



**NORTHERN STAR**  
RESOURCES LIMITED

ASX Code: NST



**Northern Star Resources**

An Australian gold miner – for global investors

**2016 Full Year Results**

August 2016

## Competent Persons Statements

The information in this announcement that relates to data quality, geological interpretations and Mineral Resource estimations for the Company's Paulsens, Ashburton, Jundee and Plutonic Project areas is based on information compiled by Brook Ekers (Member Australian Institute of Geoscientists), who is a full-time employee of Northern Star Resources Limited. Mr Ekers 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 Group reporting. 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 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 Nick Jolly and fairly represents this information. Mr Jolly is a Member of the Australian Institute of Mining and Metallurgy 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 Jolly 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 the Central Tanami Gold 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 information in this announcement that relates to mineral resource estimations, data quality, geological interpretations and potential for eventual economic extraction for the Groundrush deposit at the Central Tanami Gold Project based on information compiled by Brook Ekers (Member Australian Institute of Geoscientists), who is a full-time employee of Northern Star Resources Limited. Mr Ekers 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 Group reporting. 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 Company confirms that it is not aware of any further new information or data that materially affects the information included in the original market announcement entitled "Quarterly Report for the Period Ending 31 March 2014" released on 1 May 2014 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. To the extent disclosed above, 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\$0.7285c



## Key Financial Outcomes

**Net Profit After Tax up  
65% to a record  
A\$151.4M**

**Full Year Dividend  
increased by 33%  
to 4¢ per share**

**Underlying free cash  
flow up 21% to  
A\$224.3M**

## Results strength illustrated by

**A\$326M Cash, Bullion  
& Investments  
30 June 2016; No debt**

**39% Return on Equity  
28% Return on  
Invested Capital**

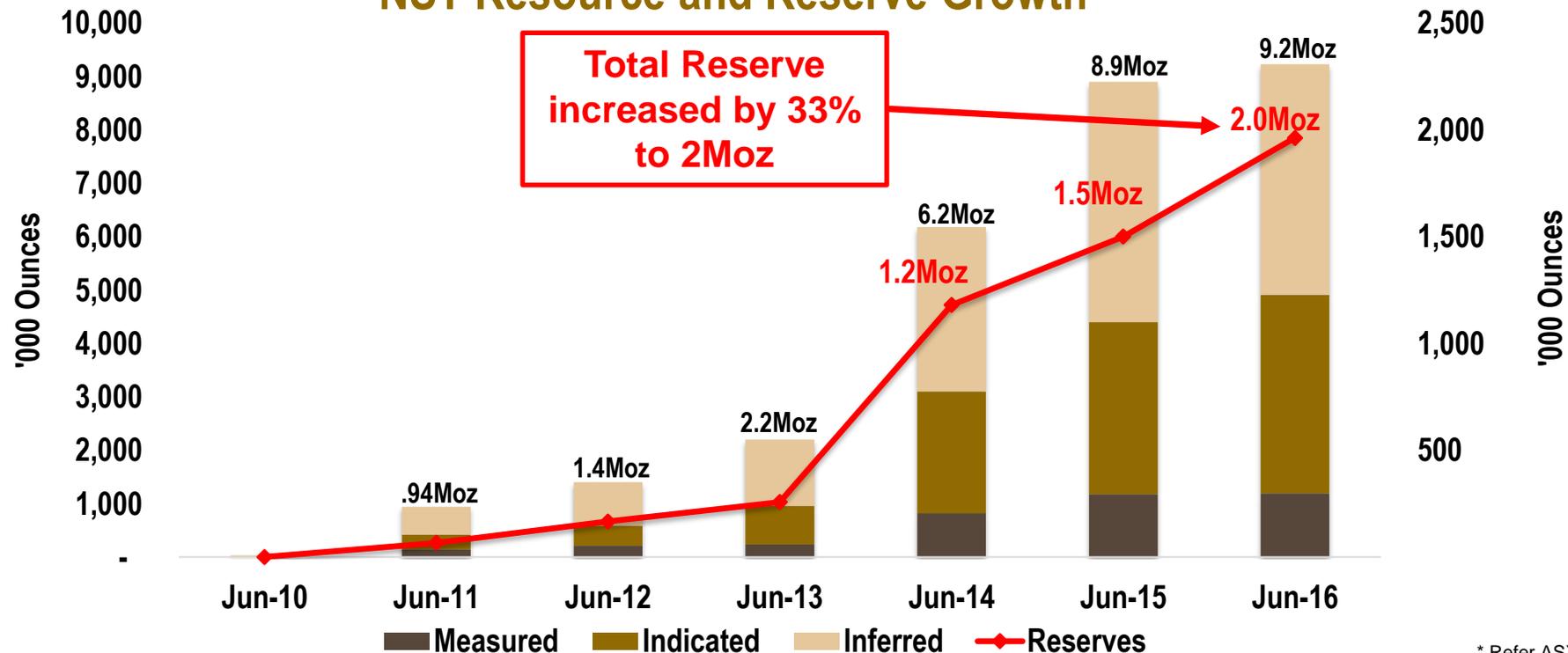
**Earnings per share  
growth of 63% to  
25.2¢ per share**

# Resource additions for the Year to 30 June 2016



- ✦ The FY2016 A\$50m exploration spend achieved a 33% increase in the Reserves to 2Moz\* after mining depletion of 0.6Moz; discovery cost of just A\$50/oz
- ✦ Total Resource increased to 9.25Moz
- ✦ The Measured and Indicated Resource increased to 4.9Moz greatly extending mine life
- ✦ Four recent discoveries are yet to be included in the resource estimate

## NST Resource and Reserve Growth



\* Refer ASX Announcement released 28 July 2016

# Asset by Asset exploration highlights



- ✦ NST remains poised to continue growing mine lives across all its assets with four new discoveries missing the cut off for the 30 June Resource statement
  - ✦ *Resource estimations to be completed in FY2017 on these new discoveries*
- ✦ Jundee: Reserve increased by 21% to 0.7Moz and Resource of 1.3Moz
  - ✦ *Armada mineralisation defined over 300m and open in all directions*
  - ✦ *Revelation trend has been defined over 800m along strike and remains open to the south and 800m towards existing development*
- ✦ Kalgoorlie Operations: Total Reserve increased by 48% to 0.9Moz and Resource increased 17% to 3.6Moz
  - ✦ *Maiden Reserve of 0.2Moz at Millennium on the 100% NST owned Kundana tenements*
- ✦ Paulsens: Resource of 0.3Moz with further exploration down plunge at Voyager 2
  - ✦ *Exploration to target Voyager system down plunge and parallel Galileo discovery*
- ✦ Central Tanami Project (CTP): Resource of 0.7Moz (25% NST only) with main focus on CTP drill out
  - ✦ *Further work will be conducted at the CTP and follow up regional targets*

