



# St Barbara LIMITED

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September 2012 Quarterly Report

## St Barbara is now a diversified, international, mid tier gold producer

### Overview

On 7 September 2012, St Barbara gained control of the Allied Gold Mining Plc group and the Pacific Operations of Simberi in Papua New Guinea, and Gold Ridge in the Solomon Islands.

Post-acquisition integration activities are well advanced and are progressing to schedule.

Tragically, on 8 September, a local villager working at the Simberi Mine was fatally injured in an incident involving the aerial rope ore transport conveyor. Mining operations were suspended and recommenced following a mourning period.

The following detailed report includes production and exploration results for the newly acquired assets for the full September quarter. It is important to note that gold production for the Pacific Operations is only attributable to St Barbara Limited from 7 September – a total of 23 days for the quarter.

With the exception of extended down time of the rope ore transport conveyor (see page 7), Simberi performance was consistent with expectations arising from St Barbara's pre-acquisition on site due diligence.

Gold production at Simberi is anticipated to increase in the coming quarters, particularly with completion of the oxide processing expansion project, which is on track to be commissioned in the March 2013 quarter. New power generators due to be operational late in the December 2012 quarter will assist to reduce operating costs.

Gold Ridge performance did not, however, meet expectations due to poor mining performance and plant throughput seriously impacting gold production and unit costs. Intensive work is underway to lift the operating performance at Gold Ridge. St Barbara's Technical Services team has been deployed to Gold Ridge, to work with the on-site team to improve mining efficiencies, materials handling and processing throughput and recoveries.

St Barbara's June 2012 Quarterly Report foreshadowed that September 2012 quarter gold production from the Gwalia Mine in Western Australia was planned to be lower than the record June 2012 quarter.

On 1 September the Gwalia Mine completed a mining contractor transition from Barminco to Byrnescut Mining, and although the transition went smoothly in terms of people and logistics, poor haul truck reliability in September impacted mined tonnage from underground, and gold production. Mining of high grade underground ore was effectively deferred to the December 2012 quarter, gold production was lower than expected, and unit costs higher as a consequence. Byrnescut has responded well and haulage performance is now restored. Head grade and gold production are expected to lift markedly in the December 2012 quarter, and full year production and cost guidance for Gwalia is maintained.

The King of the Hills satellite mine, which provides ore to the Gwalia processing plant, exceeded expectations. Opportunities for expanding mineral resources on the Western Flank have been identified and will be tested by drilling in FY13.

At Southern Cross Operations in Western Australia, mining at Marvel Loch Underground will cease by the end of October 2012, with processing to be completed by the end of November when the plant is scheduled to go on to care and maintenance.

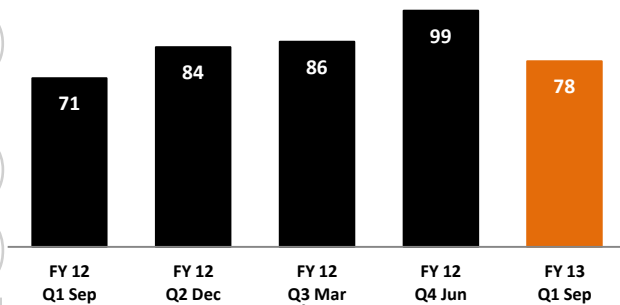
Overall, FY13 guidance for the Australian Operations is maintained, and we expect to update Allied Gold's previous guidance for the Pacific Operations by 31 January 2013.

**Tim Lehany**  
Managing Director and CEO  
24 October 2012

## Key points

St Barbara's attributable gold production includes Pacific Operations production from 7 September 2012 of 8,326 ounces.

**St Barbara Ltd Gold Production**



The chart represents production attributable to St Barbara Ltd.

## Operations

- Gwalia gold production of 34,293 ounces was a few thousand ounces lower than expected and cash operating costs<sup>[1]</sup> of \$853 per ounce higher than expected (June 12 qtr: 54,340 oz @ \$580 / oz). Poor haul truck reliability in September impacted the delivery of higher grade underground ore to the process plant. As a consequence low grade underground ore and surface stockpile material was processed.
- King of the Hills gold production of 15,935 ounces at a cash operating cost of \$754 per ounce was ahead of expectations for the quarter (June 12 qtr: 16,393 oz @ \$746 / oz).
- Gold production for Southern Cross Operations was lower at 19,176 ounces, at a cash cost of \$1,583 per ounce (June 12 qtr: 28,083 oz @ \$1,127 / oz).
- Gold Ridge gold production was 14,079 ounces for the quarter at a cash operating cost of \$1,713 per ounce (June 12 qtr: 16,845 oz @ A\$1,820 / oz<sup>[3]</sup>)
- Simberi gold production was 13,733 ounces for the quarter at a cash operating cost of \$1,277 per ounce (June 12 qtr: 14,602 oz @ A\$1,567 / oz<sup>[3]</sup>).

## Finance

- Closing cash balance at 30 September 2012 was \$76M.
- Total interest bearing liabilities of \$121 million at 30 September 2012 included the NAB/Barclays loan of \$117 million. The book value of the Red Kite gold loan (a pre-existing Allied Gold facility) was \$76 million at 30 September 2012.
- Average realised gold price was \$1,587 per ounce for the quarter (June 12 qtr: \$1,604 per ounce).

## Health and Safety

- As reported on 10 September 2012, a local villager working at the Simberi Gold mine tragically sustained fatal injuries in an incident involving the aerial rope conveyor.
- The Total Recordable Injury Frequency Rate for the Australian operations, calculated as a rolling 12 month average, improved from 9.0 at 30 June 2012 to 6.7 at 30 September 2012. The overall TRIFR at 30 September 2012 including the Pacific Operations was 6.1.

