
27 May 2024

Simberi Q4 Oxide Operations Update and FY24 Guidance Change

St Barbara Limited (“**St Barbara**” or the “**Company**”) (ASX: SBM) provides an update on the gold production outlook from Simberi Operations for Q4 June FY24, the anticipated impact to FY24 gold production guidance, as well as an update on the ongoing difficulties faced with equipment components, diesel fuel and air transport services owing to continued inadequate availability of foreign currency to much of Simberi’s in-country supply chain.

Simberi’s gold production for Q4 June FY24 was anticipated to exceed 20,000 ounces based on achieving access to another higher-than-average grade ore zone in the Sorowar pit in the month of June (*refer ASX release on 24 April 2024 titled “Quarterly Report Q3 March FY24”*).

The Company noted that the Sorowar ore zone was both a vulnerability to the schedule and an upside because the scheduled grade has strong potential to overperform. Unfortunately this important Sorowar ore zone will not be accessible until Q1 September FY25, resulting in more typical ore grades of around 1.0 g/t Au for processing plant ore feed for the month of June.

The inability to achieve the targeted face position in Sorowar arises primarily from lower-than-targeted total mining movement volumes due to poor excavator availability. As a result of not achieving the targeted face position for accessing the higher grade Sorowar ore zone until Q1 September FY25, the Company anticipates production of approximately 14,000 ounces in Q4 June FY24 rather than the targeted 20,000 ounces.

Full year production and cost guidance for FY24 is revised to 52,000 to 56,000 ounces (previously 60,000 to 70,000 ounces) at an All-In Sustaining Cost of A\$3,700 to A\$3,900 per ounce (previously A\$3,200 to A\$3,400).

Total material movement has been impacted primarily by excavator fleet availability. This was also a factor in Q3 March FY24 (*refer ASX release on 24 April 2024 titled “Quarterly Report Q3 March FY24”*) and restoration of usual performance has been hampered by the slow arrival of repair components for both Simberi excavators and for excavators hired from local landowner businesses. The delays with arrival of component parts is being driven by the insufficiency and unpredictability of foreign currency available for Simberi’s in-country supply chain. While the Company can often overcome these constraints by utilising alternative suppliers or by procuring parts directly from overseas to provide to Simberi’s hire equipment suppliers, such initiatives add to logistical timelines.

The foreign currency supply availability and predictability difficulties in Papua New Guinea also continue to impact diesel fuel and jet aviation fuel supplies across the country (*refer ASX release on 22 February 2024 titled “Management of Fuel Supply Issues in PNG”*). The Company has implemented alternative diesel fuel supply arrangements and have had limited disruption to fuel supply for mining operations and power generation. However Simberi’s air transport services provider has again had to curtail domestic flights across PNG at significant additional workforce travel cost to the Company.

The excavator fleet has since returned to target availability. Nonetheless, St Barbara will now expedite the acquisition of an additional excavator that was originally planned for FY26. The additional excavator will mitigate the potential impacts from excavator fleet availability issues due to any further supply chain difficulties.

The trucking fleet is now generally performing at target performance following fleet supplements during FY24. Fleet performance will be further assisted by the arrival of the two larger 60 tonne Volvo articulated dump trucks. The Volvo trucks will be trialed ahead of the selection of the most appropriate trucking fleet for the proposed expansion for sulphides mining from FY28.

Purchase of a skid-mounted sizer (*refer ASX release on 24 April 2024 titled “Quarterly Report Q3 March FY24”*), suitable for both oxide ore and future sulphide ore, is also advancing. This sizer unit will provide better protection for the overland conveyor and grinding mills to further reduce vulnerability to downtime. Overland conveyor downtime contributes to total mining movement shortfall by requiring longer ore haulage routes to the processing plant.

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