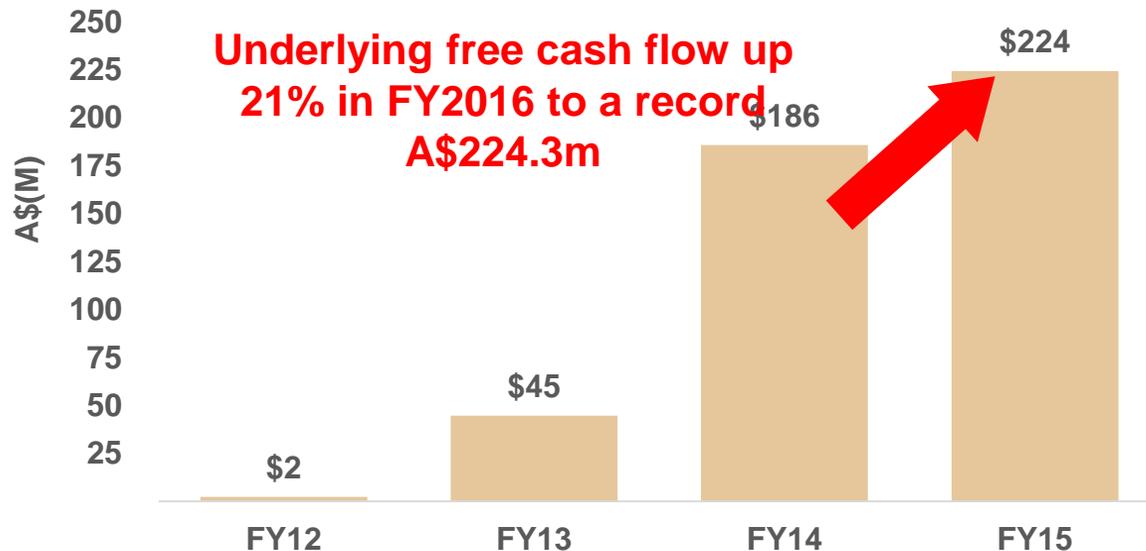


# Financial Highlights for FY2016

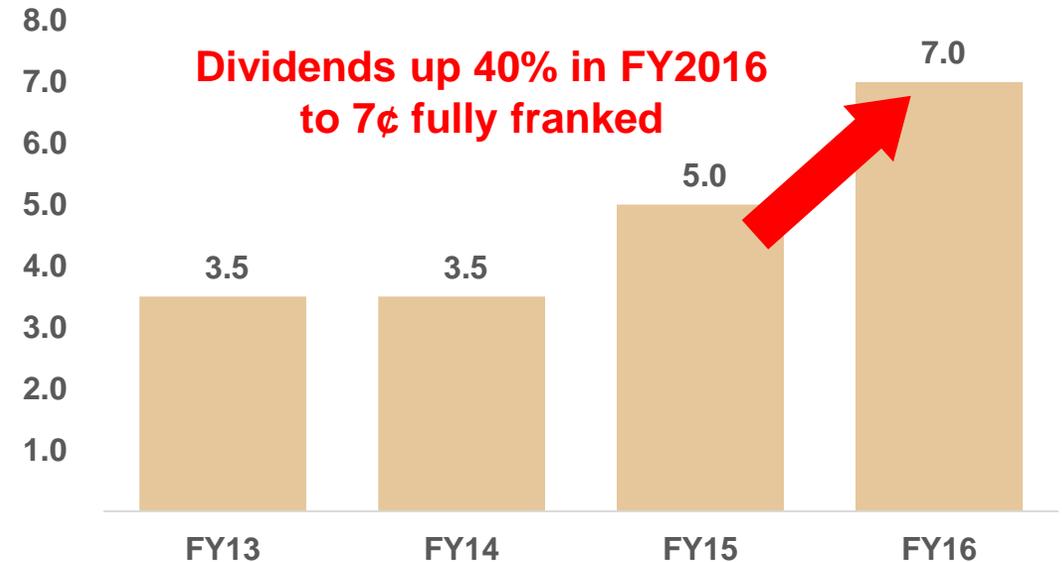


- ✦ Sales revenue: A\$887.4m up 5% on FY2015
- ✦ Record Net profit after tax of A\$165.4m up 65%
- ✦ EBITDA of A\$401.3m up 27% on FY2015
- ✦ Cash flow from operating activities of A\$383.3m; generating record underlying free cash flow of A\$224.3m
- ✦ Dividend: Final 4¢ fully franked, taking full-year payout to 7¢, up 40% from FY2015
- ✦ Special 3¢ fully franked dividend: Post completion of Plutonic sale

