



# NORTHERN STAR POSTS RECORD QUARTER, WITH 115,820OZ SOLD AND AISC OF A\$1,032/OZ

**Result excludes Jundee, which produced  
75,000oz in the June Quarter**

## KEY POINTS

- ▶ Total gold sold in the June Quarter was 115,820oz and all-in sustaining costs (AISC) of A\$1,032/oz
- ▶ Jundee, which transferred to Northern Star's ownership on 1 July 2014, produced a further 75,000oz for the June Quarter
- ▶ Completion of three project acquisitions in six months delivers Northern Star both the critical mass and cost base demanded by global investors
- ▶ Northern Star now the second-biggest ASX-listed gold producer based on production
- ▶ Heavy emphasis now on the strategy to greatly extend mine lives at each of the five mines and increase profitability
- ▶ This strategy is already progressing with major resource increases posted at Kundana's Pegasus deposit and at Jundee (see previous ASX releases 25 June 2014 and 30 July 2014 respectively)
- ▶ Pegasus access is well advanced, putting it on track for first development ore in the December Quarter
- ▶ Kundana's Raleigh deposit recommenced production in late June
- ▶ Quarter's AISC includes A\$35/oz non-cash item relating to the newly acquired site rehabilitation liabilities in compliance with the new World Gold Council Reporting Standard
- ▶ June Quarter Group Production:
  - 127,236oz mined and 114,780oz recovered
  - 115,820oz sold at \$1,395/oz for \$161.6M revenue
  - Gold in stockpiles, circuit and transit totalled 75,811oz
- ▶ Paulsens Gold Operations:
  - 32,205oz mined and 27,280oz recovered
  - AISC of A\$1,010/oz
- ▶ Plutonic Gold Operations:
  - 36,099oz mined and 28,845oz recovered
  - AISC of A\$1,347/oz
- ▶ Kanowna Belle Gold Operations:
  - 33,433oz mined and 33,695oz recovered
  - AISC of A\$983/oz
- ▶ Kundana Gold Operations:
  - 24,914oz mined and 24,960oz recovered
  - AISC of A\$777/oz
- ▶ Cash, Bullion and Investments increased to \$96.2M

## ASX ANNOUNCEMENT 31 July 2014

**Australian Securities  
Exchange** Code: NST

### Board of Directors

Mr Chris Rowe  
*Non-Executive Chairman*

Mr Bill Beament  
*Managing Director*

Mr Peter O'Connor  
*Non-Executive Director*

Mr John Fitzgerald  
*Non-Executive Director*

Ms Liza Carpene  
*Company Secretary*

### Issued Capital

Shares 587.4 million

Options 1.5 million

Current Share Price \$1.77

Market Capitalisation  
\$1.04 billion

Cash/Bullion and Investments  
30 June 2014 - \$96.2 million

### Projects

Paulsens Mine

Plutonic Mine

Kanowna Belle Mine

Kundana Mines (51% of EKJV)

Jundee Mine

Ashburton

### Listed Investments

VXR, DAU, RND, TBR

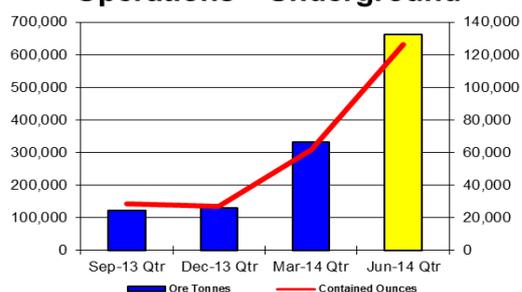
# QUARTERLY ACTIVITIES REPORT

For the Quarter ended 30 June 2014

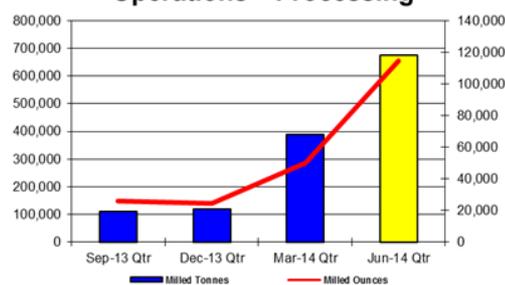


NORTHERN STAR  
RESOURCES LIMITED

### Operations - Underground



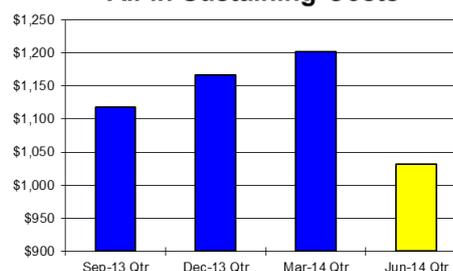
### Operations - Processing



### Gold Sales & Revenue



### All in Sustaining Costs



## QUARTERLY OVERVIEW

Northern Star Resources Limited (ASX: NST) is pleased to provide its quarterly activities report for the June Quarter incorporating the four business units it operated during the period: Paulsens, Plutonic, Kanowna Belle and Kundana Gold Operations<sup>1</sup>. The acquisition of the fifth business unit, the Jundee Gold Mine, was completed on 1 July 2014.

### Group Operations

Ore mined for the Quarter totalled 663,122 tonnes at 6.0gpt for 127,236 ounces.

Ore milled for the Quarter totalled 673,770 tonnes at a blended grade of 5.9gpt gold for 114,780 recovered ounces. Unprocessed ore stocks available for mill feed at the end of the quarter are 53,381 ounces of gold.

Production from Paulsens Gold Operations increased from the March Quarter with processing recoveries restored to 91% for the June Quarter. Mined ounces for the quarter were a site record and recovered ounces were the second highest recorded since the mine commenced in 2005.

Plutonic contributed a full quarter's production with an increase in physicals mined. The mining productivity improvements have resulted in lower mining unit costs and increased utilisation of people and equipment. Mined ore grade improved to 4.7gpt for the Quarter with a concerted focus on quality and profitability.

Kanowna Belle underground performed strongly in the June Quarter, with 33,695 ounces recovered. Significant improvements to the cost structure have been achieved and are continuing.

Kundana Gold Operations include the Raleigh, Rubicon, Hornet and Pegasus ore bodies. Raleigh rehabilitation progressed well in the Quarter and production resumed in late June. Production for the June Quarter was from Rubicon and Hornet ore bodies with a solid uplift in mined physicals and productivity. Capital development toward the Pegasus ore body advanced 577m in the Quarter, putting it on track to strike drive ore in the December Quarter.

Across the four operations, gold bullion sold for the Quarter was 115,820 ounces at an average realised price of A\$1,395/oz for A\$161.6 million revenue.

AISC for the Quarter were A\$1,032/oz. This includes a non-cash item of A\$35/oz relating to the newly acquired site rehabilitation liabilities in compliance with the new World Gold Council Reporting Standard.

