax rate on Australian earnings was 33% (2018: 27%), with the rate applicable to PNG earnings being 23% (2018: negative 5%, representing an income tax credit).

Discussion and analysis of the consolidated cash flow statement

Operating activities

Cash flows from operating activities for the year were \$240,774,000 (2018: \$315,679,000), reflecting the impact of lower receipts from customers and significantly higher income tax payments.

Receipts from customers of \$647,566,000 (2018: \$681,146,000) reflected the impact of lower gold sales from Gwalia. Payments to suppliers were \$336,717,000 (2018: \$322,139,000), with the increase mainly attributable to higher production volumes at Simberi.

Payments for exploration expensed in the year amounted to \$18,725,000 (2018: \$9,149,000). The higher charge in 2019 was related to increased expenditure in Australia and at Simberi and the neighbouring islands.

During the year the Company paid Australian company tax of \$61,423,000 (2018: \$39,462,000), comprising an amount of \$40,933,000 relating to the prior year and instalment payments of \$20,490,000 for the 2019 financial year.

Investing activities

Net cash flows used in investing activities amounted to \$28,254,000 (2018: \$212,988,000) for the year, which included the benefit of cash transferred from deposits held to maturity of \$106,200,000 (2018: transfer to deposits held to maturity of \$116,200,000).

Higher mine development expenditure of \$97,333,000 (2018: \$59,134,000) included expenditure related to the Gwalia Extension Project.

Higher expenditure on property, plant and equipment of \$20,651,000 in 2019 (2018: \$12,043,000) was due to higher expenditure at Gwalia and Simberi.

Exploration expenditure capitalised during the year totalled \$12,676,000 (2018: \$5,020,000), which related to the deep drilling program at Gwalia to extend the orebody at depth, and sulphide drilling at Simberi.

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

- Underground mine development and infrastructure at Gwalia – \$36,075,000 (2018: \$27,361,000)
- Gwalia Extension Project – \$59,716,000 (2018: \$31,773,000)
- Purchase of property, plant and equipment at Gwalia – \$9,907,000 (2018: \$6,400,000)
- Purchase of property, plant and equipment at Simberi – \$9,384,000 (2018: \$4,081,000)
- Further investment in Prodigy Gold NL and Duketon Mining Limited shares totalling \$3,794,000 (2018: \$20,591,000).

Financing activities

Net cash flows related to financing activities in 2019 was a net inflow of \$436,885,000 (2018: net outflow of \$42,843,000). The financing activities in 2019 included the issue of new equity giving proceeds of \$479,558,000 net of transaction fees to assist in funding the acquisition of Atlantic Gold. Financing activities also included the payment of dividends during the year totalling \$41,634,000 (2018: \$40,997,000).

During the year cash backed banking guarantees increased by \$1,000,000 (2018: \$1,400,000) to \$2,400,000 (2018: \$1,400,000).

Discussion and analysis of the consolidated balance sheet

Net assets and total equity

St Barbara's net assets and total equity increased substantially during the year by \$591,153,000 to \$1,257,023,000 as a result of the new equity raised of \$479,558,000 to fund the acquisition of Atlantic Gold, together with the profit for the year.

Current assets increased to \$971,469,000 (2018: \$420,781,000) due to the significant increase in cash and cash equivalents.

Non-current assets increased during the year by \$37,901,000 to \$438,264,000 (2018: \$400,363,000), mainly due to the increase in mine properties, reflecting the capital expenditure related to the Gwalia Extension Project.

Current trade and other payables increased to \$56,549,000 at 30 June 2019 (2018: \$39,878,000) due to the timing of payments at year end, and an increase in payables associated with capital project expenditure.

The deferred tax balance was a net liability of \$2,071,000 (2018: net asset of \$9,904,000). A current provision for tax payable of \$23,171,000 was recognised at 30 June 2019 (2018: \$39,982,000).

Debt management and liquidity

The available cash balance at 30 June 2019 was \$880,199,000 (2018: \$226,443,000) including \$479,558,000 from equity raised, with an additional \$10,000,000 in deposits held to maturity (2018: \$116,200,000). A further \$2,400,000 was held on deposit as restricted cash and reported within trade receivables (2018: \$1,400,000).

Total interest bearing liabilities reduced to \$Nil at 30 June 2019 (2018: \$39,000).

The AUD/USD exchange rate as at 30 June 2019 was 0.7021 (30 June 2018: 0.7407).

Subsequent Events

Subsequent to year end, the directors have declared a fully franked final dividend in relation to the 2019 financial year of 4 cents per ordinary share, to be paid on 25 September 2019. A provision for this dividend has not been recognised in the 30 June 2019 consolidated financial statements.

On 19 July 2019, the Group successfully acquired Atlantic Gold Corporation (a Canadian listed Corporation) for a total cash value of \$780,117,000. This acquisition is to be funded from the net proceeds of the equity raising during the 2019 financial year of \$479,558,000 and available cash on hand.

In July 2019 the Group executed a three year \$200,000,000 syndicate revolving corporate debt facility.

Statement about the audit status

This preliminary final report is based on the St Barbara Limited and controlled entities financial report as at 30 June 2019, which has been audited by PricewaterhouseCoopers. The 30 June 2019 financial report contains the independent audit report to the members of St Barbara Limited.

Dated: 21 August 2019



Bob Vassie

Managing Director and CEO