### Underlying Free Cash Flow



### Dividends Per Share

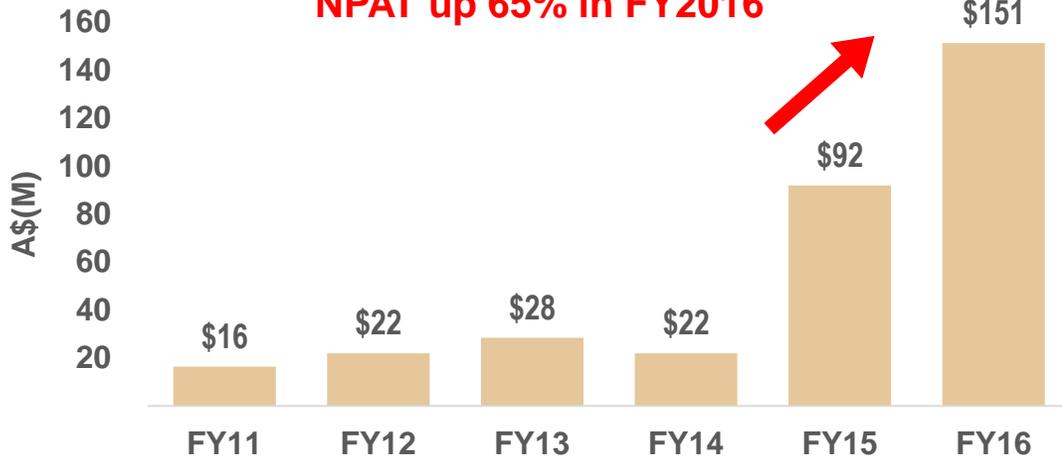


# Financial Highlights for FY2016



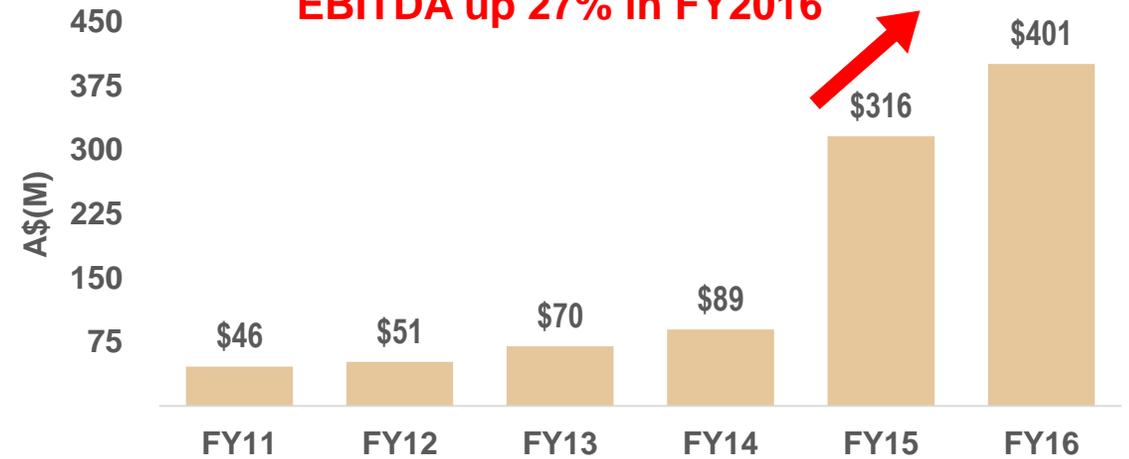
## Net Profit After Tax

**NPAT up 65% in FY2016**



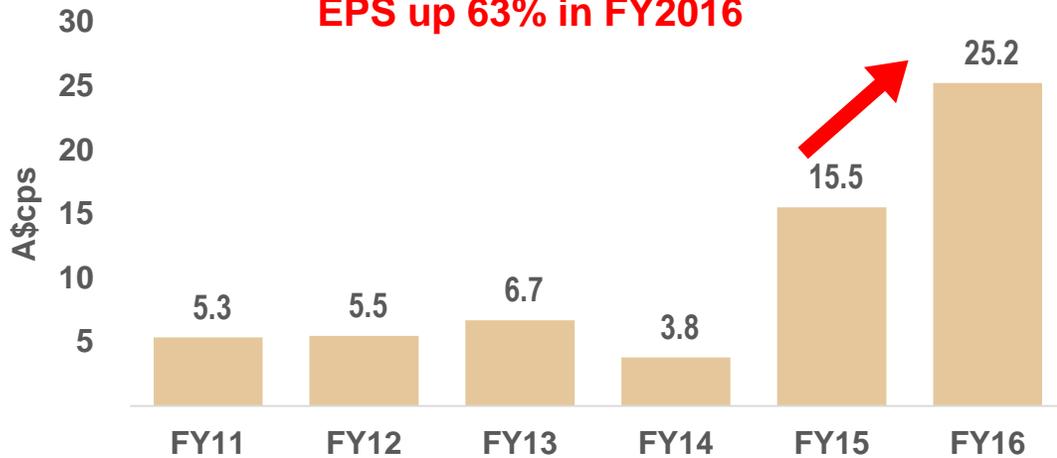
## EBITDA

**EBITDA up 27% in FY2016**



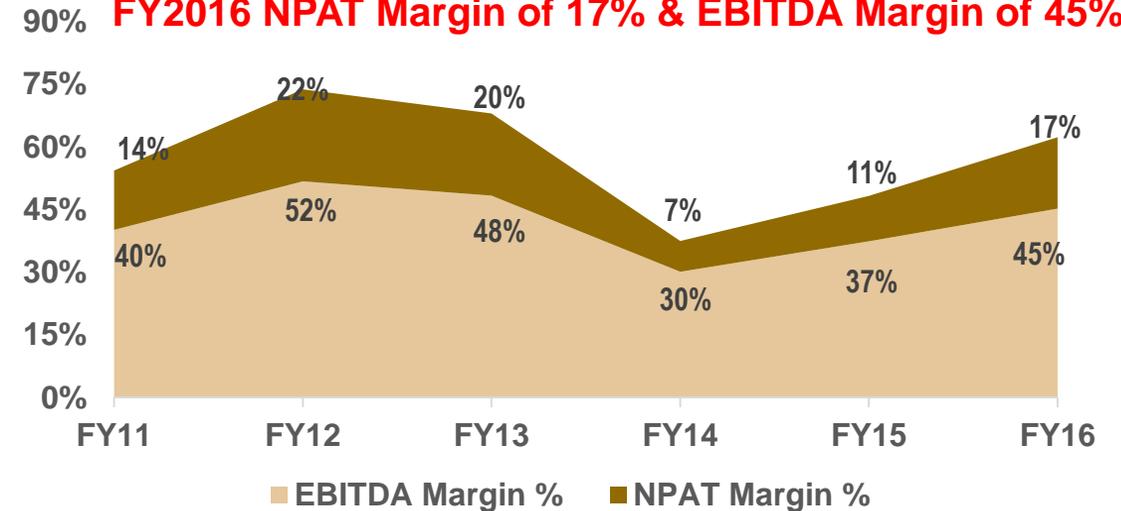
## EPS

**EPS up 63% in FY2016**



## NPAT & EBITDA Margin

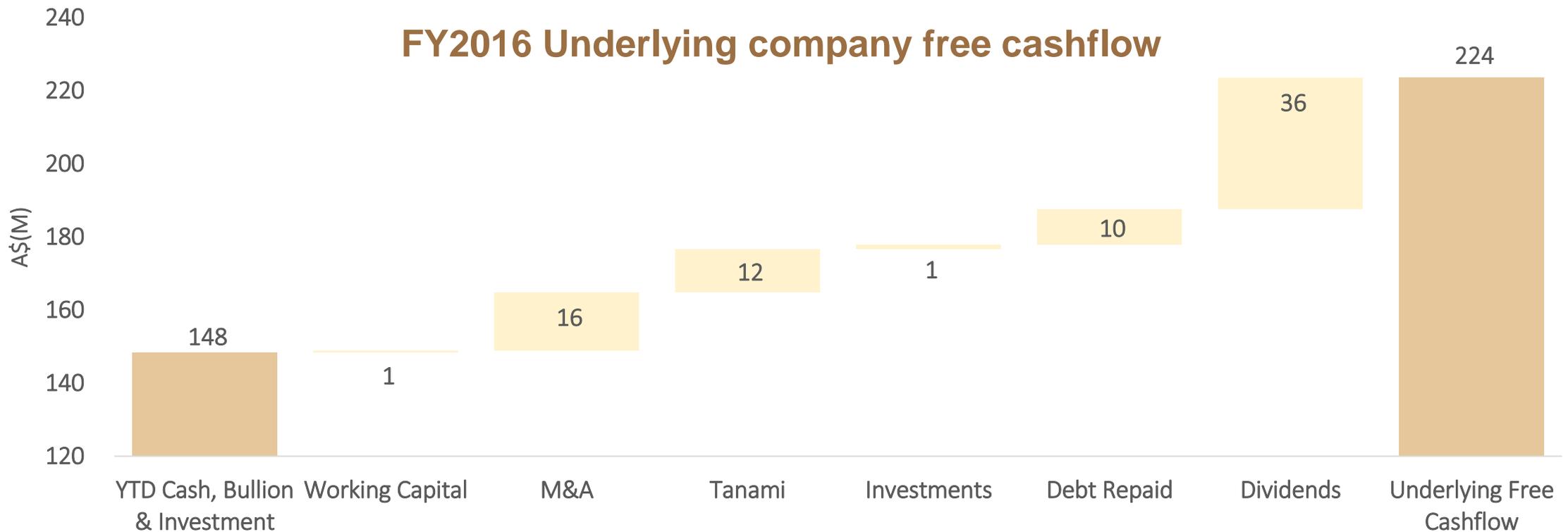
**FY2016 NPAT Margin of 17% & EBITDA Margin of 45%**



# Another record year of free cash flow generation



- ✦ NST generated strong underlying free cash flow of A\$224.3m at an average gold price of A\$1,578/oz
- ✦ NST stands to benefit from a spot gold price that is currently trading ~A\$1,760/oz into FY2017
- ✦ During FY2016 NST sold 561,153oz at an AISC of A\$1,041/oz (US\$758/oz); positioning NST among the first quartile cost producers globally



# Details of Financials



✦ Earnings per share and Statutory Net Profit grew by 63% to 25.2cps and 65% to A\$151.4m in FY2016

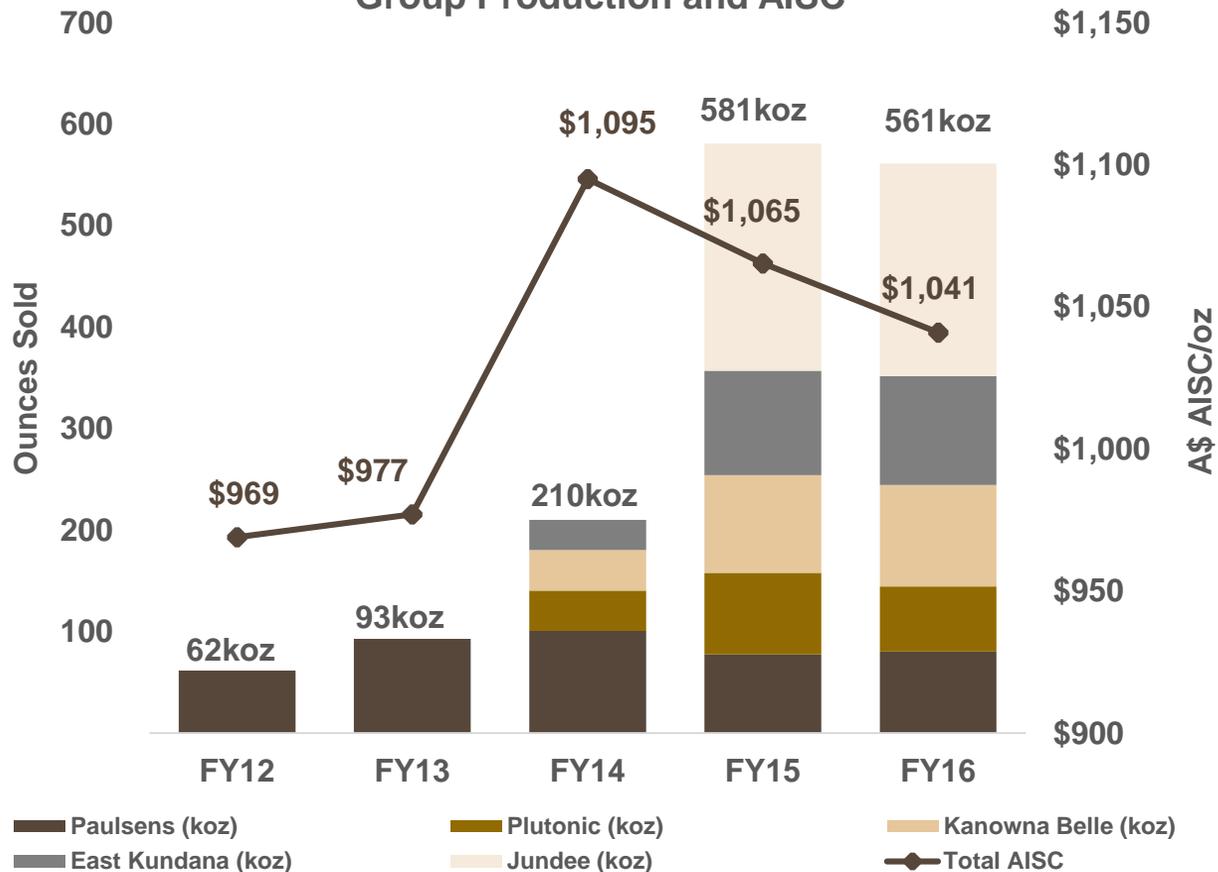
	Year End 30 June 2016 (\$000s)	Year End 30 June 2015 (\$000s)	Change (\$000s)	Change (%)
Revenue	887,417	845,653	41,764	5
EBITDA	401,280	316,142	85,138	27
Net profit	151,365	91,902	59,463	65
Cash flow from operating activities	383,335	359,009	24,326	7
Cash flow used in Investing activities	(189,723)	(239,458)	49,735	(21)
Sustaining capital	(92,898)	(104,747)	11,849	(11)
Non sustaining capital	(35,204)	(9,301)	(25,903)	278
Exploration	(61,538)	(35,619)	(25,919)	73
Acquisition of businesses	0	(90,729)	90,729	(100)
Other investing	(83)	938	(1,021)	(109)
Free cash flow	196,312	119,551	74,061	62
Underlying free cash flow	224,281	185,628	38,653	21
Average gold price per ounce (A\$)	1,578	1,453	125	9
Gold mined (ounces)	611,288	621,691	(10,403)	(2)
Gold sold (ounces)	561,153	580,784	(19,631)	(3)
All-in sustaining cost (AISC) per ounce sold (A\$)	1,041	1,065	(24)	(2)
Cash and cash equivalents (\$ million)	315	167	148	89
Earnings per share (cents)	25.2	15.5	9.7	63