## Discovery and Growth

- Existing drilling programs continued in WA, NSW, Papua New Guinea and Solomon Islands.
- Gold mineralisation was intercepted below and north of the Dawsons deposit at Gold Ridge, Solomon Islands. Results from hole GDC035 included (all intercepts down-hole, details in Table 1):
  - 4m @ 5.5 g/t Au from 3m;
  - 23m @ 5.4 g/t Au from 33m;
  - 8m @ 4.4 g/t Au from 144m,
potentially extending the Dawsons deposit towards the Kupers orebody to the north.
- At Botlu South West on Simberi Island, encouraging trench sampling results included 35m @ 6.1 g/t Au.

[1] Non-IFRS measure, calculation on page 10.

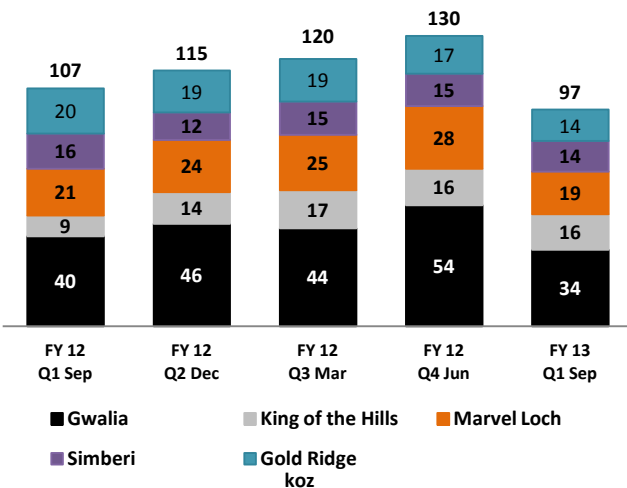
[2] All financial figures are in Australian dollars. Financial year is 1 July to 30 June.

[3] Financial results for the Pacific Operations previously reported in USD have been converted to AUD at the average exchange rate for respective quarter.

## Combined Quarterly Output

For comparative purposes, and noting that gold production attributable to St Barbara from Simberi and Gold Ridge is measured from 7 September 2012, the combined quarterly gold production of St Barbara's Australian and Pacific Operations is presented in the following chart.

**Combined Output All Operations**

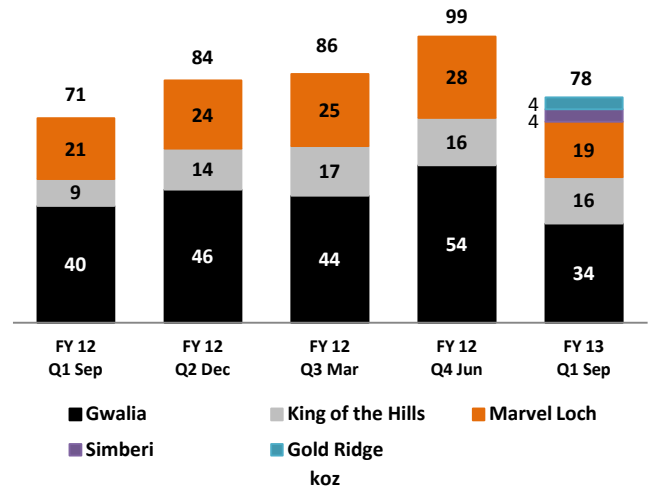


Figures displayed to nearest thousand ounces. Reported ounces in associated table.

## St Barbara Attributable Gold Production

Gold production attributable to St Barbara, incorporating the Pacific Operations as from 7 September 2012, is presented in the following chart.

**St Barbara Attributable Gold Production**



Figures displayed to nearest thousand ounces. Reported ounces in associated table.

## Combined Output All Operations

Production Summary Consolidated		Mar Qtr FY12	Jun Qtr FY12	Sep Qtr FY13
<b>Production</b>				
Gwalia	oz	43,881	54,340	34,293
King of the Hills	oz	17,110	16,393	15,935
Southern Cross	oz	24,849	28,083	19,176
Gold Ridge	oz	19,056	16,845	14,079
Simberi	oz	15,051	14,602	13,733
<b>Consolidated</b>	<b>oz</b>	<b>119,947</b>	<b>130,263</b>	<b>97,216</b>
<b>Mined Grade</b>				
Gwalia	g/t	9.3	10.5	7.4
King of the Hills	g/t	4.2	4.0	4.3
Southern Cross	g/t	2.6	3.2	2.2
Gold Ridge	g/t	1.5	1.5	1.4
Simberi	g/t	1.1	1.1	1.1
<b>Total Cash Operating Costs</b>				
Gwalia	\$/oz	627	580	853
King of the Hills	\$/oz	693	746	754
Southern Cross	\$/oz	1,272	1,127	1,583
<b>Australia</b>	<b>\$/oz</b>	<b>827</b>	<b>763</b>	<b>1,032</b>
Gold Ridge	\$/oz	1,472 <sup>1</sup>	1,820 <sup>1</sup>	1,713
Simberi	\$/oz	1,445 <sup>1</sup>	1,567 <sup>1</sup>	1,277

[1] Previously reported USD figures converted to AUD at average exchange rate for respective quarter

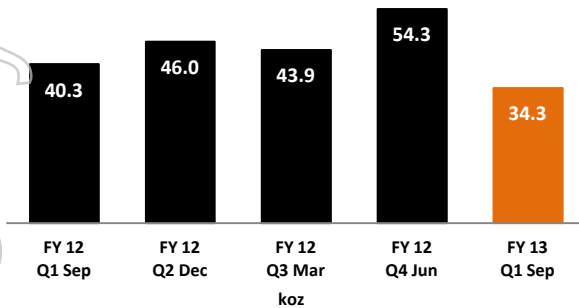
## St Barbara Attributable Gold Production

Production Summary Consolidated		Sep Qtr FY13
<b>Production</b>		
Gwalia	oz	34,293
King of the Hills	oz	15,935
Southern Cross	oz	19,176
Gold Ridge <sup>2</sup>	oz	4,057
Simberi <sup>2</sup>	oz	4,269
<b>Consolidated</b>	<b>oz</b>	<b>77,730</b>
<b>Mined Grade</b>		
Gwalia	g/t	7.4
King of the Hills	g/t	4.3
Southern Cross	g/t	2.2
Gold Ridge <sup>2</sup>	g/t	1.3
Simberi <sup>2</sup>	g/t	1.1
<b>Total Cash Operating Costs</b>		
Gwalia	\$/oz	853
King of the Hills	\$/oz	754
Southern Cross	\$/oz	1,583
<b>Australia</b>	<b>\$/oz</b>	<b>1,032</b>
Gold Ridge <sup>2</sup>	\$/oz	1,838
Simberi <sup>2</sup>	\$/oz	1,251

