



**NORTHERN STAR**  
RESOURCES LIMITED

ASX Code: NST



**Northern Star Resources**

An Australian gold miner – for global investors

**1H 2016 Half Year Results**

February 2016



## Competent Persons Statements

- \* The information in this announcement that relates to exploration results, data quality, geological interpretations and Mineral Resource estimations for the Company's Kanowna, EKJV, Kundana and Carbine Project areas is based on information compiled by Darren Cooke and fairly represents this information. Mr Cooke is a Member of the Australian Institute of Geoscientists who is a full-time employee of Northern Star Resources Limited who 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". 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.
- \* The information in this announcement that relates to exploration results, data quality, geological interpretations and Mineral Resource estimations for the Company's Jundee, Plutonic and Paulsens Project areas is based on information compiled by Brook Ekers and fairly represents this information. Mr Ekers is a Member of the Australian Institute of Geoscientists who is a full-time employee of Northern Star Resources Limited and 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". Mr Ekers consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.
- \* The information in this announcement that relates to Ore Reserve estimations for the Company's Project areas is based on information compiled by Jeff Brown and fairly represents this information. Mr Brown is a Member of the Australian Institute of Mining and Metallurgy who is a full-time employee of Northern Star Resources Limited and 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". Mr Brown consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.
- \* The information in this announcement that relates to Mineral Resource estimations for the Central Tanami Project is extracted from the Tanami Gold NL ASX announcement entitled "Quarterly Report for the Period Ending 31 March 2014" released on 1 May 2014 and is available to view on [www.tanami.com.au](http://www.tanami.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.
- \* The information in this announcement that relates to Mineral Resource estimations for the Groundrush Project is extracted from the Tanami Gold NL ASX announcement entitled "Groundrush Deposit Update - Significant Growth In Measured and Indicated Mineral Resource and Increase In Resource Grade At Groundrush" created on 7 January 2013 and is available to view on [www.tanami.com.au](http://www.tanami.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

## 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.
- \* All currency conversions in this presentation have been converted at a currency of AUD/USD conversion rate of A\$0.71.

## Footnotes:

- \* <sup>(1)</sup> EBITDA is earnings before interest, depreciation, amortisation and impairment and is calculated as follows: Profit before Income tax plus depreciation, amortisation, impairment and finance costs.
- \* <sup>(2)</sup> Underlying EBITDA is calculated as follows: EBITDA plus one off acquisition and restructure expenses.
- \* <sup>(3)</sup> Net Profit is calculated as net profit after taxation.
- \* <sup>(4)</sup> Underlying Net Profit is calculated as Net Profit plus one off acquisition and restructure expenses.
- \* <sup>(5)</sup> Free Cash Flow is calculated as operating cash flow minus investing cash flow.
- \* <sup>(6)</sup> Underlying Free Cash Flow is calculated as follows: 31 Dec 2015 - free cash flow (\$66.4 million) plus bullion awaiting settlement (\$9 million), plus acquisition and development of Central Tanami Project (\$17.3 million), plus stamp duty paid on prior period acquisitions (\$5.0 million), less working capital adjustment (\$1 million). 31 Dec 2014 - free cash flow (-\$23 million) plus Jundee acquisition (\$90.7 million), plus bullion awaiting settlement (\$39 million).
- \* EBITDA, Underlying EBITDA, Underlying Net Profit and Underlying Free Cash Flow are unaudited non IFRS measures.
- \* \* Restated: refer note 1. In Half Yearly report released to the ASX on the 19/02/2016