# FY2016 Operational breakdown by site

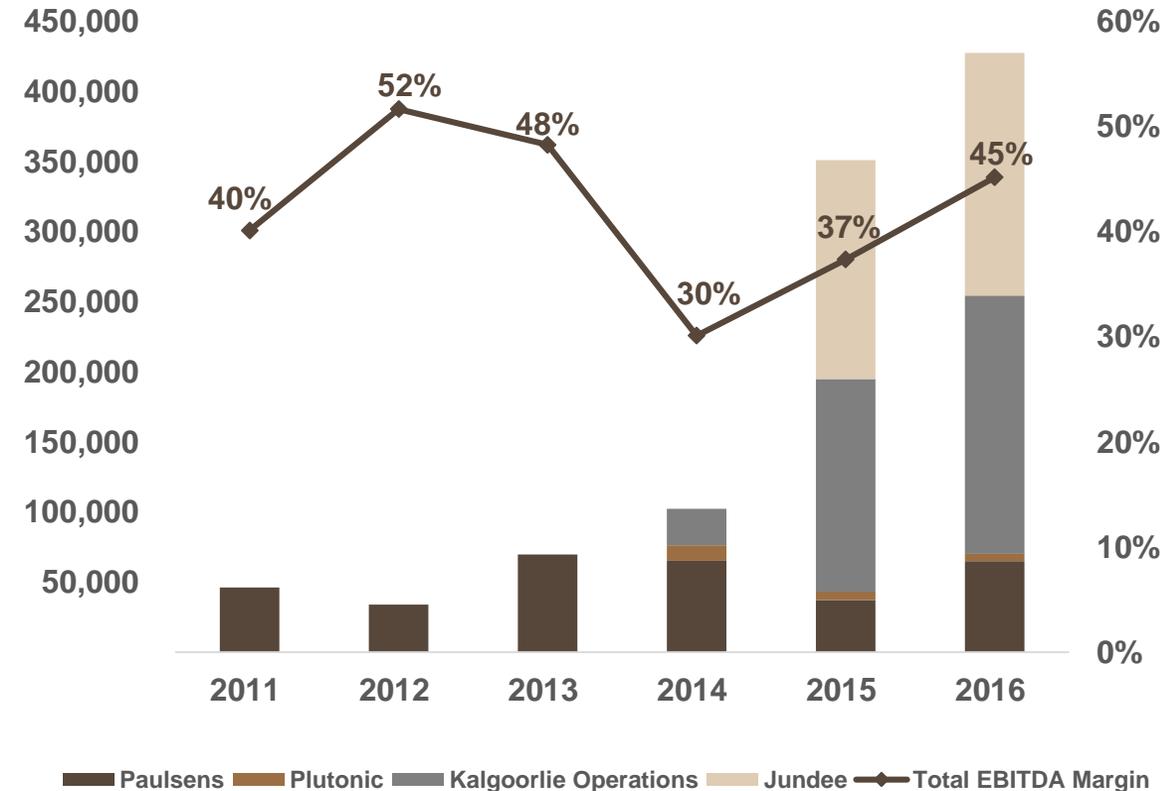


- ✦ Group EBITDA margins grew to 45% and group AISCs fell to A\$1,041/oz (US\$758/oz) in FY2016
- ✦ NST group EBITDA margins have averaged 42% since FY2011, this compares favourably to the five calendar year trailing EBITDA margin for the broader ASX200 of 19.6%\*

Group Production and AISC



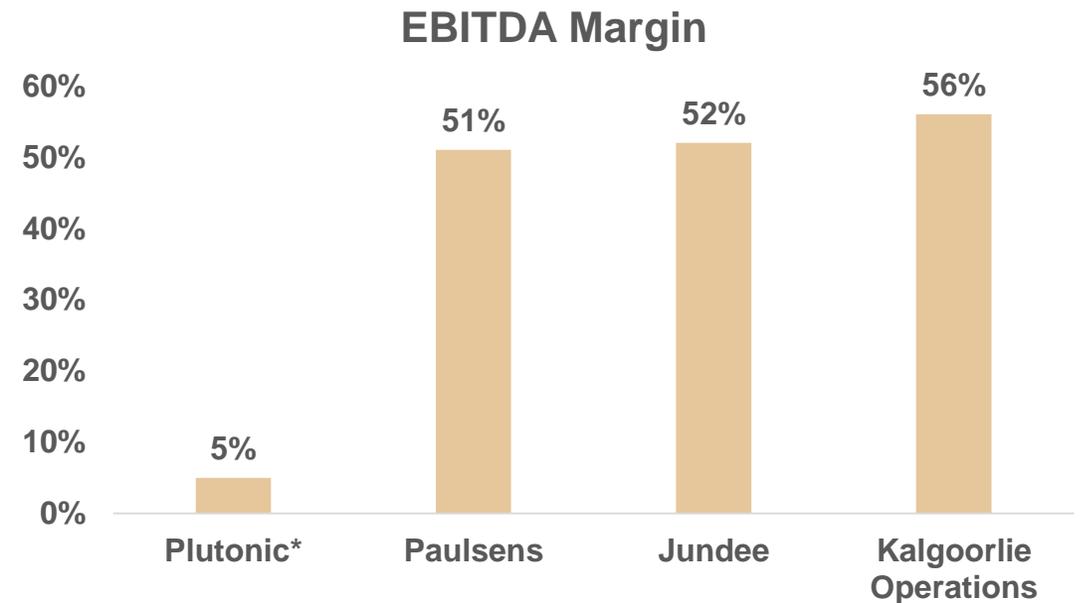
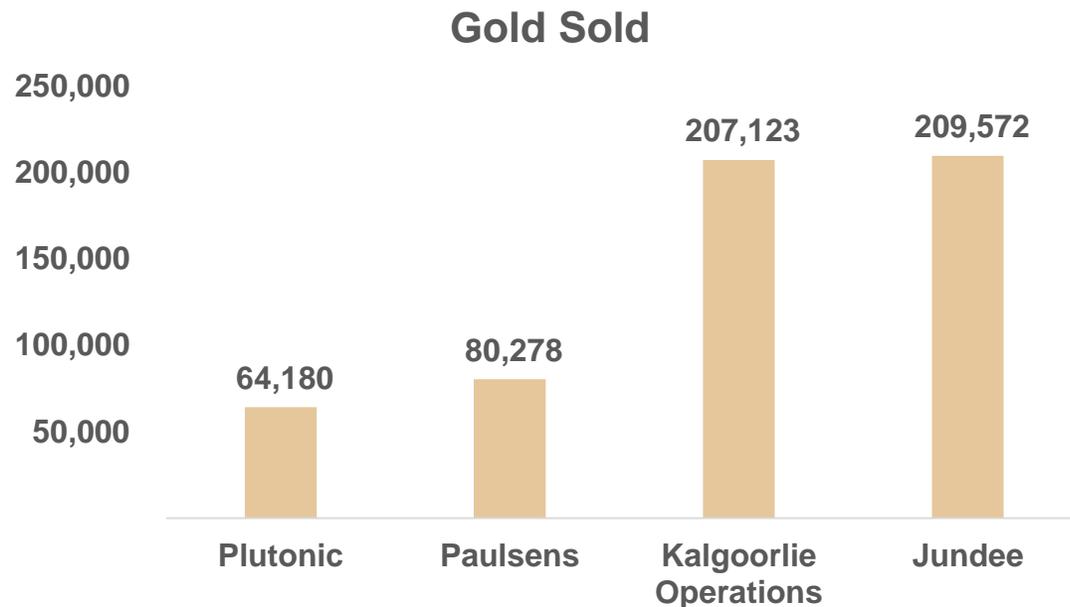
Operating Segment EBITDA Margin & Cumulative EBITDA by Asset



# Asset by asset breakdown for FY2016



- ✦ FY2016 ounces sold was 561,153oz at an AISC of A\$1,041/oz
- ✦ Jundee: gold sold of 209,572oz at an AISC of A\$1,007/oz
- ✦ Kalgoorlie operations: 207,123oz sold at an AISC of A\$837/oz (US\$610/oz)
- ✦ Paulsens: gold sold of 80,278oz at an AISC of A\$1,099/oz
- ✦ Plutonic: gold sold of 64,180oz at an AISC of A\$1,738/oz

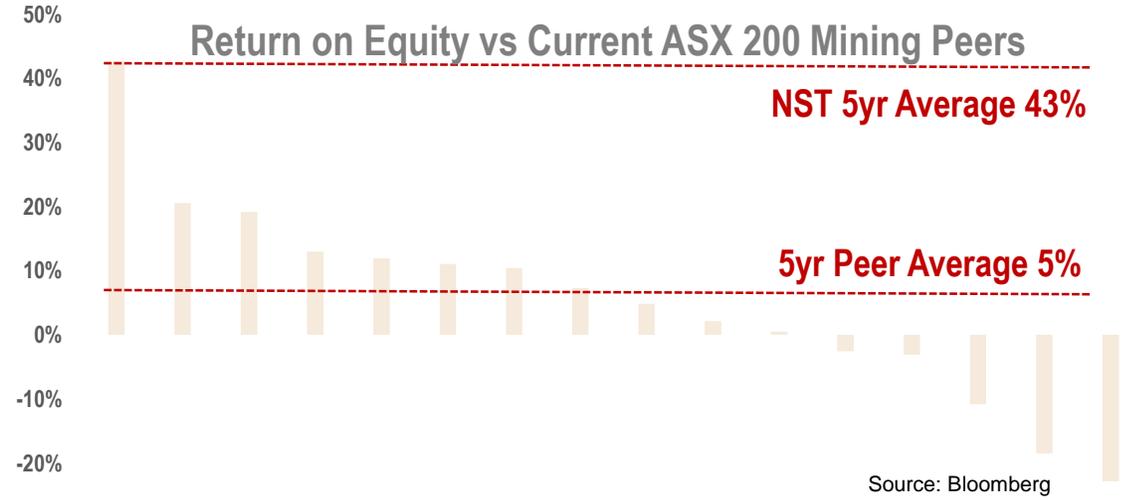
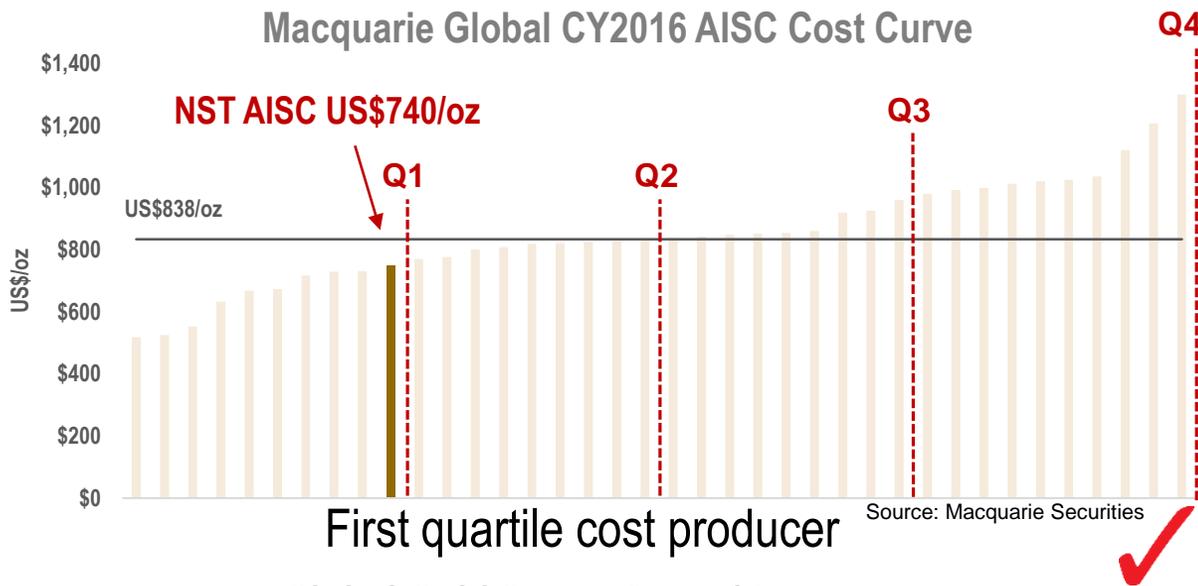