<sup>1</sup> Kundana Gold Operations reflects the Company's 51% interest in the East Kundana Joint Venture.

# QUARTERLY ACTIVITIES REPORT

For the Quarter ended 30 June 2014



Gold in stockpiles and circuit totalled 74,355 ounces. Bullion refined and not sold at the end of the Quarter totalled 1,456 ounces.

Northern Star	Units	Sep-13 Qtr	Dec-13 Qtr	Mar-14 Qtr	Jun-14 Qtr	FY14
Ore Hoisted	Tonnes	122,213	129,876	330,718	663,122	1,245,930
Mined Grade	gpt Au	7.45	6.43	5.80	5.97	6.12
Gold in Ore Hoisted	Oz	29,284	26,839	61,723	127,236	245,082
Milled Tonnes	Tonnes	111,387	118,368	389,129	673,770	1,292,654
Head Grade	gpt Au	7.74	7.20	4.57	5.89	5.77
Ounces Produced	Oz	27,718	27,417	57,158	127,485	239,778
Recovery	%	94	89	88	90	90
<b>Gold Recovered</b>	<b>Oz</b>	<b>26,009</b>	<b>24,410</b>	<b>50,219</b>	<b>114,780</b>	<b>215,419</b>
<b>Ounces Sold</b>	<b>Oz</b>	<b>24,171</b>	<b>26,756</b>	<b>43,307</b>	<b>115,820</b>	<b>210,055</b>
Average Gold Price	A\$/oz	1,465	1,371	1,444	1,395	1,410
<b>Revenue</b>	<b>A\$M</b>	<b>35.4</b>	<b>36.7</b>	<b>62.5</b>	<b>161.6</b>	<b>296.3</b>
<b>Cash Operating Cost<sup>(1)</sup></b>	<b>A\$/oz</b>	<b>778</b>	<b>856</b>	<b>928</b>	<b>868</b>	<b>868</b>
<b>All-In Sustaining Cost<sup>(1)</sup></b>	<b>A\$/oz</b>	<b>1,118</b>	<b>1,166</b>	<b>1,202</b>	<b>1,032</b>	<b>1,094</b>
Total Stockpiles Contained Gold	Oz	10,490	9,881	46,052	53,381	53,381
Gold in Circuit (GIC)	Oz	3,820	1,299	17,877	20,974	20,974
Gold in Transit (GIT)	Oz	1,957	2,130	6,176	1,456	1,456

Table 1. Key Group Performance Figures (Quarterly)

Northern Star	Units	Sep-13 Qtr	Dec-13 Qtr	Mar-14 Qtr	Jun-14 Qtr	FY14
Mining	\$/oz	458	432	718	516	541
Processing	\$/oz	224	198	290	224	234
Site Services	\$/oz	66	71	83	82	79
Ore Stock & GIC Movements	\$/oz	(1)	122	(204)	18	(17)
Royalties	\$/oz	33	34	46	31	35
By Product Credits	\$/oz	(2)	(2)	(4)	(4)	(3)
Rehabilitation - Accretion & Amortisation	\$/oz	1	1	49	35	30
Corporate Overheads	\$/oz	74	87	57	20	42
Mine Development / Sustaining Capex	\$/oz	243	199	150	98	138
Mine Exploration	\$/oz	23	24	18	11	16
<b>All-in Sustaining costs</b>	<b>\$/oz</b>	<b>1,118</b>	<b>1,166</b>	<b>1,202<sup>2</sup></b>	<b>1,032</b>	<b>1,094</b>

Table 2: Key Group Cost per Ounce Measures

- Note: 1. Prior cost per ounce measures have been reported on a recovered ounce produced basis, all the above cost per ounce metrics are now on an ounce sold basis.  
 2. Adjustments have been made in the March 14 quarter to better reflect acquisition costs and liabilities from the purchase of the Plutonic and Kalgoorlie Operations from Barrick  
 3. AISC does not include acquisition costs and any redundancy payments made.

Production KPIs June Quarter	Units	Paulsens	Plutonic	Kanowna Belle	Kundana	Total
Total Ore Hoisted	Tonnes	145,027	238,739	222,287	57,069	663,122
Mine Grade	gpt Au	6.9	4.7	4.7	13.6	6.0
Gold in Ore Hoisted	Oz	32,205	36,554	33,548	24,930	127,236
Milled Tonnes	Tonnes	120,995	229,226	263,597	59,952	673,770
Head Grade	gpt Au	7.7	4.8	4.3	13.3	5.9
Recovery	%	91%	82%	92%	97%	90%
Gold Recovered	Oz	27,280	28,845	33,695	24,960	114,780
Gold Sold	Oz	25,815	29,613	34,841	25,550	115,820
Cash Operating Costs	A\$/oz	789	1,131	909	587	868
All-In Sustaining Costs	A\$/oz	1,010	1,347	983	777	1,032

Table 3. Key Quarterly Mine Production Performance

# QUARTERLY ACTIVITIES REPORT

For the Quarter ended 30 June 2014



Production KPI's FY14	Units	Paulsens	Plutonic	Kanowna Belle	Kundana	Total
Total Ore Hoisted	Tonnes	510,244	360,852	302,383	72,450	1,245,930
Mine Grade	gpt Au	7.1	4.4	4.6	13.7	6.1
Gold in Ore Hoisted	Oz	117,883	51,554	45,186	31,858	246,480
Milled Tonnes	Tonnes	464,777	399,317	352,375	76,184	1,292,654
Head Grade	gpt Au	7.4	3.9	4.0	13.7	5.8
Recovery	%	90%	83%	91%	97%	90%
Gold Recovered	Oz	100,041	41,623	41,313	32,442	215,419
Gold Sold	Oz	100,581	39,898	40,025	29,550	210,055
Cash Operating Costs	A\$/oz	817	1,172	913	574	868
All-In Sustaining Costs	A\$/oz	1,105	1,414	993	768	1,094

Table 4. FY14 Mine Production Performance

## Capital Raising

No capital raising activities occurred during the quarter.

## Guidance – Financial Year 2015

Group Guidance is expected to be between 550,000 to 600,000 ounces of gold between A\$1,050-\$1,100 per ounce AISC.

Operation	Guidance	
	Min	Max
Paulsens	80	90
Plutonic	100	110
Kanowna Belle	80	85
Kundana	100	110
Jundee	190	205
<b>Total</b>	<b>550</b>	<b>600</b>

Table 5. Group Guidance

## Paulsens Gold Operations - Overview

Production increased from the March Quarter with processing recoveries restored to 91% for the June Quarter. Mined ounces for the quarter were 31,936oz, a site record. Milled production for the quarter totalled 27,280oz, the second highest recorded since the mine commenced in 2005.