## Key Financial Outcomes

**NPAT up 79% to  
A\$65.1M**

**Interim Dividend  
increased by 50%  
to 3¢ per share**

**Underlying free cash  
flow of A\$96.7M**

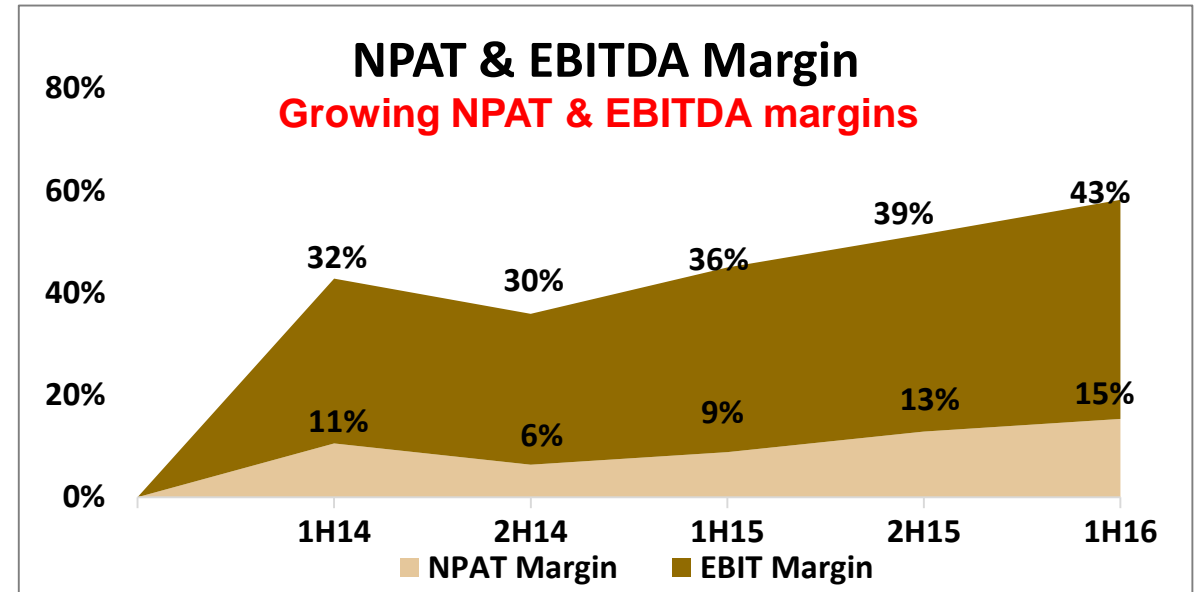
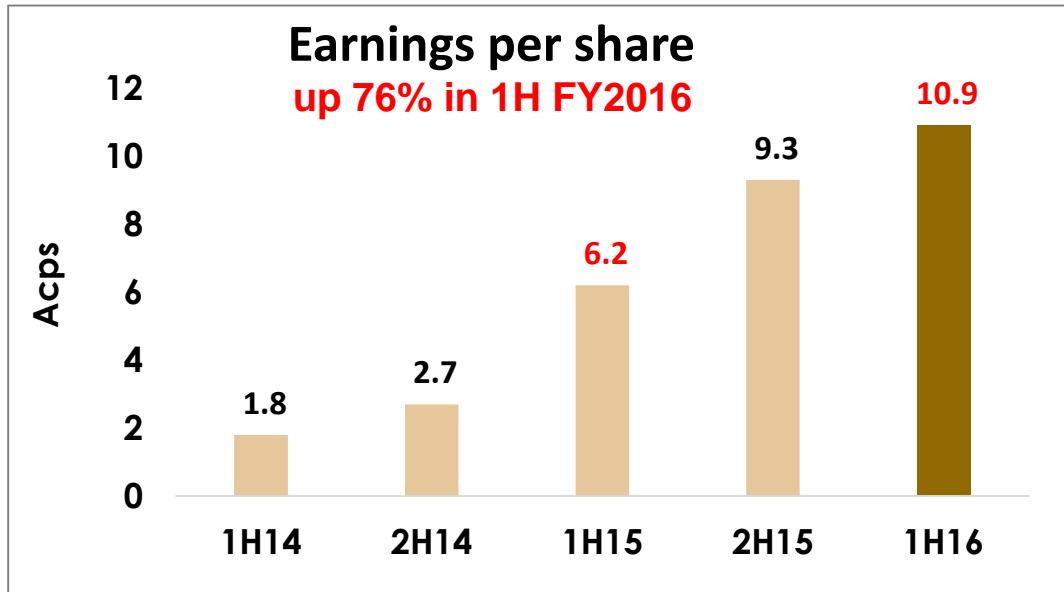
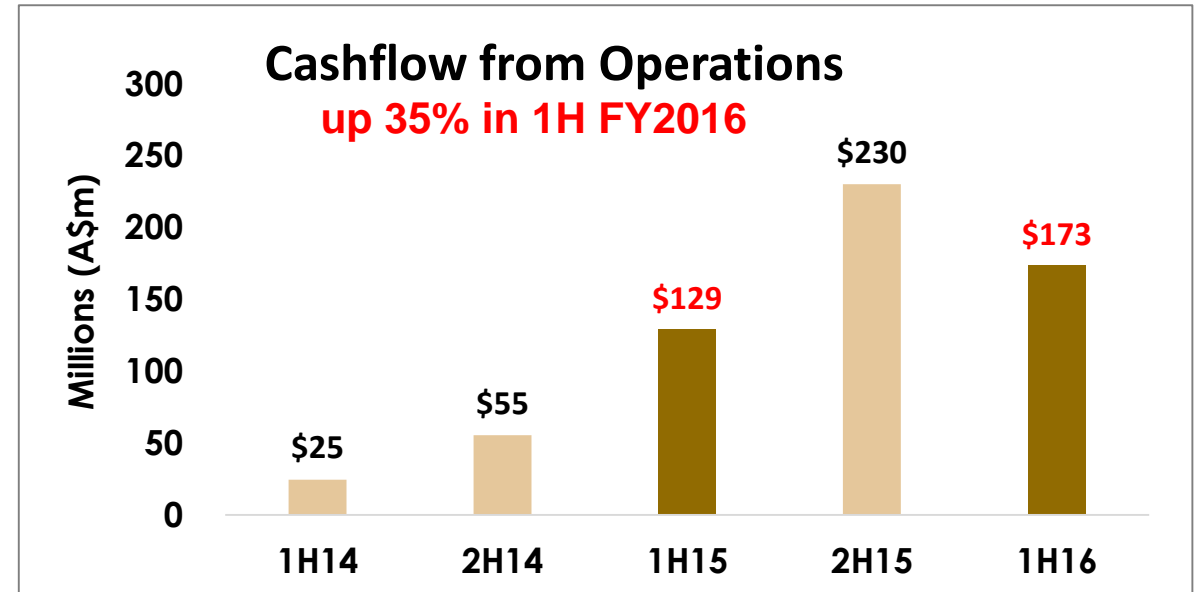
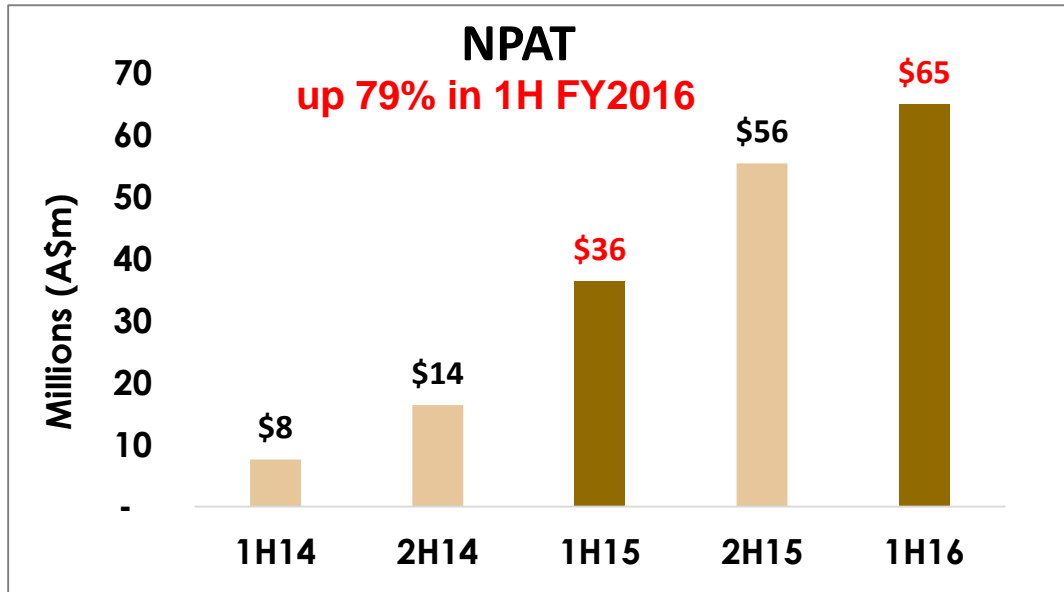
## Results strength illustrated by

