



Record operating cash flow of A\$103m as all-in sustaining costs fall another 5% to A\$985/oz

Cash and equivalents up A\$60m to A\$286m; no debt

ASX ANNOUNCEMENT 14 April 2016

**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 600M

Options 4M

Current Share Price A\$3.48

Market Capitalisation

A\$2.1 billion

Cash and Cash Equivalents

31 Mar 2016 - A\$286 million

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Northern Star Resources Limited (ASX: NST) is pleased to advise that it recorded extremely strong operational and financial results during the March quarter, 2016.

Gold sold in the three months increased to 143,469 ounces from 142,017oz in the December quarter. This was at the top end of the Company's full-year guidance of 535,000-570,000oz. Gold sold for the nine months to 31 March was 427,042oz.

All-in sustaining costs (AISC) for the March quarter were A\$985/oz (US\$711/oz)¹, a 5 per cent fall from the December quarter. This takes AISC for the nine months to A\$1,036/oz, which is below the guidance range of A\$1,050-A\$1,100/oz.

The reduced costs reflect in part lower contracting, labour and supply rates recently negotiated. The majority of these savings took effect from 1 January 2016.

The strong operational performance underpinned outstanding financial results, with Northern Star delivering record operating cash flow of A\$103 million for the March quarter.

The Company generated record free cash flow of A\$66 million, achieved after taking into account all expenses including A\$18 million in exploration and expansionary capital expenditure.

As a result, Northern Star finished the quarter with cash and bullion of A\$286 million, up from A\$226 million at 31 December 2015. The Company has no debt.

During the quarter, Northern Star also announced a host of strong exploration results which continued to demonstrate that it is well on track to grow production to 700,000ozpa by 2018.

These included high-grade drilling results from the Groundrush deposit at the Central Tanami Project in the Northern Territory and exploration results showing that the Kanowna Belle project was on track to grow production by ~50 per cent.

Subsequent to the end of the quarter, Northern Star revealed that three of the key deposits at its East Kundana Joint Venture near Kalgoorlie were joined at depth, highlighting the potential for the project to improve on its 100,000-110,000ozpa production forecasts for many years to come.

Northern Star Managing Director Bill Beament said it had been an exceptionally strong quarter for the Company on every level.

"These results demonstrate that we are achieving outstanding operational outcomes which are translating into strong financial results for Shareholders," Mr Beament said.

"At the same time, we are setting up the Company for tomorrow's growth with an exploration and development strategy that is poised to deliver a significant production increase solely from organic sources."

Yours faithfully



BILL BEAMENT
Managing Director
Northern Star Resources Limited

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Competent Persons Statements

The information in this announcement that relates to exploration results, data quality, geological interpretations and potential for eventual economic extraction, is based on information compiled by Simon Lawson, (Member Australian Institute of Geoscientists), who is a full-time employee of Northern Star Resources Limited. Mr Lawson 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 Groundrush prospect. Mr Lawson 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

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¹ Calculated using the average AUD/USD exchange rate over the quarter of AUD/USD of 72.15¢