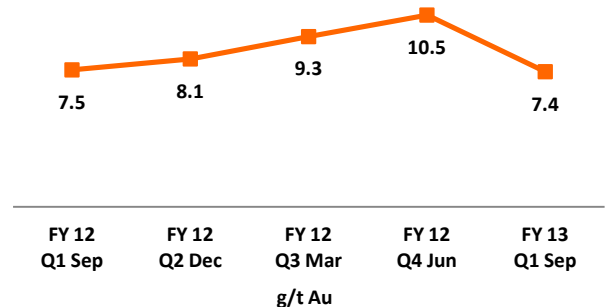
[2] Pacific Operations attributable from 7 September 2012

## Gwalia, Leonora, WA

**Gwalia Gold Production**



**Gwalia Mined Grade**



The mining of lower grade stopes from within the South West Branch (SWB) was in accordance with the mine schedule and gold production is expected to increase in the December 2012 quarter.

A change of underground mining contractor from Barminco to Byrnegut was completed smoothly with respect to people, logistics and safety performance at the end of August with Byrnegut in place and operating on 1 September 2012. Poor haul truck reliability did however impact mining performance in September resulting in lower underground ore tonnage and lower head grade than planned. Byrnegut responded by mobilising additional equipment to restore haulage performance to required levels. The shortfall in mill feed from underground was offset by processing low grade underground ore and surface stockpile material from Tower Hill, lowering processed grade to 6 g/t Au.

High grade underground production originally scheduled for September has been re-scheduled to the December 2012 quarter. Consequently, although gold production and unit cash operating costs did not meet expectations for the quarter, improved performance over the remainder of FY13 is expected and full year cash operating cost and production guidance is maintained.

The Gwalia mine produced 34,293 ounces of gold at a mined grade of 7.4 g/t Au and cash operating cost of \$853 per ounce for the quarter.

Ore mined was sourced between 1,280 metres below surface (mbs) and 1,340 mbs, from the lower grade areas of the South West Branch and the South Gwalia Series lodes. South West Branch is expected to be the principal ore source for the foreseeable future.

The Gwalia mill continued to operate at, or above, design capacity with approximately 50% of recovered gold reporting to the gravity circuit.

Production Summary		Mar Qtr FY12	Jun Qtr FY 12	Sep Qtr FY13
<b>Gwalia</b>				
Underground ore mined	t	145,609	161,989	137,693
Grade	g/t	9.3	10.5	7.4
Low grade ore & stockpiles	t	22,440	19,957	45,841
Grade	g/t	2.6	2.3	1.4
Ore milled	t	168,049	181,943	185,125
Grade <sup>1</sup>	g/t	8.4	9.6	6.0
Recovery	%	97	97	96
<b>Gold production</b>	<b>oz</b>	<b>43,881</b>	<b>54,340</b>	<b>34,293</b>
<b>Cash Operating Costs</b>		\$ per ounce		
Mining		465	384	598
Processing		99	87	143
Site services		68	59	114
Stripping and ore inventory adjustments		(41)	11	(40)
		<b>591</b>	<b>541</b>	<b>815</b>
By product credits		(3)	(3)	(4)
Third party refining & transport		2	1	2
Royalties		37	41	40
<b>Total cash operating costs</b>		<b>627</b>	<b>580</b>	<b>853</b>
Depreciation and amortisation		232	220	238
<b>Total operating costs</b>		<b>859</b>	<b>800</b>	<b>1,091</b>

### Outlook

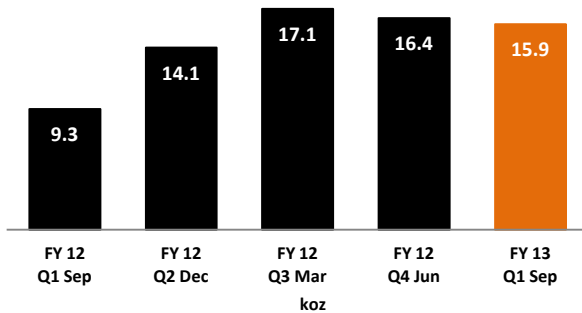
Full year gold production is expected to be within the previous guidance range of 175,000 to 190,000 ounces, with higher production expected in the December 2012 quarter and the second half of FY13.

<sup>1</sup> Includes Tower Hill low grade stockpile and Gwalia mineralised waste.

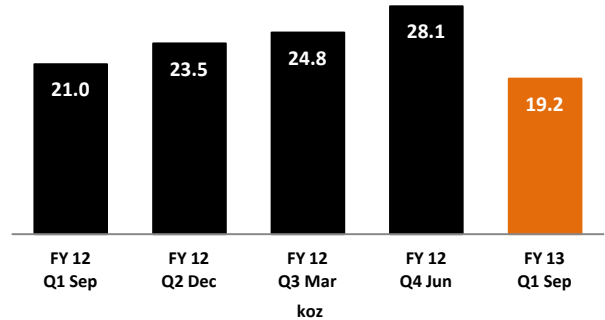
## King of the Hills, Leonora, WA

King of the Hills produced 15,935 ounces of gold at a cash operating cost of \$754 per ounce, which was ahead of expectations for the quarter.