Quarterly gold sales from the Paulsens Gold Mine totalled 25,815oz. Unaudited AISC for the quarter was A\$1,010/oz.

Production Summary Paulsens		Mar-14 Qtr	Jun-14 Qtr
Ore Mined	Tonnes	113,128	145,027
Mined Grade	gpt Au	7.8	6.8
Ounces Mined	Oz	28,669	31,936
Milled Tonnes	Tonnes	114,027	120,995
Head Grade	gpt Au	7.1	7.7
Recovery	%	86	91
<b>Gold Recovered</b>	<b>Oz</b>	<b>22,342</b>	<b>27,280</b>
<b>Cash Operating Costs</b>			
Mining	A\$/oz	488	483
Processing	A\$/oz	258	241
Site Services	A\$/oz	74	66
Ore Stock Movements	A\$/oz	(9)	(35)
Royalties	A\$/oz	36	34
By Product Credits	A\$/oz	(2)	0
Rehabilitation - Accretion & Amortisation	A\$/oz	1	1
Corporate Overheads	A\$/oz	56	18
Mine Development / Sustaining Capex	A\$/oz	191	167
Paulsens Mine Exploration	A\$/oz	33	35
<b>All-In Sustaining Costs</b>	<b>A\$/oz</b>	<b>1,126</b>	<b>1,010</b>

Table 6. Summary Details - Paulsens

# QUARTERLY ACTIVITIES REPORT

For the Quarter ended 30 June 2014



## Plutonic Gold Operations - Overview

Mined ounces for the quarter were 36,099oz, grade for the quarter was improved to 4.7gpt Au. Milled production for the quarter totalled 28,845oz. Ore tonnes milled were solely from underground sources and the processing plant was operated on a campaign basis.

Quarterly gold sales from the Plutonic Gold Operations totalled 29,613oz. Unaudited AISC for the quarter was A\$1,347/oz. This unit cost has improved from March quarter through increased gold production and cost reduction initiatives. Further initiatives are underway to continue this improved trend.

Production Summary Plutonic			Mar-14 Qtr (2 months)	Jun-14 Qtr
Ore Mined	Tonnes		122,113	238,739
Mined Grade	gpt Au		3.6	4.7
Ounces Mined	Oz		14,283	36,099
Milled Tonnes	Tonnes		170,091	229,226
Head Grade	gpt Au		2.7	4.7
Recovery	%		85	82
<b>Gold Recovered</b>	<b>Oz</b>		<b>12,778</b>	<b>28,845</b>
Cash Operating Costs				
Mining	A\$/oz		1,119	707
Processing	A\$/oz		373	257
Site Services	A\$/oz		100	95
Ore Stock Movements	A\$/oz		(337)	41
Royalties	A\$/oz		37	35
By Product Credits	A\$/oz		(2)	(2)
Rehabilitation - Accretion & Amortisation	A\$/oz		111	87
Corporate Overheads	A\$/oz		64	20
Mine Development / Sustaining Capex	A\$/oz		128	95
Plutonic Mine Exploration	A\$/oz		0	13
<b>All-In Sustaining Costs</b>	<b>A\$/oz</b>		<b>1,592</b>	<b>1,347</b>

Table 7. Summary Details – Plutonic

## Kanowna Belle Gold Operations - Overview

Mined ounces for the quarter were 33,433oz. Milled production for the quarter totalled 33,695oz. Ore tonnes milled were in line with campaign feed plan from Kanowna Belle, Kundana and surface low grade stockpiles.

Quarterly gold sales from Kanowna Belle totalled 34,841oz. Unaudited AISC for the quarter was A\$983/oz.

Production Summary Kanowna Belle			Mar-14 Qtr (1 month)	Jun-14 Qtr
Ore Mined	Tonnes		80,096	222,287
Mined Grade	gpt Au		4.5	4.7
Ounces Mined	Oz		11,626	33,433
Milled Tonnes	Tonnes		88,778	263,597
Head Grade	gpt Au		2.9	4.3
Recovery	%		90	92
<b>Gold Recovered</b>	<b>Oz</b>		<b>7,618</b>	<b>33,695</b>
Cash Operating Costs				
Mining	A\$/oz		1,148	511
Processing	A\$/oz		365	278
Site Services	A\$/oz		120	115
Ore Stock Movements	A\$/oz		(791)	(5)
Royalties	A\$/oz		102	16
By Product Credits	A\$/oz		(9)	(6)
Rehabilitation - Accretion & Amortisation	A\$/oz		81	54
Corporate Overheads	A\$/oz		49	20
Mine Development / Sustaining Capex	A\$/oz		0	0
Kanowna Belle Mine Exploration	A\$/oz		0	0
<b>All in Sustaining Costs</b>	<b>A\$/oz</b>		<b>1,064</b>	<b>983</b>

Table 8. Summary Details – Kanowna Belle

# QUARTERLY ACTIVITIES REPORT

For the Quarter ended 30 June 2014

## Kundana Gold Operations - Overview

Northern Star's share of ounces mined from Rubicon and Hornet deposit were 24,914oz replacing any shortfall from the historic Raleigh mine contribution. Mined grade for the quarter was on plan at 13.6gpt Au. Raleigh production has recommenced in late June. Gold recovered from Kundana Gold Operations for the quarter totalled 24,960oz.

Quarterly gold sales from the Kundana Gold Operations totalled 25,550oz. Unaudited AISC for the quarter was A\$777/oz.

Production Summary Kundana		Mar-14 Qtr (1 month)	Jun-14 Qtr
Ore Mined	Tonnes	15,381	57,069
Mined Grade	gpt Au	14.0	13.5
Ounces Mined	Oz	6,923	24,914
Milled Tonnes	Tonnes	16,232	59,952
Head Grade	gpt Au	14.8	13.3
Recovery	%	97	97
<b>Gold Recovered</b>	<b>Oz</b>	<b>7,482</b>	<b>24,960</b>
<b>Cash Operating Costs</b>			
Mining	A\$/oz	502	337
Processing	A\$/oz	170	99
Site Services	A\$/oz	33	35
Ore Stock Movements	A\$/oz	(267)	77
Royalties	A\$/oz	58	45
By Product Credits	A\$/oz	(4)	(5)
Rehabilitation - Accretion & Amortisation	A\$/oz	7	4
Corporate Overheads	A\$/oz	49	23
Mine Development / Sustaining Capex	A\$/oz	160	163
Kundana Mine Exploration	A\$/oz	0	0
<b>All-In Sustaining Costs</b>	<b>A\$/oz</b>	<b>709</b>	<b>777</b>

Table 9. Summary Details - Kundana

Additional information on the individual Operations can be found in Appendix 1.

## EXPLORATION AND DEVELOPMENT - OPERATIONS

### Paulsens

During the quarter 17,776 metres of underground diamond drilling from three rigs was undertaken on grade control, resource extension programs for Voyager 1, Voyager 2, Titan, Cassini and Galileo.