**A\$226M Cash, Bullion  
& Investments  
31 Dec 2015; No debt**

**34% Return on Equity  
28% Return on  
Invested Capital**

**Earnings per share  
growth of 76% to  
10.9¢ per share**

# Financial Highlights for the 1H FY2016

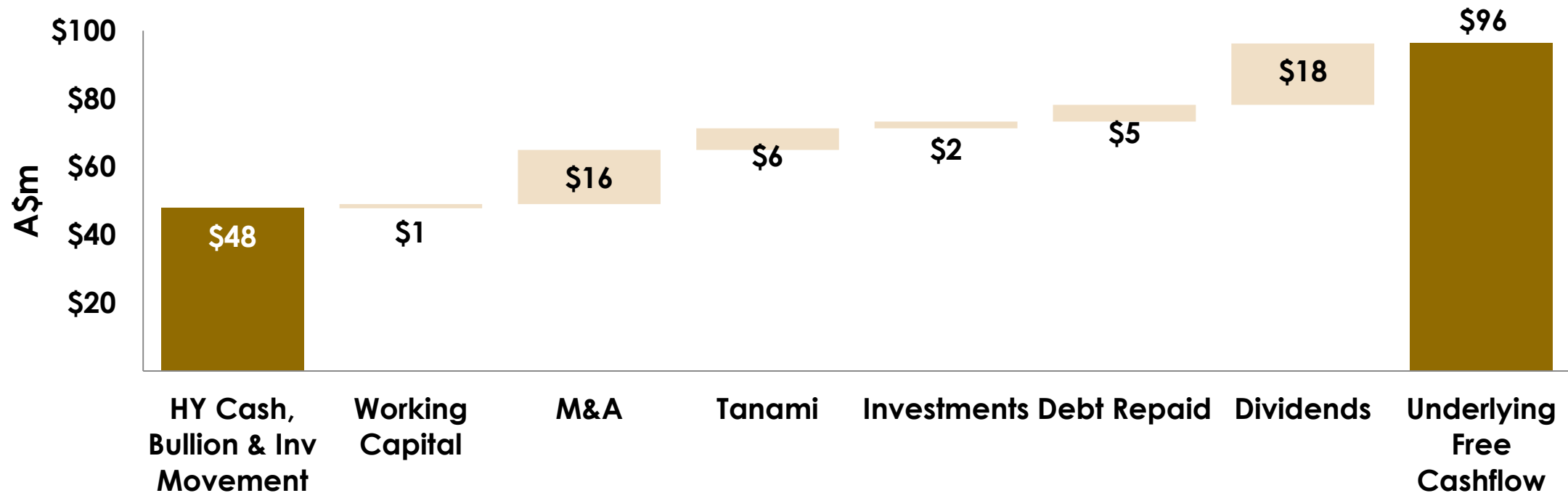


# Another strong half of free cashflow generation



- ✦ NST generated strong underlying free cashflow of A\$96.7m at an average gold price of A\$1,497/oz
- ✦ NST stands to benefit from a spot gold price that is currently trading ~A\$1,700/oz into 2H FY2016
- ✦ During 1H FY2016 NST sold 283,573oz at an AISC of A\$1,062/oz (US\$750/oz); positioning NST among the first quartile cost producers globally

### 1HFY16 Underlying company free cashflow



# Details of Financials



✦ Earnings per share and Statutory Net Profit grew by 76% and 79% respectively within the first half of FY2016