\*As at FY2016 financial year close the Plutonic assets were held for sale. Please see ASX announcement dated 15 August 2016

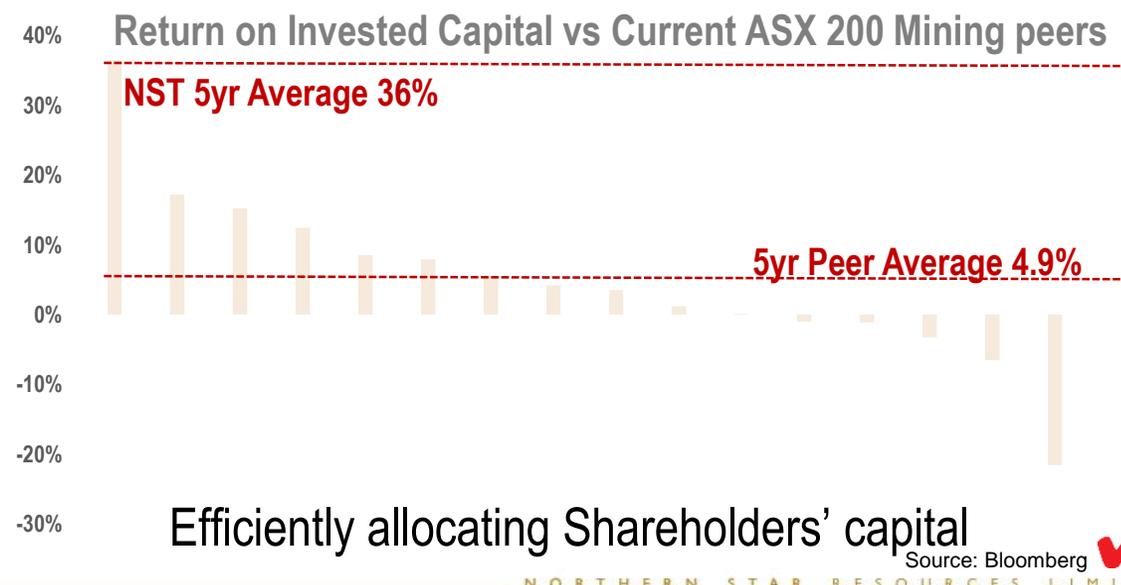
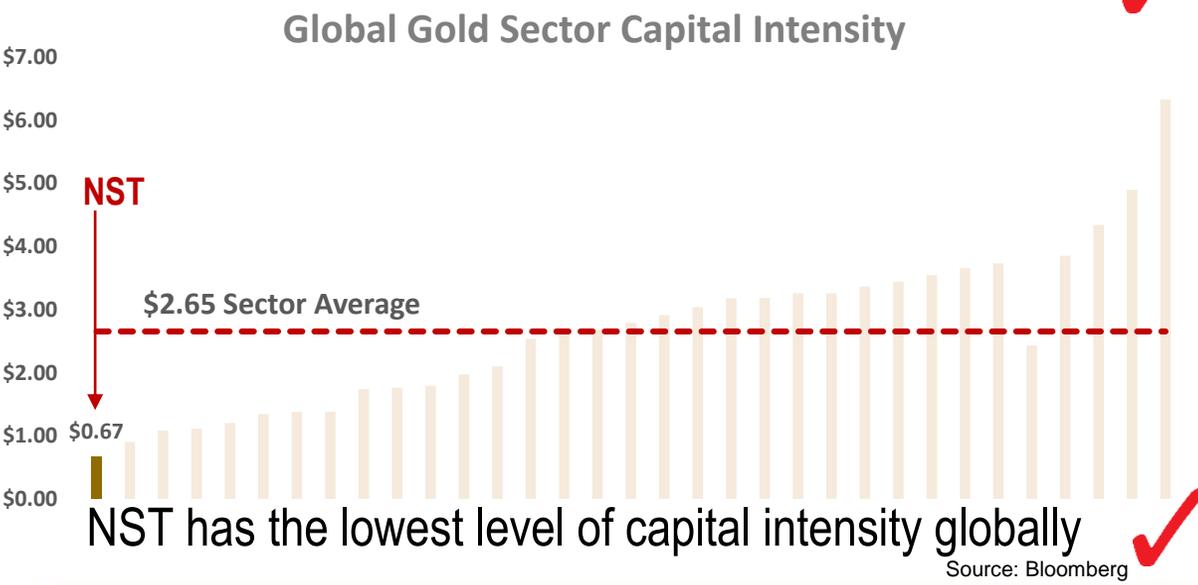
# A business positioned for further outperformance



✦ NST is uniquely positioned to continue to deliver above average returns to its Shareholders



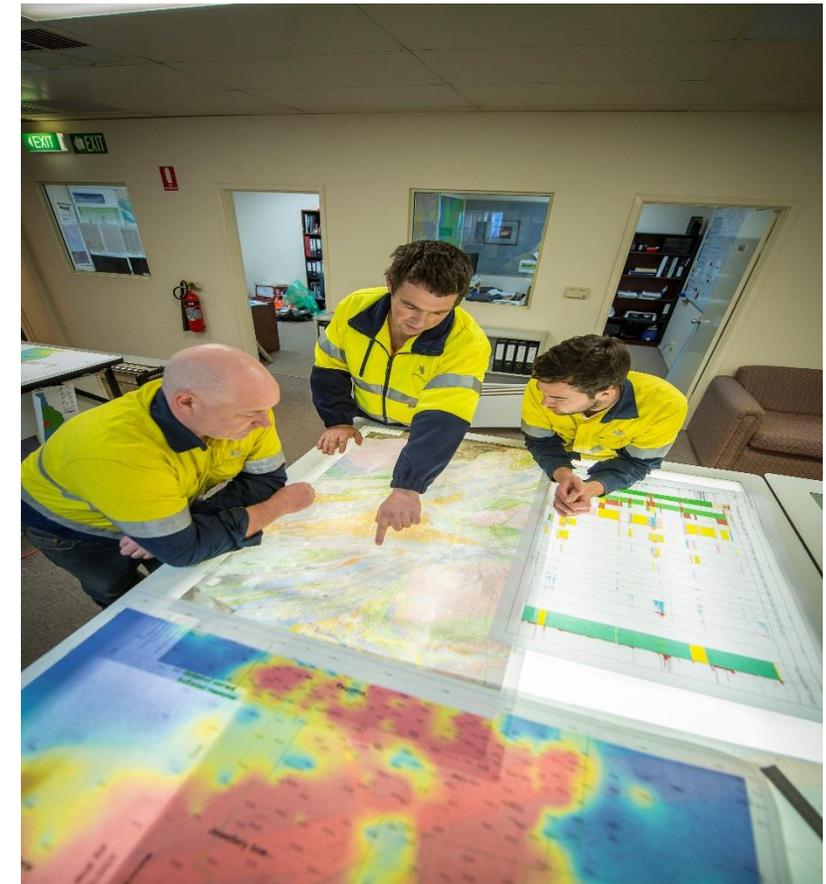
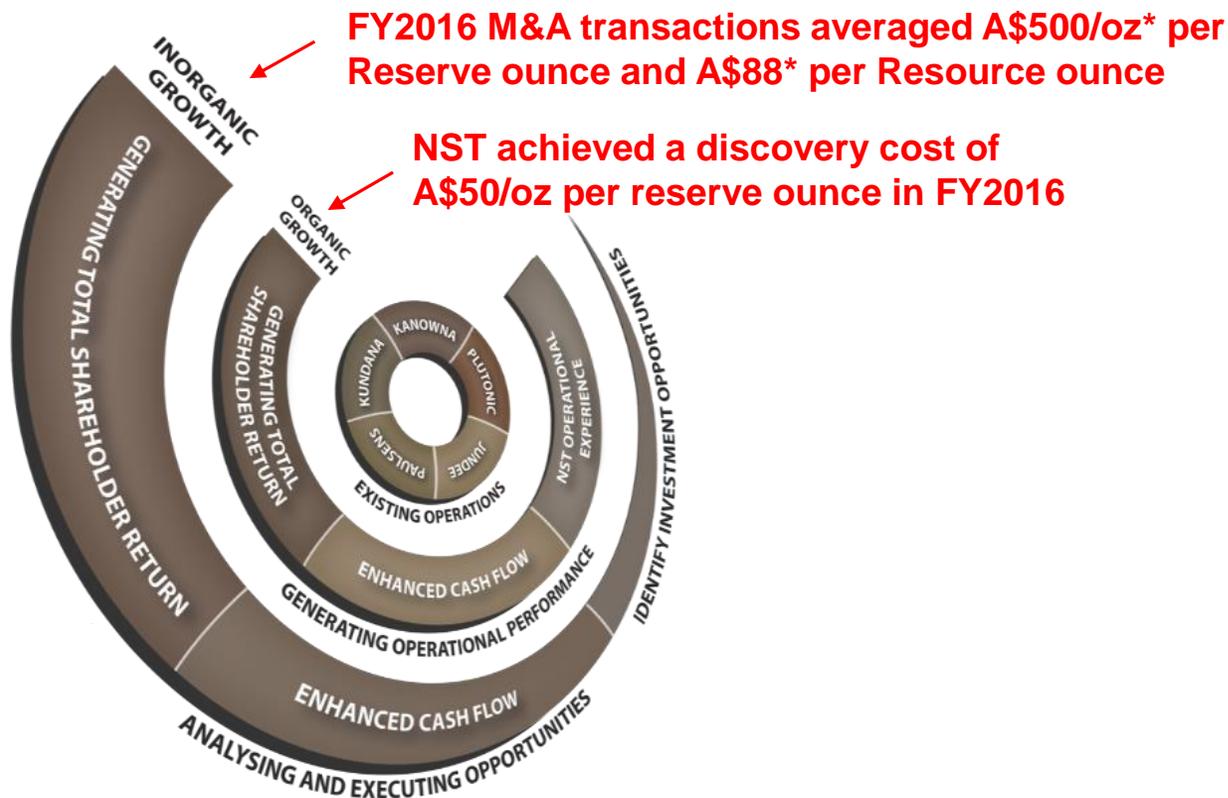
Consistently generating returns to Shareholders ✓