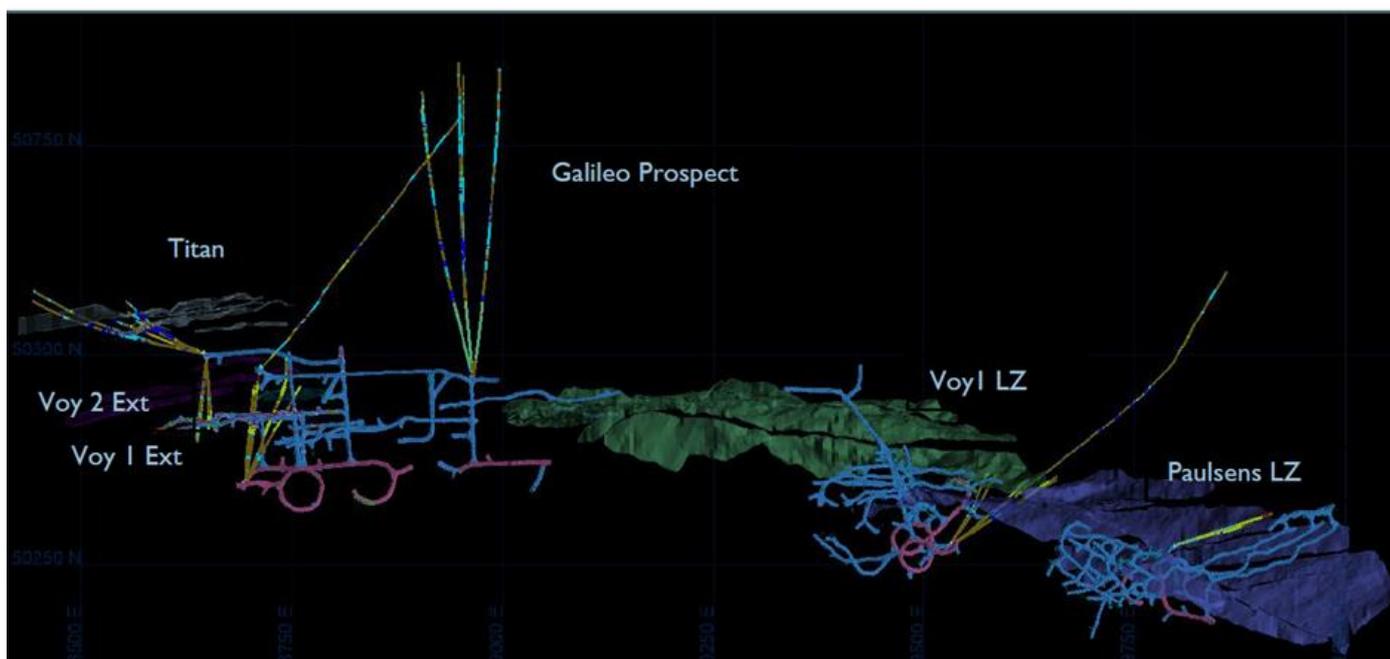


Figure 1 – Plan view showing targets for the quarter and selected holes

# QUARTERLY ACTIVITIES REPORT

For the Quarter ended 30 June 2014



NORTHERN STAR  
RESOURCES LIMITED

Ore development is underway at Voyager 2 and development is well on the path to Titan as part of the strategy to mine the multiple lodes in parallel to existing infrastructure.

Galileo is an exploration target that is being assessed from a geological perspective to determine further repetitions for mineralisation as a concept from underground.

## Plutonic

During the quarter a total of 18,800 metres of underground diamond drilling from three rigs was undertaken on grade control (11,900m) and resource definitions (6,900m) programs for the major lodes at Plutonic.

Resource definition drilling focused on Caribbean, Pacific East and Baltic Extension. A third underground rig commenced in May to allow larger target areas to be defined.

## Kanowna Belle

During the quarter one underground drill focussed on drilling both the Troy and FM33 lodes, both have the potential to add to the Kanowna Belle mine plan.

## Kundana

The drilling at Pegasus over the last 6 months has delivered an upgrade in the Mineral Resource estimate.

The revised Pegasus JORC-compliant resource estimate of 2.1 million tonnes at 11.4gpt for 763,000oz<sup>1</sup> is based on an anticipated 2m minimum mining width and a 3.7gpt cut-off grade (refer Tables 1 to 3). This is a 16% increase in grade and 115% increase in ounces compared with the previous figure of 355,000oz at 9.8gpt.

Mine development of Pegasus is well advanced, with access to the orebody being gained via the existing decline at the nearby Rubicon mine.

First development ore at Pegasus is expected to be intersected in the December Quarter 2014, with production commencing in early 2015 and ramping up to 100,000oz per annum by July 2015.

Recent drilling not included in this resource update has further extended the Pegasus deposit, with visible gold intersected in the main structure some 750m below surface, indicating the mineralised zone is highly likely to continue (awaiting further assays). Significant intersections of 3.7m at 24.5gpt, 1.9m at 13.6gpt and 1.0m at 16.9gpt, all of which are outside the updated resource, are shown in Figure 1 and Table 4.