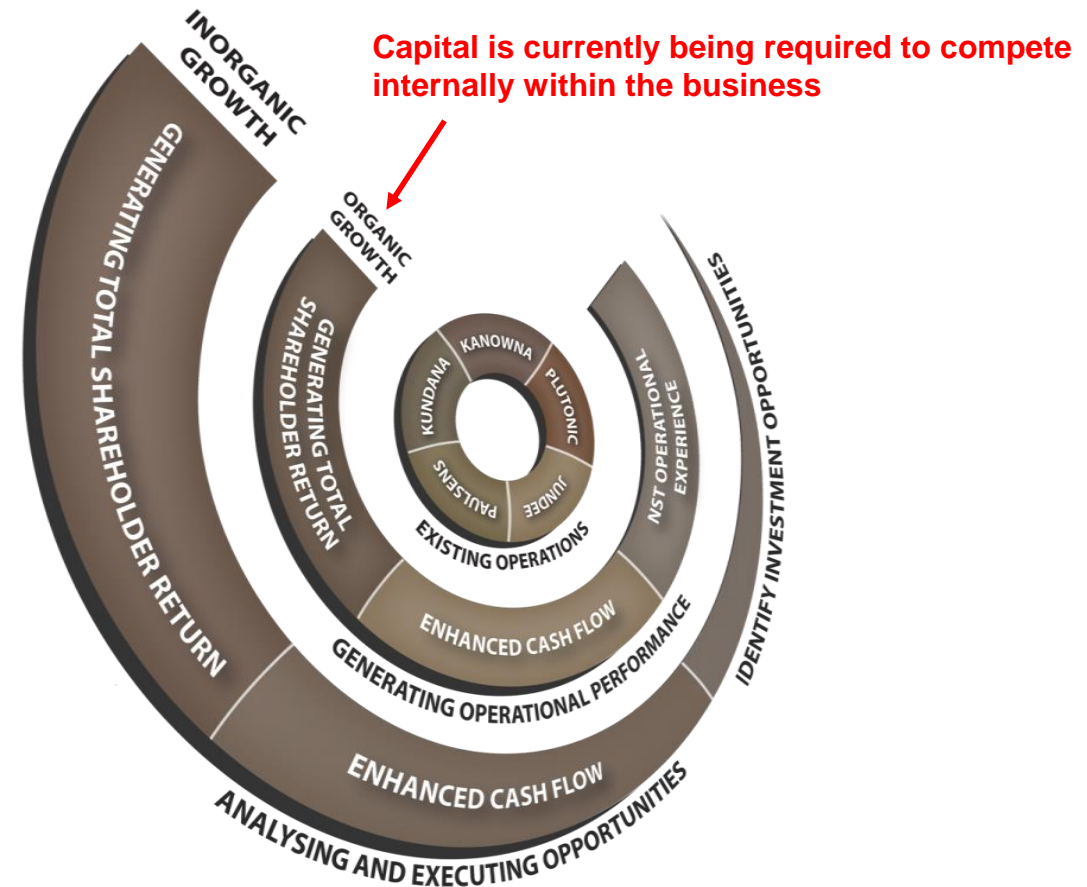
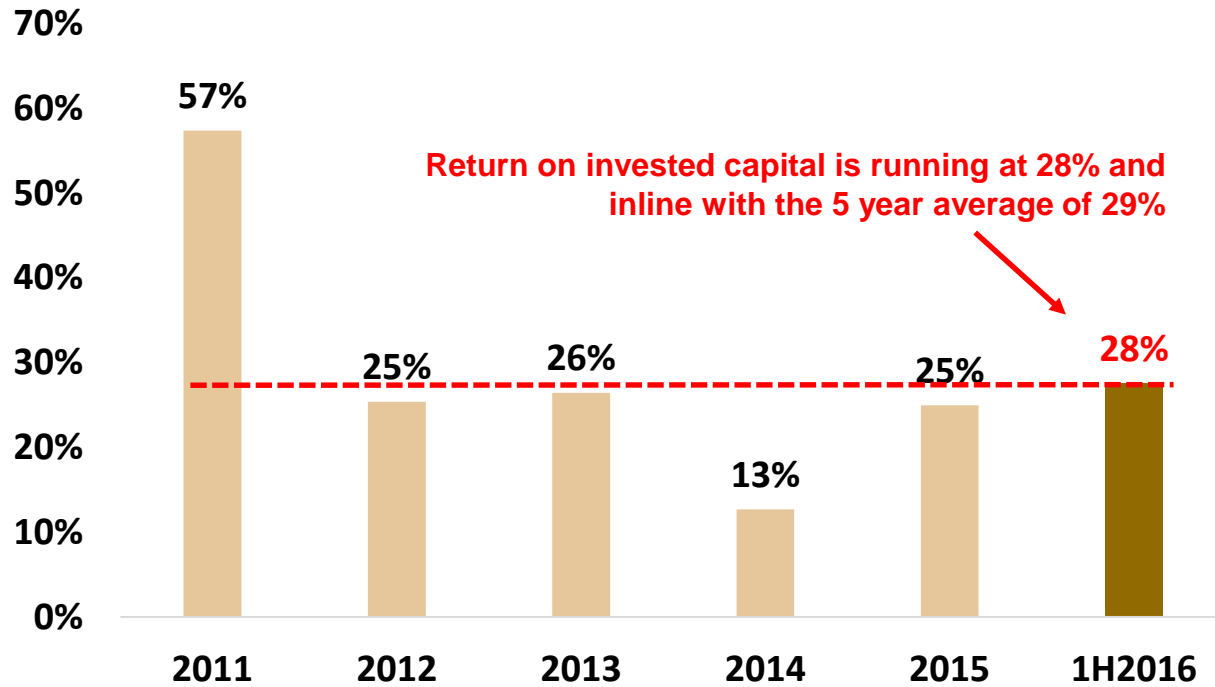
	Half Year End 31 Dec 2015	Half Year End 31 Dec 2014	% Change
Revenue (\$'000)	425,311	413,166	<b>3%</b>
EBITDA <sup>(1)</sup> (\$'000)	182,282	149,238*	<b>22%</b>
Underlying EBITDA <sup>(2)</sup> (\$'000)	182,362	160,545*	<b>14%</b>
Net Profit <sup>(3)</sup> (\$'000)	65,099	36,402*	<b>79%</b>
Underlying net profit <sup>(4)</sup> (\$'000)	65,179	47,709*	<b>37%</b>
<b>Cash Flow</b>			
Cash flow from operating activities (\$'000)	173,371	128,757	<b>35%</b>
Cash flow from investing activities (\$'000)	(106,973)	(151,807)	<b>(30%)</b>
Sustaining capital (\$'000)	54,581	50,478	<b>8%</b>
Non sustaining capital (\$'000)	18,000	3,287	<b>448%</b>
Exploration (\$'000)	34,267	7,417	<b>362%</b>
Acquisition of businesses (\$'000)	-	90,729	<b>(100%)</b>
Other investing (\$'000)	125	(104)	<b>(220%)</b>
Free cash flow <sup>(5)</sup> (\$'000)	66,398	(23,050)	<b>388%</b>
Underlying free cash flow <sup>(6)</sup> (\$'000)	96,685	106,669	<b>(9%)</b>
<b>Other Metrics</b>			
Average gold price per ounce (A\$)	1,497	1,407	<b>6%</b>
Gold mined (ounces)	309,018	319,832	<b>(3%)</b>
Gold sold (ounces)	283,573	292,840	<b>(3%)</b>
All-in sustaining costs (AISC) per ounce sold (A\$)	1,062	1,057	<b>1%</b>
Cash and cash equivalents (\$ million)	210,917	76,310	<b>176%</b>
<b>Summary</b>			
Earnings per share (cents)	10.9	6.2*	<b>76%</b>