Efficiently allocating Shareholders' capital ✓

# Efficient Capital Allocation - Organic vs Inorganic Growth

- ✦ Superior returns on invested capital continues to be the focus driving investment decisions for NST
- ✦ Capital is forced to compete internally for project funding to ensure NST continues to generate a sector leading Return on Equity 39% and a Return on Invested Capital of 28% for FY2016
- ✦ Whilst NST can generate these type of returns year-in year-out it will continue to motivate capital organically



# FY2017: Production and Cost Guidance



- ❑ Total gold production of 485,000-515,000oz at an AISC of A\$1,000-A\$1,050/oz (US\$728-\$765/oz)\*
- ❑ A\$130M to be spent on investing capital following on from the great successes in FY2016, including;
  - ❑ A\$60M for targeted drilling to bring more Resources into mine plans and convert discoveries into Resources
  - ❑ A\$70M for Investing/Expansion capital expenditure to bring future deposits on line and lift group production
- ❑ NST will continue to benefit from the lowest level of capital intensity in the global gold sector; this investment will underpin NST's sector leading return on equity and return on invested capital
- ❑ Production is set to rise to an annualised rate of 600,000oz in 2018
- ❑ FY2017 production guidance on a per asset basis as below:

FY2017	Production		AISC	
	Oz	Oz	AUD/oz	AUD/oz
<b>Jundee</b>	220,000	230,000	1,000	1,050
<b>Kalgoorlie Operations</b>	200,000	210,000	950	1,000
<b>Paulsens</b>	65,000	75,000	1,200	1,250
<b>Group NST</b>	<b>485,000</b>	<b>515,000</b>	<b>1,000</b>	<b>1,050</b>



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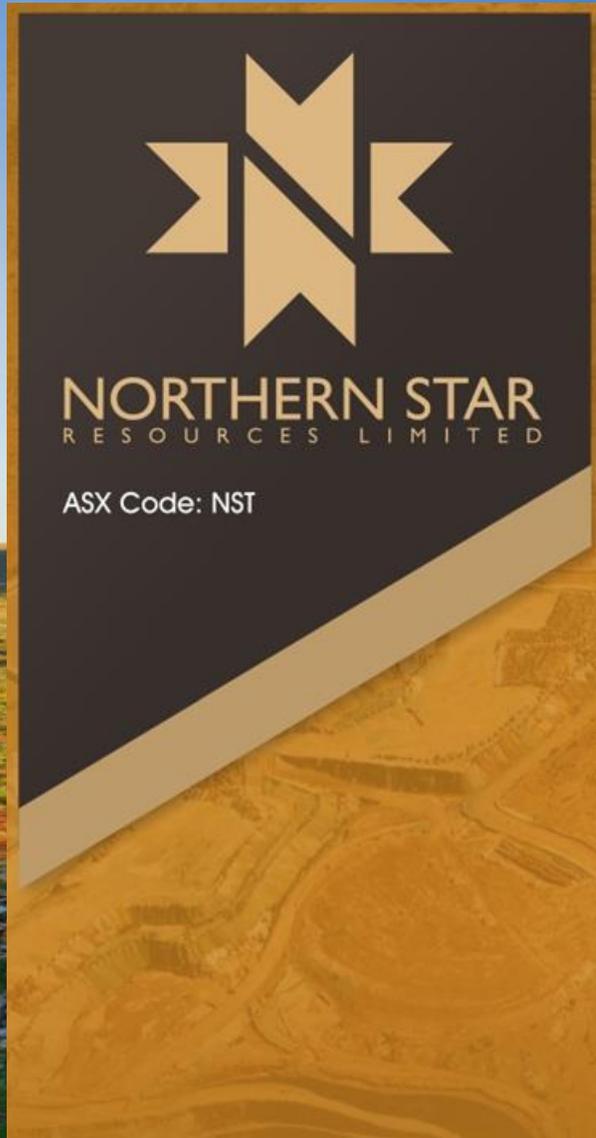
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# Appendix