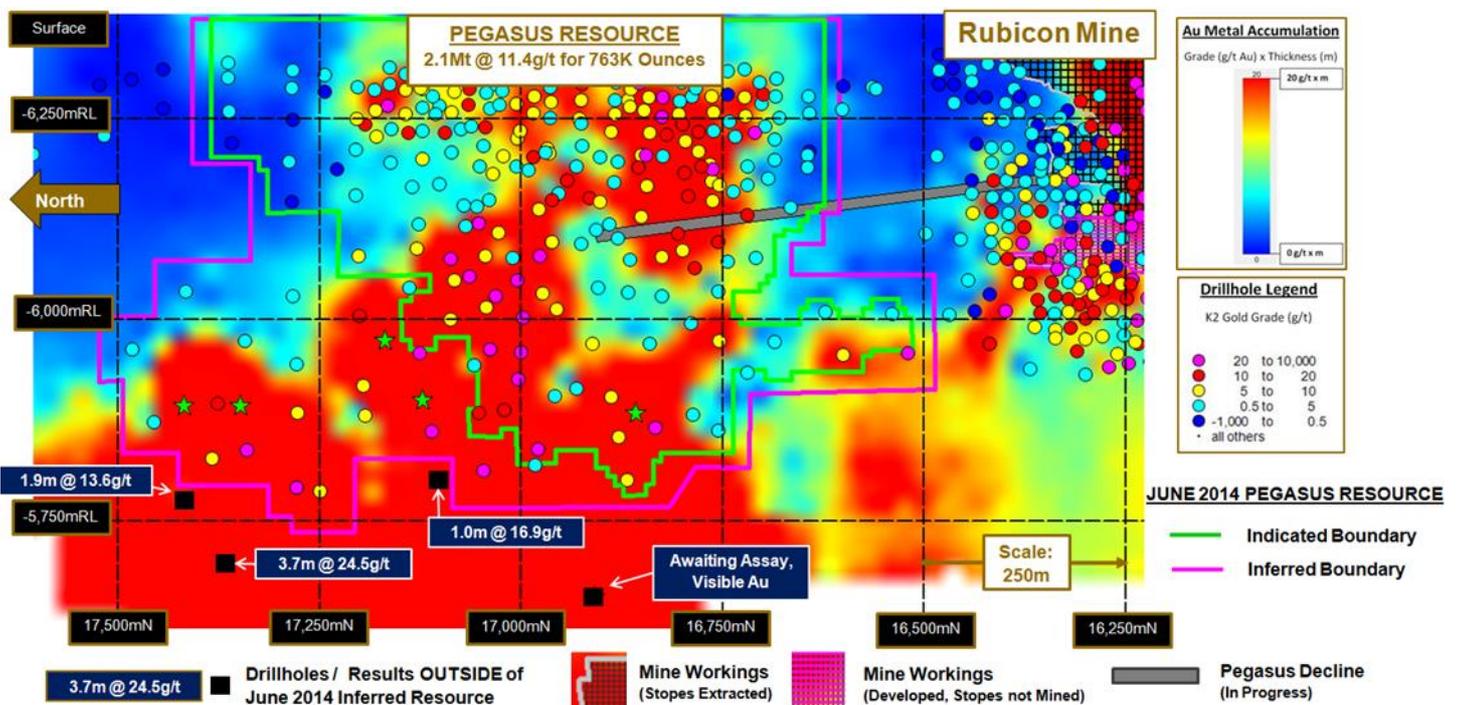


Figure 2: Long projection of the K2 footwall structure (looking east) showing the June 2014 Pegasus Update Resource Classification Boundaries, showing the extent of Indicated and Inferred Resource. The significant intersections shown outside of the inferred resource demonstrate the growth potential of the Pegasus Resource. Background shading is metal accumulation (grade x width). Drill hole intersections noted are downhole width.

Targeted regional exploration along the Kundana structural corridor has identified significant mineralisation 2km north of previous mining activities and 8km north of Pegasus, highlighting the regional potential for future discoveries. This area will be a major focus of the Company's regional exploration team in the coming year.

# QUARTERLY ACTIVITIES REPORT

For the Quarter ended 30 June 2014



NORTHERN STAR  
RESOURCES LIMITED

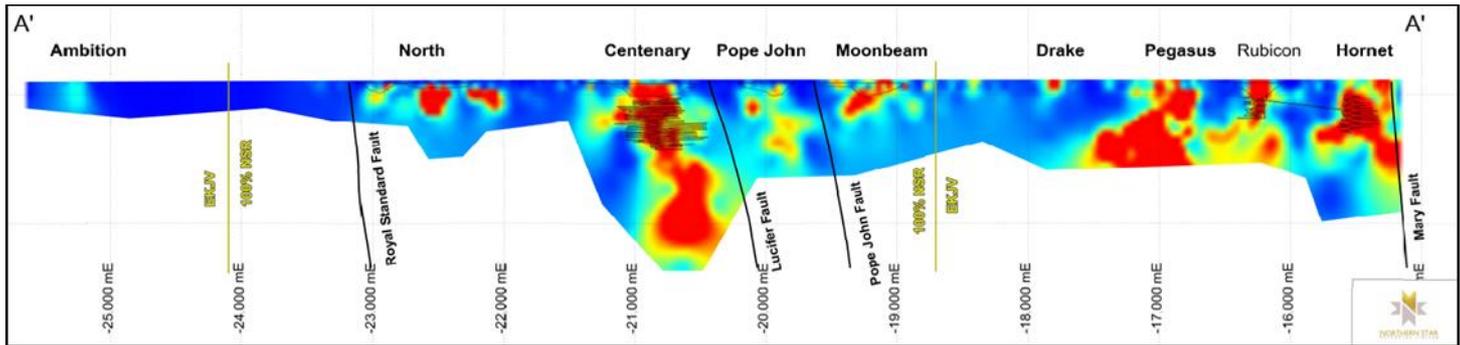


Figure 3: Plan and Long Projection view (A-B) (looking East) of the K2 Structure, showing the location of Pegasus relative to Ambition. Red shading on the long projection is metal accumulation greater than 20gptm Au.

Reconnaissance drilling at the Ambition prospect returned assays of 2m at 6gpt and 2m at 1.8gpt gold in the interpreted K2 position, indicating the structure continues to the north of previous mining activity. This area is poorly tested at depth and along strike. The location of Ambition relative to the Pegasus project is shown in Figure 2.

Refer to ASX Announcement released 25 June 2014.

A Company based updated resource and reserve statement is currently being compiled for the period ended 30 June 2014.

## Jundee

The acquisition of the Jundee Gold Mine on 1 July 2014 has highlighted areas with strong exploration potential, and new drill plans and targets are being further developed along with the existing mine operations. Whilst the June production numbers were not attributable to NST in the June quarter; the Jundee mine produced 75,319oz in the June quarter. Refer ASX Announcement released 30 July 2014.

## REGIONAL EXPLORATION

### Paulsens Near-Mine Exploration

Work focussed on reassessment of previous drilling at the Aries prospect, and geochemical characterisation of host rocks.

### Ashburton Gold Project

Work on targeting additional free-milling oxide mineralisation continued. Five RC holes totalling 560m were completed at the Waugh East prospect. 10 RC holes (880m) are also planned for the Titus prospect during this drilling campaign. Results from the Waugh East drilling are awaited.

### Electric Dingo Gold Project

Highly anomalous soil sample results were received from the Kazput Fault prospect. Follow up mapping and rock chip sampling is in progress.

### Kazput Coal Project

Finalisation of a maiden resource report for the Kazput Coal Project continued.

### Fortescue JV

Soil sampling was carried out at several regional prospects during the quarter. Soil anomalies were defined at the Rhino prospect, and planning of follow up drilling is underway. Assay results for other areas are awaited. A Minerals System regional targeting exercise was completed in conjunction with the Centre for Exploration Targeting at the University of WA.

### Kalgoorlie Operations

414m of RC and 362m of diamond drilling were completed at the Red Eye prospect (around 10km NW of Kanowna Belle). Lag sampling was also completed in the area. Results for these programs are awaited.

### Cheroona & Beatty Park Projects (Copper/Gold) (RNI earning up to 70%)

A farm in agreement with Resource and Investment NL (ASX: RNI) was announced on 4 December 2013. Initial reconnaissance exploration by RNI identified a high-grade copper-gold gossan at the T10 prospect. Assay results from rock chip samples included 17.4% Copper, 8.84gpt Gold and 2.0gpt Silver (see RNI ASX Announcement 28 May 2014).