# A business first and a mining company second



- ✦ Superior returns on invested capital will continue to be the focus to drive investment decisions
- ✦ Capital will be forced to compete internally for project funding to continue to generate a sector leading Return on Equity 34% (annualised) and Return on Invested Capital 28% (annualised)

## Underlying ROIC (%)



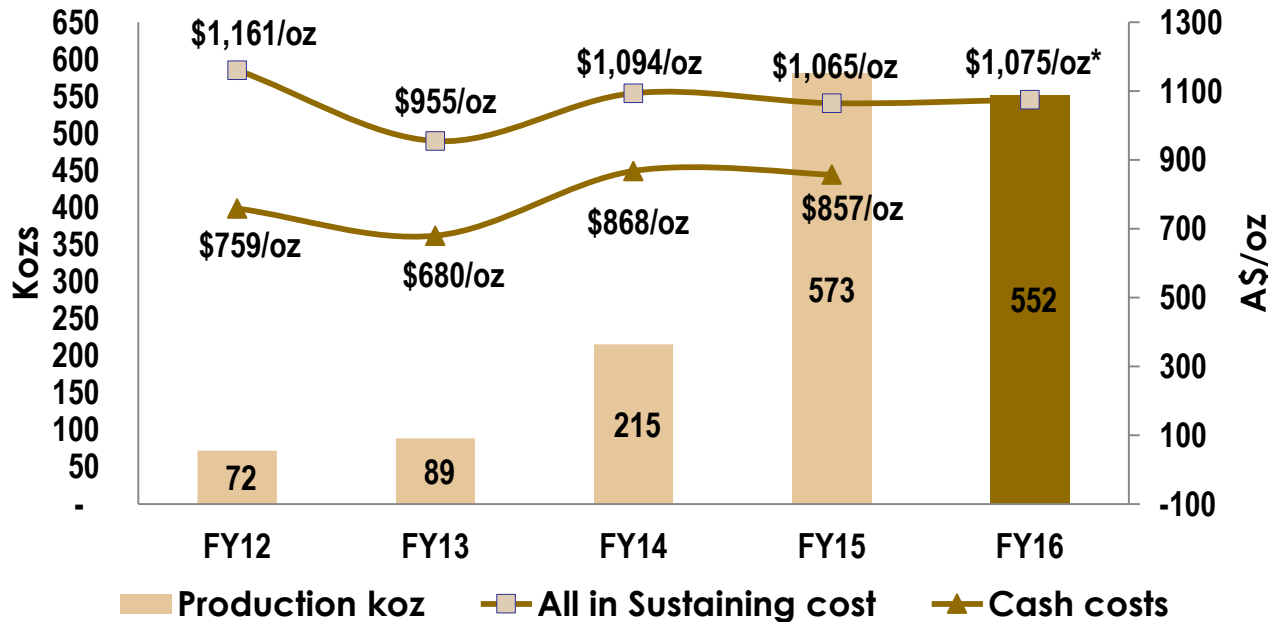


# FY2016 - Production Guidance

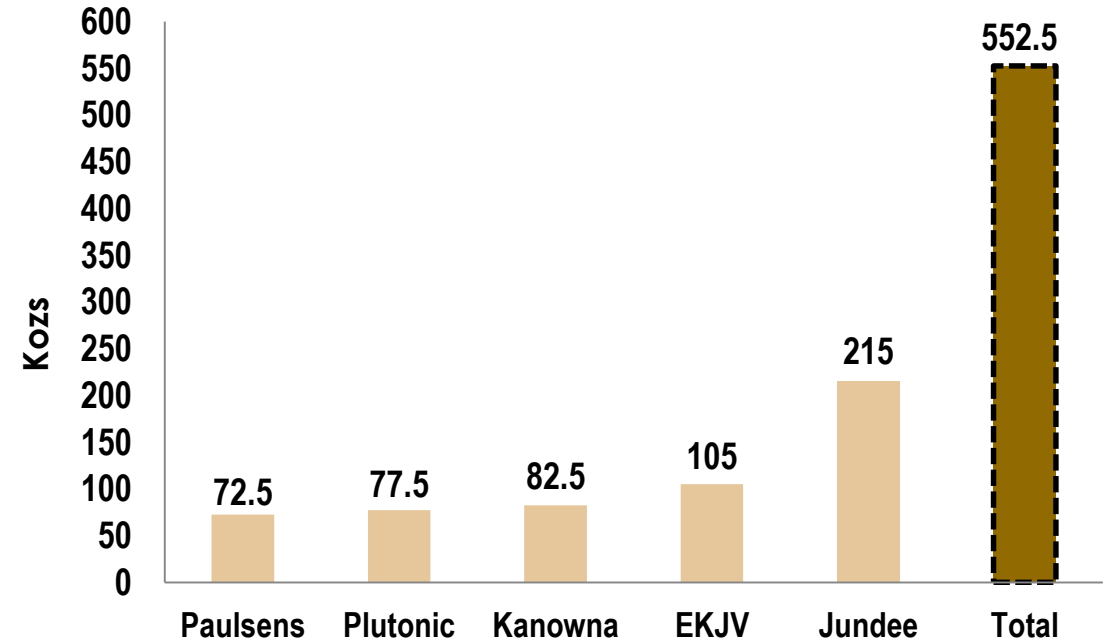


- ✦ FY2016 Forecast of 535koz-570koz at an AISC of A\$1,050-A\$1,100/oz (US\$745-US\$780/oz)
- ✦ Production is at the top end of guidance 285koz & the bottom end on cost guidance A\$1,062/oz
- ✦ NST stands to benefit from A\$30m in annual procurement savings, the majority realised from CY2016