King of the Hills - Gold Production



Southern Cross - Gold Production



Production Summary		Mar Qtr	Jun Qtr	Sep Qtr
King of the Hills		FY12	FY 12	FY 13
Underground ore mined	t	136,016	136,486	114,358
Grade	g/t	4.2	4.0	4.3
Ore milled	t	131,739	133,482	117,559
Grade	g/t	4.3	4.0	4.4
Recovery	%	94	95	95
<b>Gold production</b>	<b>oz</b>	<b>17,110</b>	<b>16,393</b>	<b>15,935</b>
<b>Cash Operating Costs</b>		\$ per ounce		
Mining		569	564	531
Processing		201	215	195
Site services		31	36	38
Stripping and ore inventory adjustments		(132)	(90)	(33)
		<b>669</b>	<b>725</b>	<b>731</b>
By product credits		(17)	(19)	(19)
Third party refining & transport		-	1	1
Royalties		41	39	41
<b>Total cash operating costs</b>		<b>693</b>	<b>746</b>	<b>754</b>
Depreciation and amortisation		298	299	350
<b>Total operating costs</b>		<b>991</b>	<b>1,045</b>	<b>1,104</b>

Production Summary		Mar Qtr	Jun Qtr	Sep Qtr
Marvel Loch		FY12	FY 12	FY 13
Underground ore mined	t	240,957	235,966	175,471
Grade	g/t	2.6	3.2	2.2
Ore milled	t	527,790	501,394	456,949
Grade	g/t	1.6	2.0	1.5
Recovery	%	89	88	88
<b>Gold production</b>	<b>oz</b>	<b>24,849</b>	<b>28,083</b>	<b>19,176</b>
<b>Cash Operating Costs</b>		\$ per ounce		
Mining		664	575	794
Processing		488	400	668
Site services		103	81	122
Stripping and ore inventory adjustments		(11)	34	(33)
		<b>1,244</b>	<b>1,090</b>	<b>1,551</b>
By product credits		(17)	(5)	(6)
Third party refining & transport		3	1	1
Royalties		42	41	37
<b>Total cash operating costs</b>		<b>1,272</b>	<b>1,127</b>	<b>1,583</b>
Depreciation and amortisation		272	260	274
<b>Total operating costs</b>		<b>1,544</b>	<b>1,387</b>	<b>1,857</b>

A detailed structural geology review of the King of the Hills orebody has been undertaken and a number of targets for potential mineral resource extension will be drill tested during FY13.

### Outlook

During FY13, ore will be progressively sourced from the higher cost Western Flank. Forecast full year gold production is expected to be within the previous guidance range of 55,000 to 60,000 ounces.

Southern Cross Operations are currently winding down production from underground mining at Marvel Loch.

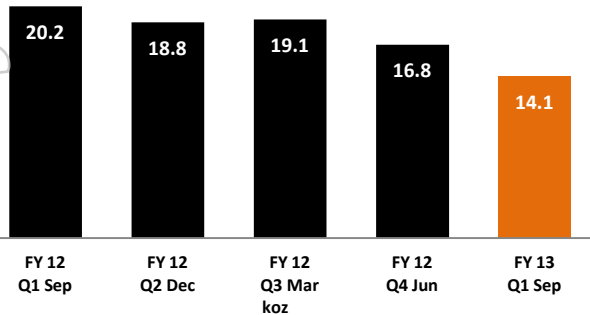
Despite the increase in cash operating cost, Southern Cross Operations generated positive cash flow for the quarter, as most of the development costs had been previously paid.

### Outlook

Underground mining operations at Marvel Loch are expected to cease by end-October 2012. Supplemented by low grade stockpiles, processing is expected to continue until the end of November 2012.

## Gold Ridge, Solomon Islands

Gold Ridge - Gold Production



St Barbara assumed operational control of Gold Ridge on 7 September 2012.

Gold Ridge produced 14,079 ounces in the September quarter, down from 16,845 ounces in the June quarter, with production restricted by poor mining performance.

Total material movements were down 5% in the quarter at 1.23 million tonnes, while total ore production reduced 21% to 420,000 tonnes.

Process plant throughput reduced by 8% to 435,000 tonnes. Mill feed grade was 1.4 g/t Au in the quarter, which was slightly below expectations because of slow development of the new Kupers pit, which has delayed access to higher grade material. This in turn has led to increased reliance on sulphide material from Namachamata South and Valahaichichi pits, which has reduced gold recovery rates from 76% to 74%.

Gold Ridge performance has continued to suffer from poor mine planning and plan execution, and ore handling and plant performance. August and September rainfall at Gold Ridge was unseasonably heavy and impacted mining fleet performance. In the face of reduced total material movement, mining activity was concentrated on providing ore feed to the processing plant at the expense of waste stripping, and the operation effectively mined itself into a corner of limited ore availability. The situation was further compounded in late September when access to the new higher grade Kupers and Dawsons pits was lost when a culvert was washed away during a particularly heavy downpour. Scheduled ore feed from these areas was replaced by lower grade material that also contained higher levels of sulphides, which impacted plant recovery.

Low production rates combined with high fixed costs resulted in cash operating cost for the quarter of \$1,713 per ounce.

Production Summary		Mar Qtr	Jun Qtr	Sep Qtr
Gold Ridge		FY12	FY12	FY13
Ore mined	t	493,309	532,253	420,005
Grade	g/t	1.5	1.5	1.4
Ore milled	t	538,609	472,609	435,081
Grade	g/t	1.5	1.5	1.4
Recovery	%	72	76	74
<b>Gold production</b>	<b>oz</b>	<b>19,056</b>	<b>16,845</b>	<b>14,079</b>
<b>Cash Operating Costs</b>		\$ per ounce <sup>[1]</sup>		
Mining		292	430	465
Processing		534	731	732
Site services		352	346	411
Stripping and ore inventory adjustments		(94)	(200)	64
		<b>1,083</b>	<b>1,307</b>	<b>1,672</b>
By product credits		(18)	(10)	(10)
Third party refining & transport		6	4	5
Royalties		31	54	46
<b>Total cash operating costs</b>		<b>1,102<sup>1</sup></b>	<b>1,355<sup>1</sup></b>	<b>1,713</b>
Depreciation and amortisation		293 <sup>1</sup>	447 <sup>1</sup>	390
<b>Total operating costs</b>		<b>1,395<sup>1</sup></b>	<b>1,802<sup>1</sup></b>	<b>2,103</b>