# QUARTERLY ACTIVITIES REPORT

For the Quarter ended 30 June 2014

## FINANCE

The following is a table of the cash, bullion and investments held at the end of the quarter.

	Units	September 2013 Quarter	December 2013 Quarter	March 2014 Quarter	June 2014 Quarter
Cash at Bank	\$M	\$45.3	\$49.3	\$67.8	\$82.3
Bullion on Hand	\$M	\$2.8	\$3.0	\$8.6	\$2.0
Investments	\$M	\$2.2	\$2.0	\$3.6	\$2.9
Deposit Jundee	\$M	-	-	-	\$9.0
<b>Total</b>	<b>\$M</b>	<b>\$50.3</b>	<b>\$54.3</b>	<b>\$80.0</b>	<b>\$96.2</b>

Table 10: Cash, Bullion and Investment Holdings

At the end of the quarter, gold in circuit, transit and stockpiles totalled 75,811 ounces.

Gold in Process	June 2014 Quarter oz
Stockpiles Contained Gold	53,381
Gold in Circuit	20,974
Gold in Transit	1,456
<b>Total in Process</b>	<b>75,811</b>

Table 11: Gold in Process

## Cashflow

Cash Flow Per Ounce	June 2014 Quarter (A\$/oz)
Gold Sold (oz)	115,820
Average Realised Gold Price	1,395
All-In Sustaining Costs <sup>(1)</sup>	1,032
<b>Cash Margin per ounce</b>	<b>363</b>

Note 1: Refer to Table 2.

Table 12: Cash Flow per Ounce

## Banking Facilities

During the quarter the Company increased its debt facilities with Investec Bank from \$50 million to \$100 million to facilitate the purchase of the Jundee gold mine from Newmont. The loan is a revolving credit facility with a two year tenor with amortisation commencing six months after drawdown. At the end of June 2014 the facility was available and undrawn.

## Hedging

The Company during the quarter forward sold an additional 50,000 ounces of production. The below table outlines the Company's current hedging positions:-

Term	Jul 14 - Jan 15	Mar15 - Dec15
Ounces Forward Sold	60,200oz	50,000oz
Gold Price	A\$1,462	A\$1,415
Monthly Commitment	8,600oz	5,000oz

Table 13: Hedging Commitments

The current hedging commitments equate to approximately 20% of FY2015 production.

# QUARTERLY ACTIVITIES REPORT

For the Quarter ended 30 June 2014

## CORPORATE

- ▶ Settlement occurred for the acquisition of the Jundee Gold Mine on 1 July 2014.
- ▶ The Company appointed Luke Gleeson to the position of Investor Relations and Senior Business Analyst on 7 July 2014.
- ▶ During the Quarter, Northern Star participated in the Paydirt Gold Conference in Perth in April 2014 and undertook an international institutional investor roadshow in June 2014. The Company maintains a proactive presentation calendar to stockbroking firms, institutional and retail investors to promote the Company and its activities.
- ▶ The Company's share registry, Advanced Share Registry, changed its address to 110 Stirling Highway, Nedlands WA 6009.
- ▶ Issued Capital

During the quarter, the Company issued a total of 812,889 ordinary fully paid shares through a conversion of 2,000,000 employee options and 250,000 employee options vested on 15 April 2014.

Subsequent to the quarter, the Company issued 7,854,843 ordinary fully paid shares in satisfaction of the waiver of the Jundee right of first refusal, and 170,012 ordinary fully paid shares through a conversion of employee options.

The issued capital of the Company at the date of this report is:

Class of Securities	Issued capital
Fully Paid Ordinary Shares	587,429,659
Unlisted Options	1,541,666

Table 14: Issued Capital

The Company holds the following investments in publicly listed companies:

Investment Register – Publicly Listed Companies			
Company	ASX Code	Shares	% of Issued Capital
Venturex Resources Ltd	VXR	199,689,768	12.901
Dampier Gold Ltd	DAU	3,400,000	5.099
Rand Mining Ltd	RND	2,925,360	4.808
Tribune Resources Ltd	TBR	10,000	0.016

Table 15: Investments in Publicly Listed Companies

Yours faithfully



**BILL BEAMENT**  
**Managing Director**  
**Northern Star Resources Limited**

# QUARTERLY ACTIVITIES REPORT

For the Quarter ended 30 June 2014



## Competent Persons Statements

The information in this announcement that relates to mineral resource estimations, exploration results, data quality, geological interpretations and potential for eventual economic extraction, is based on information compiled by Darren Cooke, (Member Australian Institute of Geoscientists), who is a full-time employee of Northern Star Resources Limited. Mr. Cooke 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 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" for the Pegasus, Rubicon and Hornet Deposit and the Ambition prospect. Mr. Cooke consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

## Forward Looking Statements

Northern Star Resources Limited has prepared this announcement based on information available to it. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this announcement. To the maximum extent permitted by law, none of Northern Star Resources Limited, its directors, employees or agents, advisers, nor any other person accepts any liability, including, without limitation, any liability arising from fault or negligence on the part of any of them or any other person, for any loss arising from the use of this announcement or its contents or otherwise arising in connection with it.

This announcement is not an offer, invitation, solicitation or other recommendation with respect to the subscription for, purchase or sale of any security, and neither this announcement nor anything in it shall form the basis of any contract or commitment whatsoever. This announcement may contain forward looking statements that are subject to risk factors associated with gold exploration, mining and production businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimations, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory changes, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

EAST KUNDANA JOINT VENTURE GOLD MINERAL RESOURCES <sup>(1)</sup>												
As at June 2014												
MEASURED (M)			INDICATED (I)			(M)+(I)	INFERRED (Inf)			TOTAL (M I & Inf)		
Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
(000's)	(gpt)	(000's)	(000's)	(gpt)	(000's)	(000's)	(000's)	(gpt)	(000's)	(000's)	(gpt)	(000's)
Pegasus Deposit												
NST Attributable Resource (51%)			714	11.9	273	273	346	10.5	116	1,060	11.4	389
R&T <sup>(2)</sup> Attributable Resource (49%)			687	11.9	262	262	332	10.5	112	1,019	11.4	374
<b>TOTAL</b>			<b>1,401</b>	<b>11.9</b>	<b>535</b>	<b>535</b>	<b>678</b>	<b>10.5</b>	<b>228</b>	<b>2,079</b>	<b>11.4</b>	<b>763</b>

(1) Resources are inclusive of reserves. Calculated at A\$1,850 gold price and an assumed minimum mining width of 2.0m

(2) R&T refers to the combined holdings of Rand Mining Ltd (ASX: RND) and Tribune Resources Ltd (ASX: TBR)