**FY2015 Guidance 535-570koz at A\$1,050-A\$1,100/oz**



**Mid point of FY2016 Production by site**



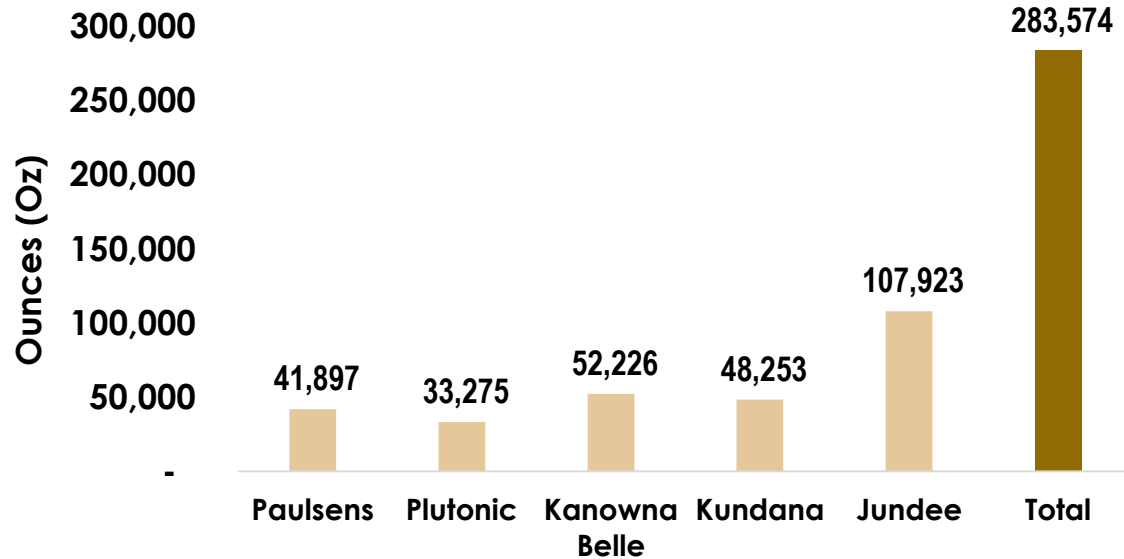
\* Based on the mid-point of cost FY2016 Guidance



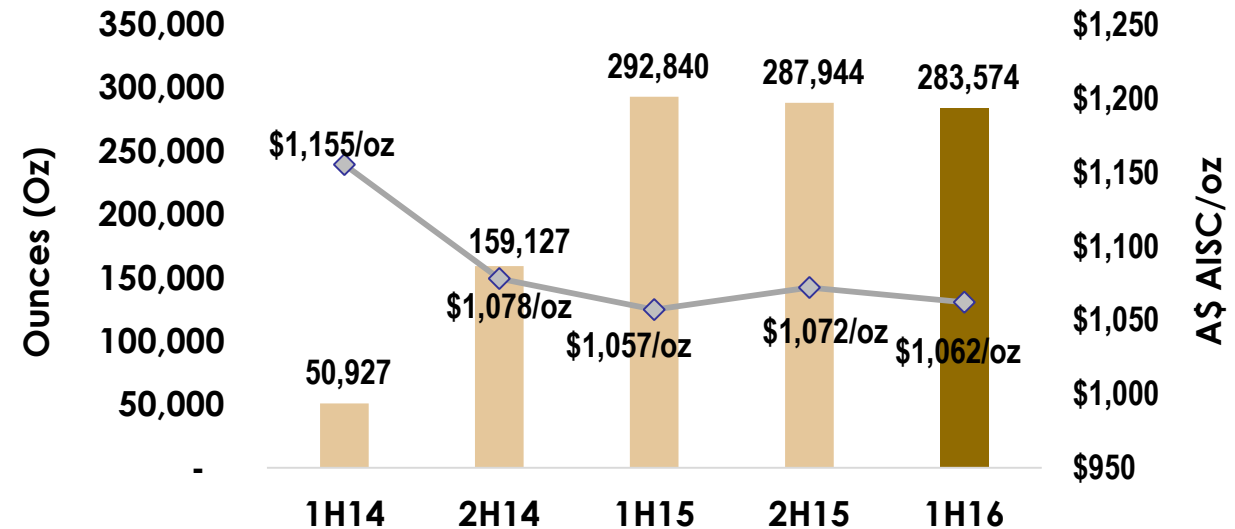
# Asset by asset breakdown for 1H FY2016

- ✦ FY2016 ounces sold was 283,574oz at an AISC of A\$1,062/oz
- ✦ Jundee: gold sold of 107,923oz at an AISC of A\$1,042/oz
- ✦ Kundana: gold sold of 48,253oz at an AISC of A\$926/oz
- ✦ Kanowna Belle: gold sold of 52,226oz at an AISC of A\$787/oz
- ✦ Plutonic: gold sold of 33,275oz at an AISC of A\$1,737/oz
- ✦ Paulsens: gold sold of 41,897oz at an AISC of A\$1,075/oz

### Gold Sold



### Gold Sold





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## Northern Star Resources

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