Northern Star Resources

An Australian gold miner – for global investors

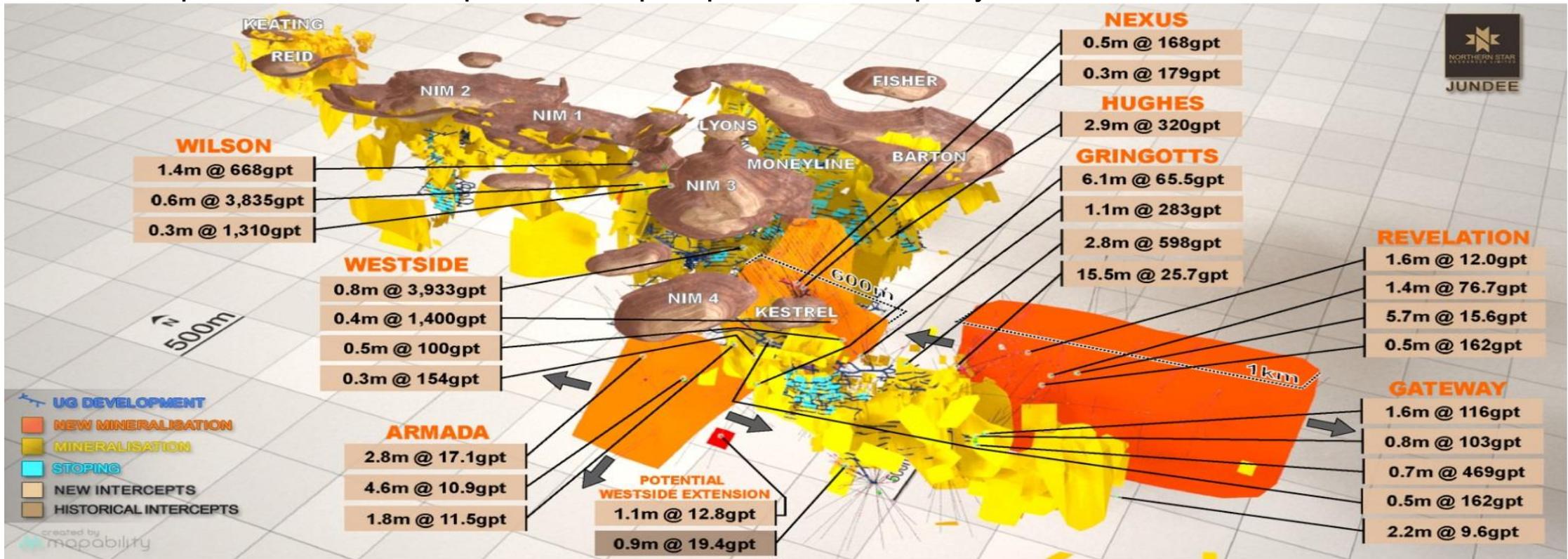
2016 Full Year Results

August 2016

# Jundee: A big mine.....and getting bigger

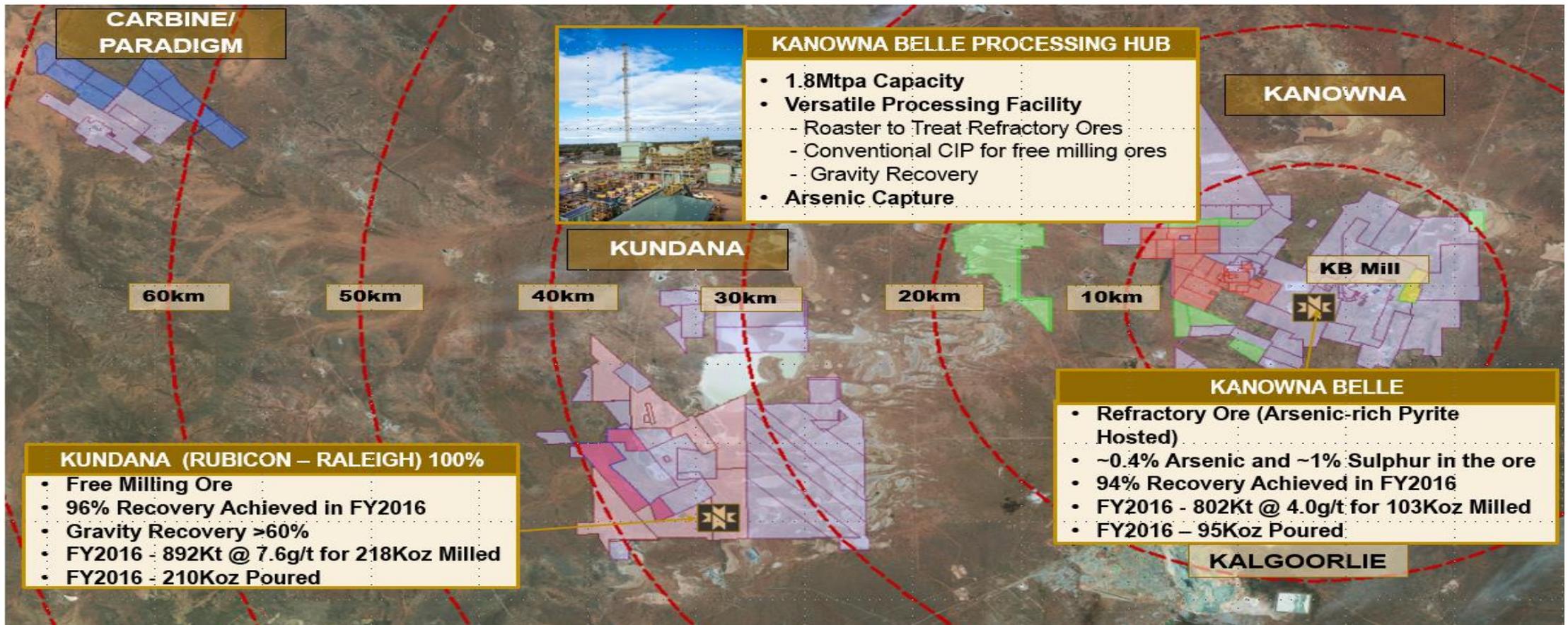


- \* FY2016 228,144oz mined and 209,572oz sold at an AISC of A\$1,007/oz (US\$733/oz)
- \* FY2017 guidance 220,000-230,000oz at an AISC of A\$1,000-\$1,050/oz (US\$730-\$765/oz)
- \* Resources: 1.25Moz and Reserves up 21% to 720,000oz, even after mining 228,000oz in FY2016
- \* Opportunities to expand production from known sources; increase mill capacity, bring recent underground discoveries into production, develop satellite open pits and third party sources



# Kalgoorlie Operations: Rapid, low-cost growth

- ✦ FY2016 215,667oz mined and 207,123oz sold at an AISC of A\$837/oz (US\$610/oz)
- ✦ FY2017 guidance 200,000-210,000oz at an AISC of A\$950-\$1,000/oz (US\$692-\$728/oz)
- ✦ Resources 3.6Moz, up 17% and Reserves up 0.9Moz up 48%, after mining 216Koz in FY2016
- ✦ Significant opportunities to expand production from known sources

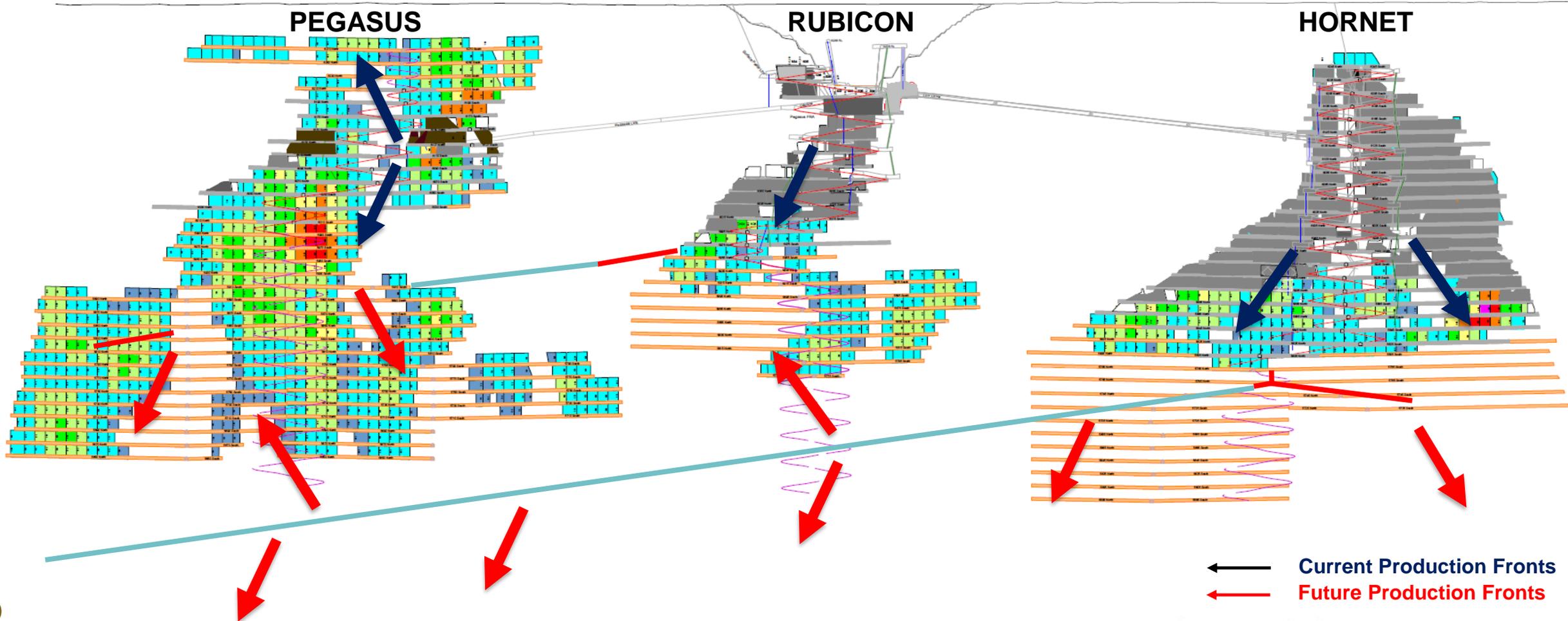


# Kalgoorlie Operations: Rapid, low-cost growth



✦ Ramp up production at Kundana JV:

✦ Link Hornet, Rubicon and Pegasus orebodies with a decline which will also offer numerous production fronts and provide the drill platform to make another step change in mineral inventory



