

St Barbara Limited

Audit Committee Charter

The Board of St Barbara Limited has established an Audit Committee (the **Committee**). Its purpose and powers are set out in this Charter.

1 Function

The Committee will assist the Board in discharging its responsibilities in relation to financial reporting, financial risk management, evaluating the effectiveness of the financial control environment and oversight of the external audit function. This will include oversight of the Ore Reserves calculation processes. Due to the nature and size of the Company's business activities, matters relating to the assessment and supervision of non-financial business risks and compliance will be reserved for and separately determined by the Board of St Barbara.

The overriding function is to provide an independent and objective review of financial and other information prepared by management, in particular that to be provided to members and/or filed with regulators, assessment of the Company's financial risk management systems, oversight of the relationship with the external auditor and to make recommendations to the Board on all related resolutions of the Board.

The Committee meets and receives regular reports from its external auditor concerning matters that arise in connection with their audit, is responsible for the review of the performance of the external auditor and nomination of the external auditor, and will make the Board aware of any matters that may have a significant impact on the financial affairs of the Company.

2 Membership of the Committee

The Board appoints the Audit Committee members and its Chairman.

All members shall be non-executive directors, with a minimum membership of three. Members of the Committee are independent of management and free of any conflicts, business or other relationship that could materially interfere with – or could reasonably be perceived to interfere with – the exercise of their unfettered and independent judgement.

The Chair should be a non-executive independent director and not the Chair of the board of directors.

Other non-executive directors who are not Committee members may attend meetings of the Committee should they wish. The Managing Director/CEO and Chief Financial Officer (CFO) will be invited by the Chair to attend part or all of any meeting of the Audit Committee. Representatives of the external auditor will have a standing invitation to attend Committee meetings. Selected other members of management may attend meetings of the Committee by invitation.

The Secretary of the Audit Committee is the Company Secretary.

All persons appointed to the Committee will be financially literate and have sufficient financial knowledge and understanding to allow them to discharge their responsibilities.

The Board will review the membership and charter of the Committee annually, in accordance with paragraph 6.

3 Administration

The Committee will meet at least four times each year on pre-arranged dates scheduled to correspond with the Company's financial reporting cycle, or as often as the Committee members deem necessary in order to fulfil its responsibilities.

A quorum consists of the lesser of two members or a majority of members of the Committee.

The Committee may have access to financial, legal or other independent advisers as it reasonably determines.

The CFO will, in conjunction with the Chairman of the Committee and the Managing Director / CEO, settle agendas for and arrange meetings of the Committee. The preparation of papers to be presented to the Committee is the responsibility of management in consultation with the members of the Committee and the external auditor. The agenda and discussion papers should be distributed to the members of the Committee at least one week prior to each meeting.

The Company Secretary will be responsible for the minutes of all Committee meetings with draft Committee minutes to be forwarded to the Chair of the Committee for review as soon as practicable following completion of the meeting. All minutes of the Committee will be entered into a minute book maintained for that purpose and will be open at all times for inspection by any director.

4 Reporting

A report of the actions of the Committee and/or a copy of the minutes of the Committee meeting will be included in the Board papers for the Board meeting next following a meeting of the Committee. The Committee Chair will be responsible for the preparation of this report.

The Chair will, if requested, provide a brief oral report as to any material matters arising out of the Committee meeting. All directors may, within the Board meeting, request information of members of the Committee.

5 Responsibilities

5.1 Overview

The Committee will:

- Review, and make recommendations to the Board on, the interim financial statements, annual financial statements and preliminary announcements including recommendations to the Board on signing the financial statements;
- Oversee, and advise the Board on, the Company's relationship with the external auditor (including forming a policy on the provision of non-audit services and the rotation of external auditor personnel on a regular basis) and the external audit function generally;
- Oversee the adequacy of the internal control processes in place including Information Technology systems controls in relation to financial reporting;
- Oversee the adequacy of the Company's internal compliance and financial control systems.
- Oversee the appropriateness of treasury and financial risk management policies;

- Oversee the structure of the financial reporting and treasury team;
- Oversee the appropriateness of Ore Reserves calculation processes, and engage as appropriate, an independent technically competent expert to review and report on these processes.

5.2 Financial Reporting

- Oversee the periodic financial reporting process implemented by management;
- Oversee the due diligence process implemented by management in relation to the periodic financial reporting, including the review of the content of, and a summary of the responses to the Management Questionnaire;
- Review the interim and annual financial statements and preliminary announcements and discuss them with the external auditor prior to their release to determine whether they are complete, reflect appropriate accounting principles and contain relevant disclosures. In discharging this responsibility the Committee will review and endorse:
 - the appropriateness of the accounting policies adopted by management in the preparation and presentation of financial statements;
 - significant accounting and reporting issues, including the impact on the financial statements of recent accounting and regulatory pronouncements;
 - significant judgments made by management in preparing the financial statements, including any significant accounting estimates;
 - consistency of accounting policies applied and application of new accounting standards;
 - and make recommendations to the Board prior to the Board approving the financial statements and preliminary announcements;
- Approve all significant accounting policy changes
- Receive and review, at least annually, the CEO and CFO's written certifications in relation to the Company's financial statements and system of risk management and internal compliance controls.

5.3 External Audit

- Establish a policy for, and recommend to the Board, the appointment and removal of the external auditor and review the terms of engagement;
- Approve the audit plan and audit fees of the external auditor prior to the commencement of statutory audit processes for a given financial year;
- Approve the quantum and nature of non-audit services to be provided by the external auditor;
- Monitor the effectiveness and independence of the external auditor;
- Obtain assurances that the audit is conducted in accordance with applicable auditing standards and all other relevant accounting policies and standards;
- Provide recommendations to the Board as to the role of the internal auditor/internal audit function, if any;

- Review and appraise the quality of audits conducted by the Company's external auditor and confirm the respective authority and responsibilities of the external auditor;
- Monitor the relationship between management and the external auditors; and
- Review the nature and quantum of non-audit services provided by the external auditor, including the fees paid for such services.
- Arrange for the Committee to meet with the external auditor without the presence of management, at least twice a year.

5.4 Internal Controls

- Evaluate the adequacy, effectiveness and appropriateness of the Company's accounting control systems and policies;
- Review and evaluate controls and processes in place to ensure compliance with approved policies, internal controls, and applicable accounting standards and other requirements relating to the preparation and presentation of financial results;
- Determining the reliability, integrity and effectiveness of accounting, treasury and hedging policies and financial reporting and disclosure practices;
- Obtain confirmation that any internal control recommendations made by the external auditor, and approved by the Committee, have been implemented by management on a timely basis;
- Ensure that the system of control, which management has established, including Information Technology system controls, effectively safeguards the assets as recorded in the financial statements of the Company; and
- Ensure that processes are in place such that accounting records are properly maintained in accordance with statutory requirements.

6 Review

The Board will, at least once in each year:

- review the membership and charter of the Committee to determine its adequacy for current circumstances. Where necessary, the Board, upon the recommendation of the Committee, may by resolution, alter the responsibilities, functions or membership of the Committee. The Committee may also recommend to the Board the formal adoption of the revised charter for future operations of the Committee; and
- oversee the preparation of any report or other disclosures to be included in the Company's annual report or other communications to shareholders relating to the external auditor and the Company's financial statements.

Date of formal adoption August 2008

Date of next formal review August 2009