[1] Previously reported USD figures converted at average exchange rate for respective quarter after adjusting Site Services costs for By Product Credits

### Attributable Production<sup>1</sup>

Production Summary		Sep Qtr
Gold Ridge		FY13
Ore mined	t	158,247
Grade	g/t	1.3
Ore milled	t	140,075
Grade	g/t	1.3
Recovery	%	72
<b>Gold production</b>	<b>oz</b>	<b>4,057</b>
<b>Cash Operating Costs</b>		\$ per ounce
Mining		583
Processing		798
Site services		392
Stripping and ore inventory adjustments		32
		<b>1,805</b>
By product credits		(14)
Third party refining & transport		17
Royalties		30
<b>Total cash operating costs</b>		<b>1,838</b>
Depreciation and amortisation		440
<b>Total operating costs</b>		<b>2,278</b>

[1] Attributable from 7 September 2012

### Outlook

A significant body of work to address the mining and processing performance issues has commenced. New personnel with mining and processing expertise are being introduced at Gold Ridge to fill critical vacancies and boost capability. Mine plans are being completely recast with plan compliance and ore presentation as critical focus areas. Availability of additional mining equipment is being reviewed to claw back the shortfall in waste movement and build more flexibility into mine plans. Access to the Kupers and Dawsons pits will be re-established by the end of October 2012 with the installation of a new culvert. ROM ore blending and crusher feed will be closely supervised by a dedicated Superintendent to optimise ore handling

performance. Metallurgical characterisation work is providing new insights into the ore quality of the different deposits being mined, and will enable better blending and ore presentation.

Many opportunities to reduce operating expenditure have been identified and are being implemented.

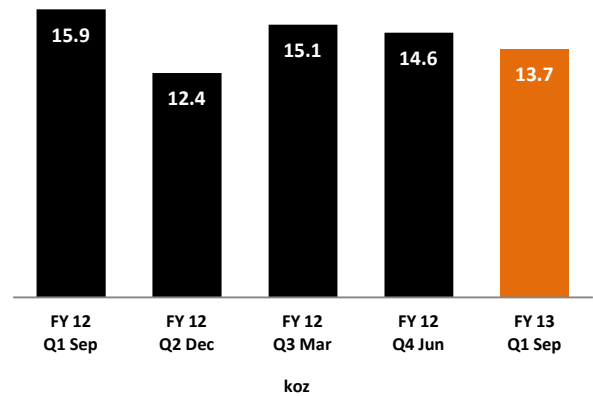
Contract claims with GR Engineering Services (GRES) have now been settled and the St Barbara Technical Services Team is engaging with GRES to make the necessary improvements to the processing plant.

December 2012 quarter performance is expected to be an improvement on the September quarter with increasing gold production, and operating costs to be reduced by \$1 million per month to around \$7 million.

The Company expects to update Allied Gold's previous FY13 guidance for the Pacific Operations, including Gold Ridge, by 31 January 2013. A strong performance trend is expected in the second half of FY13 as operational improvement initiatives gain traction.

## Simberi, Papua New Guinea

### Simberi - Gold Production



St Barbara assumed operational control of Simberi on 7 September 2012.

Simberi produced 13,733 ounces in the September quarter, which was down 6% on the June quarter.

Simberi performance was significantly impacted by two extended one-off rope conveyor downtime events totalling 43 days. This was due to the failure of a splice in the conveyor belt, which took 25 days to repair in July and is a warranty issue with the equipment manufacturer. In addition, the entire Simberi operation was shut for three days following the fatality on site in early September, with the conveyor stopped for a subsequent 15 days to re-establish safe operations.

Conveyor stoppages resulted in material movements falling by 18% in the quarter to 717,000 tonnes. Ore feed was sourced from locations closer to the plant that contain higher levels of sulphides, and delivered by truck at significantly higher cost.

Ore mined was down 3% at 504,000 tonnes, with ore milled down 4% to 464,000 tonnes, impacted by the conveyor stoppages. Grade of ore milled and recovery rate were fairly consistent with the prior quarter at 1.1 g/t Au and 83% respectively.

Cash operating costs increased to \$1,277 per ounce, affected by the lower production rates and high fixed cost profile of the operation.

### Simberi Oxide Expansion

The expansion is being achieved through the installation of a new semi-autogenous grinding (SAG) mill, two new leach tanks, additional elution circuit and improved tailings treatment facilities.

All of the major components are now on site, with the exception of the apron feeder, which is clearing customs in PNG and due to arrive on Simberi within the next few days. The SAG mill is now installed with associated structural steel work close to completion. The additional leach tanks are in place and receiving final coating. The tanks are due for commissioning in November, along with the new gold

room. The project is now scheduled for completion in the March 2013 quarter.

Production Summary		Mar Qtr	Jun Qtr	Sep Qtr
Simberi		FY12	FY 12	FY13
Ore mined	t	518,866	521,236	503,728
Grade	g/t	1.1	1.1	1.1
Ore milled	t	509,206	482,440	464,261
Grade	g/t	1.1	1.1	1.1
Recovery	%	86	83	83
<b>Gold production</b>	<b>oz</b>	<b>15,051</b>	<b>14,602</b>	<b>13,733</b>
<b>Cash Operating Costs</b>		\$ per ounce <sup>[1]</sup>		
Mining		271	357	373
Processing		456	513	513
Site services		279	406	275
Stripping and ore inventory adjustments		12	(101)	59
		<b>1,018</b>	<b>1,175</b>	<b>1,220</b>
By product credits		(7)	(6)	(7)
Third party refining & transport		8	10	18
Royalties		41	40	46
<b>Total cash operating costs</b>		<b>1,060</b>	<b>1,219</b>	<b>1,277</b>
Depreciation and amortisation		310	334	329
<b>Total operating costs</b>		<b>1,369</b>	<b>1,553</b>	<b>1,606</b>

[1] Previously reported USD figures converted at average exchange rate for respective quarter after adjusting Site Services costs for By Product Credits