Table 1 - Pegasus Resources as at June 2014

EAST KUNDANA JOINT VENTURE GOLD MINERAL RESOURCES (BY DOMAIN) <sup>(1)</sup>												
As at June 2014												
MEASURED (M)			INDICATED (I)			(M)+(I)	INFERRED (Inf)			TOTAL (M I & Inf)		
Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
(000's)	(gpt)	(000's)	(000's)	(gpt)	(000's)	(000's)	(000's)	(gpt)	(000's)	(000's)	(gpt)	(000's)
Pegasus Deposit (Total)												
K2 Footwall Domain			826	13.9	369	369	407	13.6	178	1,233	13.8	547
K2 Hangingwall Domain (K2E)			266	9.1	78	78	63	7.1	14	329	8.7	92
K2 B Domain			96	9.7	30	30	42	5.1	7	138	8.3	37
Pode Domain			213	8.5	58	58	166	5.5	29	379	7.2	87
<b>TOTAL</b>			<b>1,401</b>	<b>11.9</b>	<b>535</b>	<b>535</b>	<b>678</b>	<b>10.5</b>	<b>228</b>	<b>2,079</b>	<b>11.4</b>	<b>763</b>

(1) Resources are inclusive of reserves. Calculated at A\$1,850 gold price and an assumed minimum mining width of 2.0m

Table 2 - Pegasus Resources by Mineralised Domain as at June 2014  
(table reflects the total Pegasus Resource, of which Northern Star's holds a 51% interest)

TONNES GRADE TABULATION <sup>(1)</sup>			
Based on 2.0m Minimum Mining Width			
CUTOFF	TONNES	GRADE	METAL
(Au gpt)	(000's)	(gpt)	(000's)
3.7 <sup>(2)</sup>	2,079	11.4	763
4.0	1,969	11.8	749
5.0	1,680	13.1	707
6.0	1,409	14.6	659
7.0	1,207	15.9	617
8.0	1,058	17.1	582
9.0	942	18.1	550

(1) Total Resource (NST: 51%, R&T: 49%)

(2) 3.7gpt is the Rubicon cutoff at A\$1850 gold price

Table 3: Tonnes grade tabulation for the Pegasus Resource, based on a 2 metre minimum mining width and a 3.7gpt cut-off

# QUARTERLY ACTIVITIES REPORT

For the Quarter ended 30 June 2014



NORTHERN STAR  
RESOURCES LIMITED

## PEGASUS K2 - EXTENSION DRILLING (Outside of June 2014 Resource)

Drill Hole #	Collar Easting (Mine Grid)	Collar Northing (Mine Grid)	Collar RL (Mine Grid)	Collar Dip (degrees)	Azimuth (degrees, Mine Grid)	End of hole depth (m)	Downhole From (m)	Downhole To (m)	Downhole Intersection (m)	Au (gpt) uncut	Est True Thickness (m)
PGCD14003	9487	17389	6345	-66	90	750	711.85	715.50	3.7	24.5	2.7
<b>PGCD14007<sup>(1)</sup></b>	9511	16915	6344	-65	96	759	724	727	3.0	AA	2.1
PGCD14021	9530	17426	6343	-65	90	638	609.4	611.3	1.9	13.6	1.4
PGCD14024	9546	17124	6347	-66	91	606.0	582.9	583.9	1.0	16.9	0.7

Table 4: Exploration results outside of the June 2014 Pegasus resource.

(1) Hole PGCD14007 is awaiting assays. The K2 footwall zone contains coarse visible gold. Estimates of intersection position and width are based on the experience of the competent person and the actual intersection will be formally reported upon receipt of the assay results. (For JORC Table 1 information please refer to ASX release 25<sup>th</sup> June 2014)

Refer ASX Announcement: 25 June 2014

### APPENDIX 1 – ADDITIONAL INFORMATION - OPERATIONS

#### Paulsens Gold Operations

##### ► Safety

There was one Loss Time Injuries ("LTI") for the quarter.

##### ► Underground Production

Mine Development:

	3 months to 30 September 2013	3 months to 31 December 2013	3 months to 31 March 2014	3 months to 30 June 2014
Decline	289.9m	196.0m	129.3m	264.0
Level	204.0m	340.0m	350.4m	353.7m
Strike driving	1,051.8m	596.8m	510.8m	866.1m
<b>Total (metres)</b>	<b>1,545.7m</b>	<b>1,132.8m</b>	<b>990.5m</b>	<b>1,483.8m</b>

Table 1: Underground Production – Mine Development

Development was ramped up by using two twin boom jumbos during the quarter which resulted in increased advance rates in the decline, capital lateral development towards the Titan orebody and ore drive development in the Voyager 1 Upper Zone Extension levels.

Ore development was carried out on the Voyager 1 Extension upper zones on the 407/441 levels and Voyager 2 upper/lower zones on the 475/458/424 levels. High grades were continually seen from the Voyager 2 lode 424L and 458L.

Development yielded 38,770 tonnes at an average reconciled grade of 5.4gpt. Low-grade ore intersected whilst accessing the main ore zones yielded 16,313 tonnes at 1.1gpt.

	3 months to 30 September 2013	3 months to 31 December 2013	3 months to 31 March 2014	3 months to 30 June 2014
Development ore (t)	47,303	24,569	27,214	38,770
Development grade (gpt)	5.4	6.7	8.6	5.4
Stope ore (t)	61,485	89,747	82,839	89,943
Stope grade (gpt)	9.9	7.2	7.9	8.5
Low grade ore (t)	13,425	15,831	3,075	16,313
Low grade (gpt)	1.3	1.3	0.72	1.1
Total ore (t)	122,213	129,423	113,128	145,026
Total grade (gpt)	7.2	6.2	7.9	6.8
<b>Contained gold (oz)</b>	<b>28,276</b>	<b>26,818</b>	<b>28,869</b>	<b>31,931</b>

t=tonnes, gpt=grams per tonne, oz=ounces

Table 2: Ore Development – Mine Development

Stope production was 89,943 tonnes at 8.5gpt. This was predominately from the Voyager 1 Extension upper zone ore body on the 509, 492, 475, 458, 441 and 424 levels. Mining also extracted the Voyager 1 upper zone on the 509 level, Curiosity on the 509, 492 and 475 levels as well as Paulsens lower zone on the 904, 893 and 859 levels.

##### ► Gold Production

120,995 tonnes were milled during the quarter at 7.7gpt and 91% recovery for 27,280 ounces produced. Mill feed consisted of mainly Voyager 1 extension zone plus some Voyager 1 upper/lower zone stoping and Voyager 2 development ore. Improvements to the process circuit have restored recoveries back above 90%. Ore stocks at the end of the quarter totalled 14,568 ounces of gold.

##### ► Gold Sales

25,816 ounces were sold, gold in circuit and transit was 3,569 ounces.