#### Attributable Production<sup>1</sup>

Production Summary		Sep Qtr
Gold Ridge		FY13
Ore mined	t	168,218
Grade	g/t	1.1
Ore milled	t	139,732
Grade	g/t	1.1
Recovery	%	84
<b>Gold production</b>	<b>oz</b>	<b>4,269</b>
<b>Cash Operating Costs</b>		<b>\$ per ounce</b>
Mining		379
Processing		509
Site services		332
Stripping and ore inventory adjustments		(16)
		<b>1,204</b>
By product credits		(6)
Third party refining & transport		22
Royalties		31
<b>Total cash operating costs</b>		<b>1,251</b>
Depreciation and amortisation		340
<b>Total operating costs</b>		<b>1,591</b>

[1] Attributable from 7 September 2012

#### Power Supply Conversion

The conversion of the power plant at Simberi from diesel fuel to lower cost heavy fuel oil continued during the quarter. Four of the seven new Wartsila generators have now been installed and, following the later arrival of electrical and control cables, are expected to be operational late in the December 2012 quarter.

#### Outlook

Key focus areas at Simberi for the December 2012 quarter are:

1. Implementation of drilling and blasting in open pit mining to improve ore tonnage and quality in the second half of the quarter.
2. Ensuring fixed plant reliability.
3. Close management of the oxide expansion project to ensure completion in the March 2013 quarter.
4. Commissioning of new power generation plant.
5. Operating expenditure reduction.

Simberi production is expected to exceed 15,000 ounces for the December 2012 quarter and then ramp further in the second half of FY13 with commissioning of the oxide expansion project in the March 2013 quarter.

The Company expects to update Allied Gold's previous FY13 guidance for the Pacific Operations, including Simberi, by 31 January 2013.

### Discovery and Growth

#### Australia

##### Leonora Region, WA

**Leonora targets:** The final 2 deep drill holes of a 12 hole program were completed south of Gwalia on the mine trend, totalling 929m, testing conceptual Gwalia-analogue targets. These drill holes intersected only low level anomalous gold values. However, based on geological information obtained from this drilling program, and detailed geological structural mapping underground at Gwalia and at the other mines in the district, a revised interpretation has been generated for the Leonora district, which will be used as the basis for future drill targeting.

During the quarter, a detailed structural geology study of King of the Hills was completed and a number of mineral resource extension targets identified, particularly in the Western Flank orebodies. Drill testing of these targets is planned for the remainder of FY13.

At the Sullivans Creek area, another conceptual target located 40km NNW of Gwalia Mine, 139 air-core geochemical holes, totalling 10,617m, were completed. Interpretation of the results from this program has generated 2 anomalous gold targets for drilling in the December 2012 quarter.

#### Other Areas

**Yilgarn province, WA:** The focus during the quarter was to generate new targets in the Pinjin, Mt Percy and Murphy's Well tenements within the Yilgarn Province, WA. Geochemical air-core drilling is planned to commence in the December 2012 quarter on a number of prospects to generate new drill targets, including Yerilla and Lake Carnage, subject to negotiation of appropriate access arrangements and Government approval of work programs. Elsewhere in the Yilgarn province, project generation and acquisition activities will continue.



**Gawler province, SA:** A new tenement was granted near Whyalla (EL 4977), and access is being negotiated with the Department of Defence.

**East Lachlan Fold Belt, NSW:** The target in the Nyngan area of the East Lachlan Fold Belt, NSW, is intrusion-related porphyry copper-gold mineralisation within a large volcanic-intrusive complex situated under younger cover rocks on the western edge of the Great Artesian Basin. Results of a helicopter-borne electro-magnetic (EM) survey flown in the previous quarter were received from a test area, aimed at identifying areas of deep conductive rock alteration to assist the targeting process under cover rocks.

The Phase 2 drilling program totalling 2,617m was completed during the quarter. All drill holes intersected the targeted monzodiorite intrusions beneath the cover rock sequence from a depth of 130m. Although no significant gold-copper mineralisation was encountered in these widely spaced (up to 4km apart) drill holes, encouraging indications were observed as being proximal to potential mineralisation. Detailed mineralogical analysis is being conducted in parallel with interpretation of the EM survey, to further assist the vectoring process to possible mineralised systems.

### South West Pacific

#### Simberi, Tatau & Tabar Islands, PNG

On Simberi Island, four holes totalling 779m tested structural targets in the Pigiput Bay Plantation area and one hole is in progress at Pigiput. Geochemical surface sampling continues with both reconnaissance 'ridge and spur', trenching and soil sampling within the area of mining lease ML136. Encouraging trench sampling results from Botlu South West (including 35m @ 6.1 g/t Au) and Sorowar East prospects are scheduled for follow-up by more trenching and the drilling in the December 2012 quarter. In exploration licence EL609, soil sampling commenced at Banesa on Big Tabar Island. The soil sampling will be used to support a detailed ground geophysical survey (IP), planned to start in the December 2012 quarter. The geophysics and soil sampling surveys are designed to test the extent of porphyry copper-gold mineralisation found in previous diamond drill holes.

#### Gold Ridge, Guadalcanal Island, Solomon Islands

Within the mining lease, 11 exploration holes, totalling 2016m, tested areas below and north of the Dawsons deposit. Better intercepts include (see Table 1):

- GDC032: 8m @ 2.3 g/t Au from 53m and 7m @ 3.2 g/t Au from 165m;
- GDC035: 4m @ 5.5 g/t Au from 3m and 23m @ 5.4 g/t Au from 33m and 8m @ 4.4 g/t Au from 144m,

potentially extending the Dawsons deposit towards the Kupers orebody to the north.

Reconnaissance soil sampling was undertaken south and west of the currently active mining area with analytical results expected in the December quarter. The reconnaissance programme is on-going and designed to

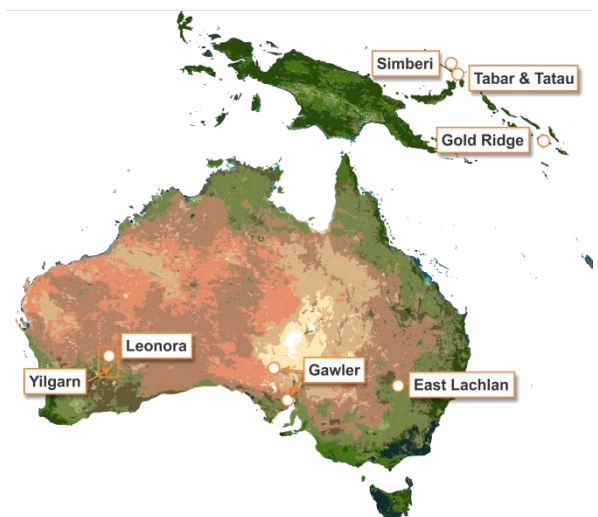
test for new areas of mineralisation within the mining lease area.

### Discovery and Growth Outlook

The December 2012 quarter will be largely focused on:

- undertaking air-core geochemical drilling programs on several targets in the Yilgarn province subject to land access;
- drilling near-mine targets in the Leonora area;
- analysis of results from the East Lachlan Fold Belt, prior to a Phase 3 drilling program;
- testing near-mine drill targets on Simberi Island;
- generating new drill targets on Tatau and Tabar Islands based on detailed geochemistry and ground geophysics surveys;
- drilling near-mine targets at Gold Ridge.

The map below shows current and planned target areas for the December 2012 quarter.



### Financials (unaudited)

76,309 ounces of gold were sold in the September quarter, at an average realised gold price of \$1,587 per ounce.

Cash at bank decreased by \$109 million for the quarter to \$76 million at 30 September 2012. During the quarter cash flow from Australian operations was sufficient to fund capital expenditure. St Barbara funding for the acquisition of Allied Gold from cash reserves was \$112 million, including \$20 million to provide working capital to the Pacific operations.

Total interest bearing liabilities of \$121 million at 30 September 2012 included the NAB/Barclays loan of \$117 million. The book value of the Red Kite gold loan was \$76 million at 30 September 2012.

## Corporate

### Acquisition of Allied Gold Mining Plc

St Barbara completed the acquisition of Allied Gold Mining Plc by a scheme of arrangement on 7 September 2012. Consideration for the acquisition comprised the issue of 163 million new St Barbara shares and payment of \$209 million in cash for a total deemed cost of \$482 million.

The Chairman and Managing Director & CEO have conducted a number of high level introductory meetings with Ministers and senior government officials of both Papua New Guinea and Solomon Islands, and with local land owners at Simberi and Gold Ridge. They were warmly received in all meetings.

As previously announced, settlement terms have been reached with GR Engineering in relation to litigation initiated by Gold Ridge Mining Limited in 2011. This settlement also paves the way for the potential engagement of GR Engineering Services to assist in engineering works required on the Gold Ridge processing plant.

### Share Capital at 30 September 2012

#### Issued shares

Opening balance 30 June 2012	324,620,389
Shares issued to acquire Allied Gold	163,453,688
Closing balance 30 September 2012	<b>488,074,077</b>

#### Unlisted employee options

Opening balance 30 June 2012 Qtly Report	2,723,968
Lapsed and expired <sup>[1]</sup>	-2,723,968
Closing balance 30 September 2012	<b>nil</b>

#### Unlisted performance rights

Opening balance 30 June 2012	3,687,483
Issued	-
Lapsed	-
Closing balance 30 September 2012	<b>3,687,483</b>

[1] Options lapsed as the relevant three year performance measure for Relative Total Shareholder return was not achieved.

The Company's shares are listed on ASX (SBM) and through American Depositary Receipts traded in the USA, (ADR). Allied Gold (ALD) has been delisted from ASX, TSX, LSE.

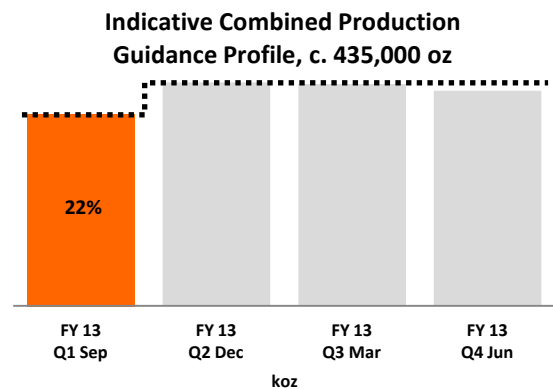
## Outlook

Australian Operations' gold production guidance for FY13 is estimated to be between 250,000 and 275,000 ounces, comprising:

Gwalia	175,000 – 190,000 oz
King of the Hills	55,000 – 60,000 oz
Marvel Loch	20,000 – 25,000 oz
Total	<b>250,000 – 275,000 oz</b>

FY13 guidance for Pacific Operations is expected to be provided by 31 January 2013.

Current guidance for the combined production for all operations for FY13 is approximately 435,000 ounces of gold. The September quarter production represents approximately 22% of the annual production guidance despite the lower production of each operation.



### Scheduled Future Reporting

22 November 2012	Annual General Meeting
24 January 2013	December Quarterly Report
by 31 January 2013	FY 13 guidance for Pacific Operations

### Non-IFRS Measures

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

**Cash operating costs** are calculated according to common mining industry practice using The Gold Institute (USA) Production Cost Standard (1999 revision).

## Competent Persons Statement

The information in this report that relates to Exploration Results and Mineral Resources in Australia is based on information compiled by Mr. Phillip Uttley, who is a Fellow of The Australasian Institute of Mining and Metallurgy. Phillip Uttley is a full-time employee of St Barbara Ltd and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code).

Mr. Uttley consents to the inclusion in the statement of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Ore Reserves in Australia is based on information compiled by Mr. John de Vries, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr. de Vries is a full-time employee of St Barbara Ltd and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr. de Vries consents to the inclusion in the statement of the matters based on his information in the form and context in which it appears.