#### Plutonic Gold Operations

##### ► Safety

There was one Lost Time Injury (LTI) for the quarter.

# QUARTERLY ACTIVITIES REPORT

For the Quarter ended 30 June 2014



## ► Underground Production

Mine Development:

	2 months to 31 March 2014	1 April to 31 March 2014
Decline	66m	47m
Level	114m	262m
Strike driving	833m	1,598m
<b>Total (metres)</b>	<b>1,013m</b>	<b>1,907m</b>

Table 3: Underground Production – Mine Development

The main focus on capital development has been continuing the establishment of the Baltic West 42 Level and the decline to the BW 43 level, re-establishment of access into the Mariner 29 level and further access into the Pacific East target.

Ore development was conducted in the West decline, North decline, Coral Incline, Spur Decline, Timor Access, Timor Decline, Baltic West and Mariner Decline areas.

	2 months to 31 March 2014	1 April to 31 March 2014
Development ore (t)	26,909	57,599
Development grade (gpt)	2.8	2.9
Stope ore (t)	95,204	181,140
Stope grade (gpt)	3.9	5.3
Low grade ore (t)		
Low grade (gpt)		
Total ore (t)	122,113	238,739
Total grade (gpt)	3.64	4.7
<b>Contained gold (oz)</b>	<b>14,283</b>	<b>36,099</b>

t=tonnes, gpt=grams per tonne, oz=ounces

Table 4: Underground Production – Ore Tonnes

Underground Stopping produced 181,140 tonnes at 5.3gpt.

## ► Gold Production

229,226 tonnes were milled during the quarter at 4.8gpt and 82% recovery for 28,845 ounces. Milling operations have been optimised for the campaign mode during the quarter due to the cessation of the processing of mineralised waste.

Ore stocks at the end of the quarter totalled 1,737 ounces of gold.

## ► Gold Sales

29,613 ounces were sold, gold in circuit and transit was 4,203 ounces.

An increase in operational performance has allowed new areas to be accessed and extracted in the quarter. The WD15 Level in particular significantly contributed to the quarter profile

An ongoing focus of operational efficiencies has occurred during the quarter and will continue to be consolidated in the September quarter with further reductions in labour costs and optimisation of mining and maintenance materials.

## Kanowna Belle Gold Operations

### ► Safety

There was one Lost Time Injury (LTI) during the quarter.

### ► Underground Production

Mine Development:

	1 month to 31 March 2014	1 April to 30 June 2014
Decline	Nil	Nil
Level	Nil	Nil
Strike driving <sup>(1)</sup>	199m	612m
<b>Total (metres)</b>	<b>199m</b>	<b>612m</b>

Table 5: Underground Production – Mine Development

Note (1) includes 107m development through paste-fill

# QUARTERLY ACTIVITIES REPORT

For the Quarter ended 30 June 2014



NORTHERN STAR  
RESOURCES LIMITED

The main development focus in the three months was associated with establishing the 9800mRL access ramps and level development into the SIMMS ore-body. During the quarter 612m of development was completed which included 107m of development through paste fill. No capital development is being done at Kanowna Belle. Development also progressed in the Troy with 71m advanced in ore to establish the area for stoping to commence during the next quarter.

	1 month to 31 March 2014	1 April to 30 June 2014
Development ore (t)	1,726	24,870
Development grade (gpt)	5.2	3.19
Stope ore (t)	78,370	197,417
Stope grade (gpt)	4.5	4.9
Low grade ore (t)	Nil	Nil
Low grade (gpt)	Nil	Nil
Total ore (t)	80,096	222,287
Total grade (gpt)	4.5	4.7
<b>Contained gold (oz)</b>	<b>11,626</b>	<b>33,433</b>

t=tonnes, gpt=grams per tonne, oz=ounces

Table 6: Underground Production – Ore Production

Stope production was 197,417 tonnes at 4.9gpt.

## ► Gold Production

Kanowna Belle milled 248,144 tonnes in the June quarter at 4.6gpt and 91% recovery for 33,483 ounces.

Ore stocks at the end of the quarter totalled 3,120 ounces of gold.

## ► Gold Sales

34,841 ounces were sold, gold in circuit and transit was 14,658 ounces.

## Kundana Gold Operations

### ► Introduction

The Kundana Gold Operations includes the Rubicon, Hornet and Raleigh deposits. Both mines are part of the East Kundana Joint Venture (EKJV) with companies Rand Mining Ltd (Rand) and Tribune Resources Ltd (Tribune).

### ► Safety

There were no Lost Time Injuries (LT") for the quarter. The mine has had 122 days LTI free by the end of the quarter under new ownership.

### ► Underground Production

All mine production physicals associated with the EKJV are reported as 100% of those physicals to better represent overall mine performance.

Mine Development:

	1 month to 31 March 2014	1 April to 30 June 2014
Decline	43m	578m
Level	81m	494m
Strike driving (incl paste)	91m	628m
<b>Total (metres)</b>	<b>215m</b>	<b>1,699m</b>

Table 7: Underground Production – Mine Development (physicals represent 100% EKJV)

The main focus on capital development has been the establishment of the Pegasus Link Drive, this drive has progressed from the 6185RL to the 6154RL. A total of 577m have been developed as part of the Pegasus Link Drive. Hornet Decline has progressed from the 5937RL to the 5915RL and the Rubicon Decline from the 6050RL to the 6029RL. 628m of strike driving was completed in June quarter which included 205m of development through paste fill.

Following a regional seismic event north of the Raleigh mine on 26 February 2014, the Company has undertaken rehabilitation which has enabled production to recommence in late June.

Development yielded 27,298 tonnes at an average reconciled grade of 6.8gpt.

# QUARTERLY ACTIVITIES REPORT

For the Quarter ended 30 June 2014



NORTHERN STAR  
RESOURCES LIMITED

	1 month to 31 March 2014	1 April to 30 June 2014
Development ore (t)	2,383	27,298
Development grade (gpt)	7.8	6.8
Stope ore (t)	27,776	84,605
Stope grade (gpt)	14.5	15.8
Low grade ore (t)	NA	NA
Low grade (gpt)	NA	NA
Total ore (t)	30,159	111,903
Total grade (gpt)	14.0	13.6
<b>Contained gold (oz)</b>	<b>14,024</b>	<b>48,853</b>

t=tonnes, gpt=grams per tonne, oz=ounces

Table 8: Underground Production – Ore production (physicals represent 100% EKJV)

Stope production was 84,605 tonnes at 15.8gpt.

## ► Gold Production

Gold milled in June quarter was 57,601t at 13.3gpt and 97% recovery for 24,960 gold ounces.

Ore stocks at the end of the quarter totalled 5,237 ounces of gold.

## ► Gold Sales

25,550 ounces of gold was sold.