The information in this document that relates to Exploration Results, Mineral Resources and Ore Reserves for Simberi and Gold Ridge, together with any related assessments and interpretations, has been based on information compiled by Colin Ross Hastings who is a Member of The Australasian Institute of Mining and Metallurgy. Colin Ross Hastings is a full-time employee of St Barbara Ltd. Colin Ross Hastings has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code). Colin Ross Hastings consents to the inclusion of the information relating to Exploration Results, Mineral Resources and Ore Reserves for Simberi and Gold Ridge contained in this document in the form and context in which it appears.

## Corporate Directory

### St Barbara Limited

ABN 36 009 165 066

### Board of Directors

Colin Wise ..... Non-Executive Chairman  
 Tim Lehany ..... Managing Director & CEO  
 Doug Bailey ..... Non-Executive Director  
 Betsy Donaghey..... Non-Executive Director  
 Phil Lockyer ..... Non-Executive Director  
 Robert Rae..... Non-Executive Director

### Executive Team

Tim Lehany ..... Managing Director & CEO  
 Garth Campbell-Cowan ..... Chief Financial Officer  
 Alistair Croll ..... Chief Operating Officer  
 Ross Kennedy ..... EGM Corporate Services  
 Phil Uttley..... EGM Discovery and Growth

### Registered Office

Level 10, 432 St Kilda Road  
 Melbourne Victoria 3004  
 Australia

Telephone ..... +61 3 8660 1900  
 Facsimile..... +61 3 8660 1999  
 Email..... melbourne@stbarbara.com.au  
 Website ..... www.stbarbara.com.au

Substantial Shareholders	% of Holdings <sup>1</sup>
M&G Investment Management Ltd <sup>2</sup>	18.1%
Van Eck Associates Corporation	7.9%
Franklin Resources Inc.	6.0%

1. % as notified by the substantial shareholders to 30 Sep 2012.
2. M&G Group's interest includes shares also disclosed by Vanguard Precious Metals & Mining Fund.

## Shareholder Enquiries

### Computershare Limited

GPO Box 2975  
 Melbourne Victoria 3001  
 Australia

Telephone (within Australia) ..... 1300 653 935  
 Telephone (international) ..... +61 3 9415 4356  
 Facsimile..... +61 3 9473 2500

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Ross Kennedy .....+ 61 3 8660 1903  
 Rowan Cole.....+ 61 3 8660 1914

Australian Securities Exchange (ASX) Listing code "SBM"  
 American Depositary Receipts (ADR) – through The Bank of New York Mellon, www.adrbnymellon.com

Financial figures are in Australian dollars.

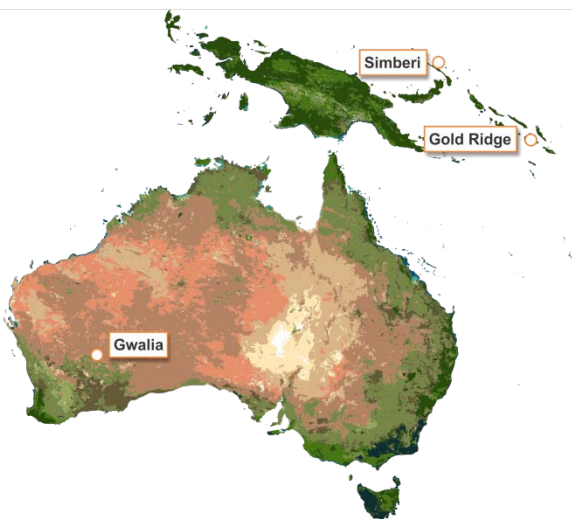
## About St Barbara Limited

St Barbara was established in 1969, and is one of Australia's larger and more profitable ASX listed gold producers, developers and explorers.

St Barbara has four operations, two in Australia and two in the South-West Pacific. St Barbara has an extensive, prospective exploration portfolio including significant potential to extend resources in and around existing mines.

Each of the Gwalia, Simberi and Gold Ridge mines has an expected mine life of at least 9 years.

At 30 June 2012, Mineral Resources contained 16.6 million ounces of gold including Ore Reserves containing 5.7 million ounces of gold\*.



\* For full details refer to the Ore Reserves and Mineral Resources Statements contained in the 2012 St Barbara Ltd Annual Report, and Scheme Document dated 18 July 2012, both available at [www.stbarbara.com.au](http://www.stbarbara.com.au).

**Table 1: Significant Intercepts**

Hole No	North	East	Dip/ Azimuth	Vertical Depth mbs	Lode	Down-hole Mineralised Intersection		
						From m	Length m	Gold grade g/t Au
<b>Gold Ridge, Solomon Island</b>								
<b>Dawsons Pit</b>								
<b>GDC032</b>	<b>39607</b>	<b>23509</b>	<b>-61 / 270</b>	<b>32.9</b>		<b>38.0</b>	<b>23.0</b>	<b>1.3</b>
<b>GDC032</b>	<b>39607</b>	<b>23509</b>	<b>-61 / 270</b>	<b>119.5</b>		<b>138.0</b>	<b>6.0</b>	<b>2.5</b>
including						138.0	1.0	8.4
<b>GDC032</b>	<b>39607</b>	<b>23509</b>	<b>-61 / 270</b>	<b>140.3</b>		<b>162.0</b>	<b>10.0</b>	<b>2.4</b>
including						162.0	1.0	12.3
<b>GDC035</b>	<b>39668</b>	<b>23513</b>	<b>-61 / 272</b>	<b>2.6</b>		<b>3.0</b>	<b>4.0</b>	<b>5.5</b>
including						3.0	1.0	16.9
<b>GDC035</b>	<b>39668</b>	<b>23513</b>	<b>-61 / 272</b>	<b>28.9</b>		<b>33.0</b>	<b>23.0</b>	<b>5.4</b>
including						33.0	2.0	11.0
and						38.0	2.0	24.4
<b>GDC035</b>	<b>39668</b>	<b>23513</b>	<b>-61 / 272</b>	<b>125.9</b>		<b>144.0</b>	<b>8.0</b>	<b>4.4</b>
including						146.0	2.0	13.8

**NOTE:**

Down hole intercepts are determined using a cut-off of 0.5 g/t Au. No high grade cut is applied.  
The reported intercepts are all down hole lengths.