# Kalgoorlie Operations: Rapid, low-cost growth



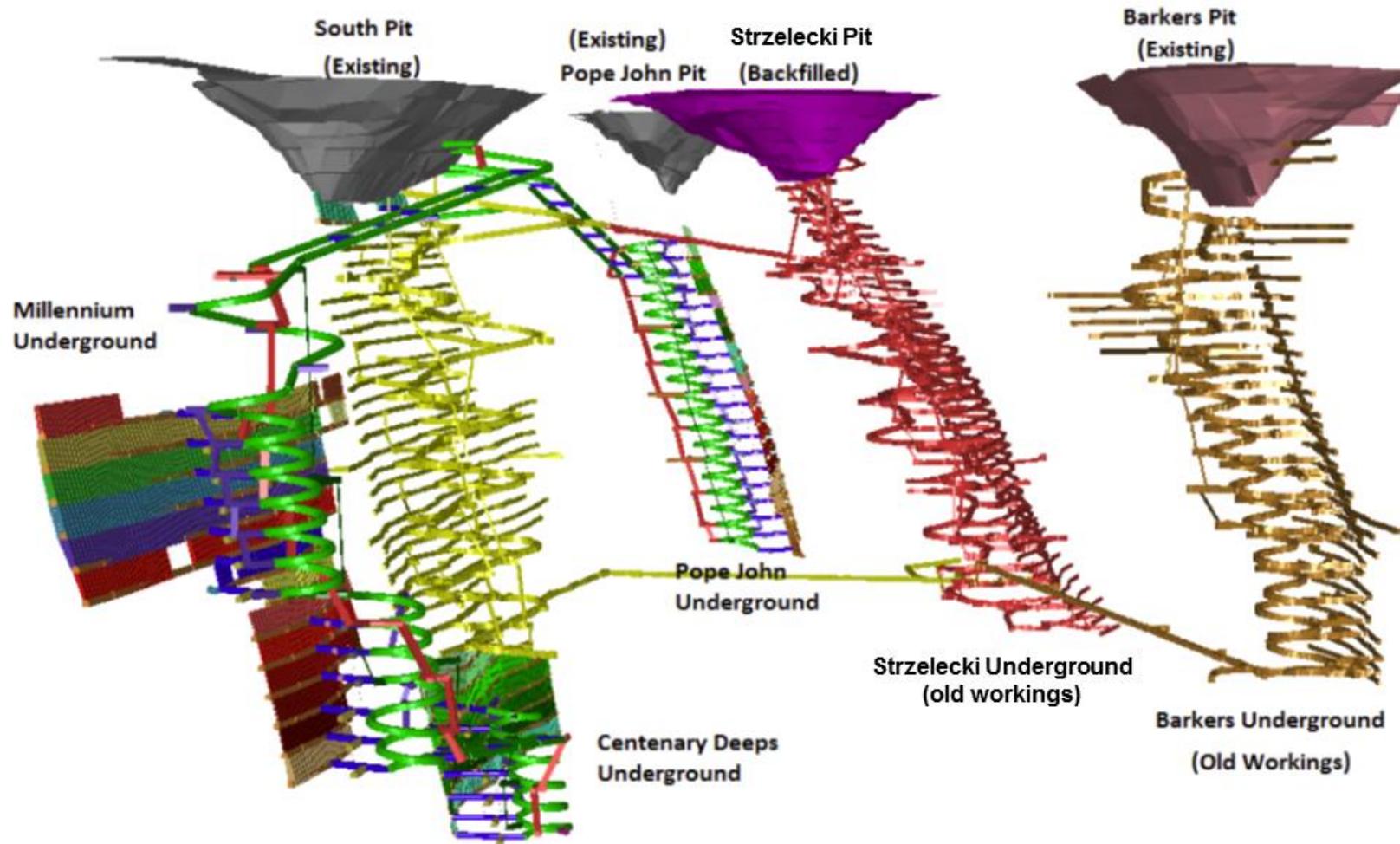
- ✦ Commence production at Millennium, 100% NST owned Kundana;
  - ✦ *Have started the underground access to the 50kozpa Millennium deposit, ahead of schedule*
  - ✦ *Resources of 419,000oz at 6.2gpt and maiden Reserve of 205,000oz; underpinning first 4 years production*



# Kalgoorlie Operations: Rapid, low-cost growth



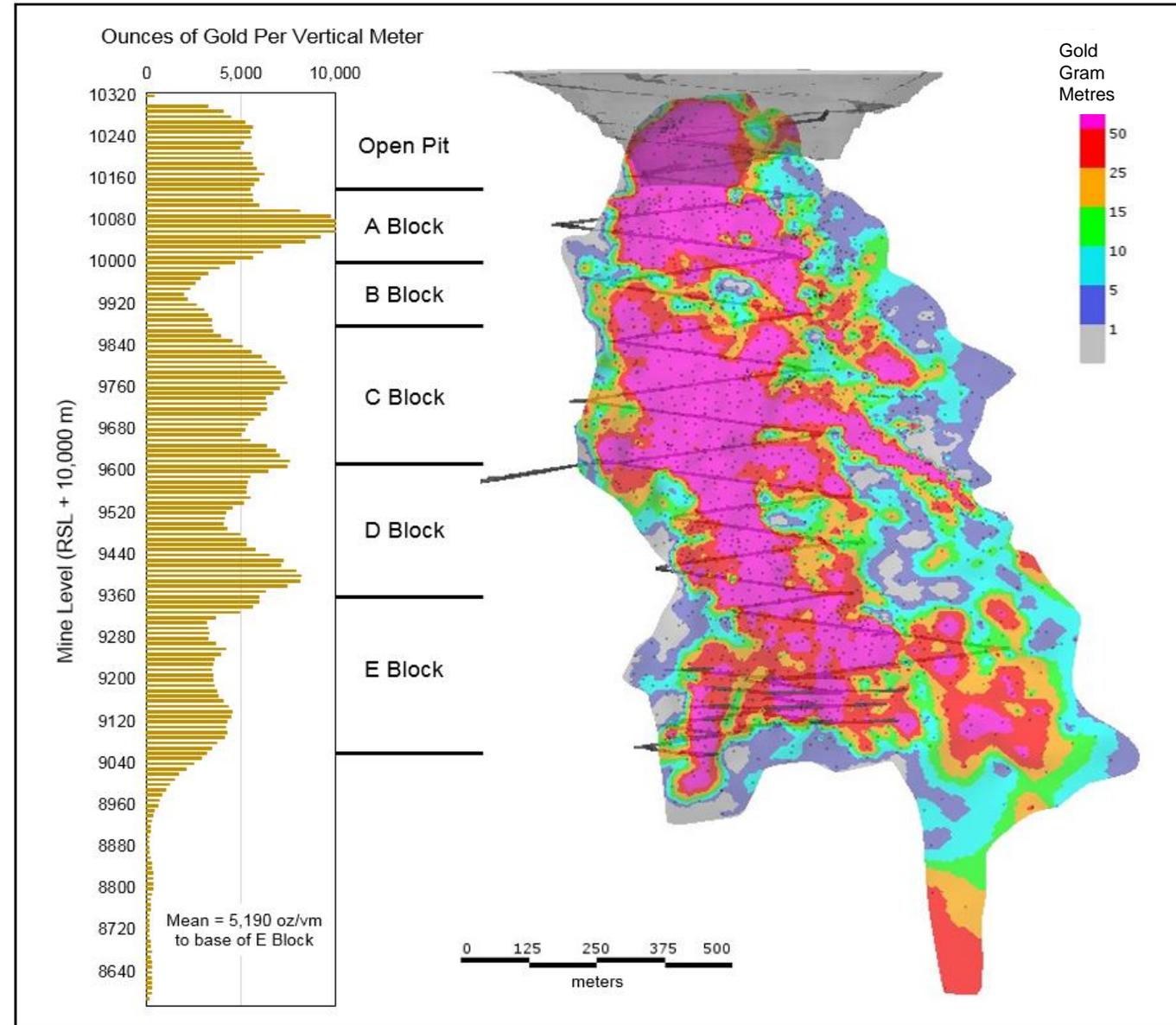
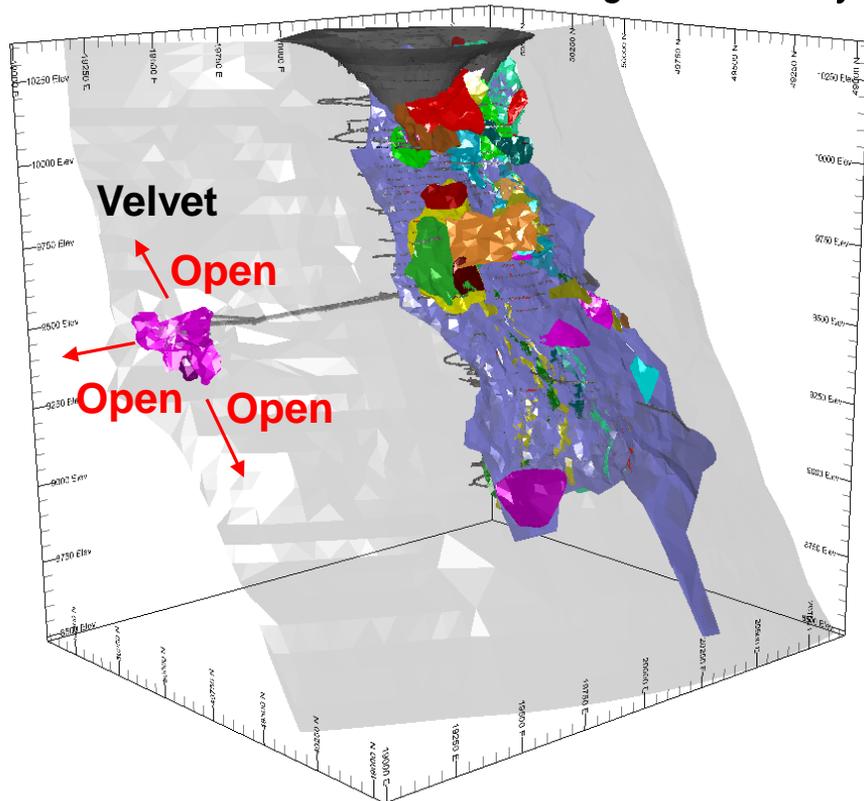
- ✦ Evaluate production at historical 100% NST owned Kundana mines: Barkers, Strzelecki, Centenary, Pope John
  - ✦ *Past production of 1.25Moz at 6gpt between 1990-2004*
  - ✦ *Each of these ore surfaces historically produced 50-60koz per annum*



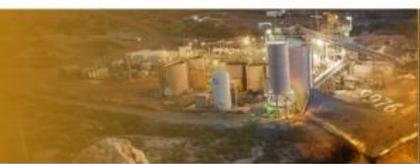
# Kalgoorlie Operations: Rapid, low-cost growth



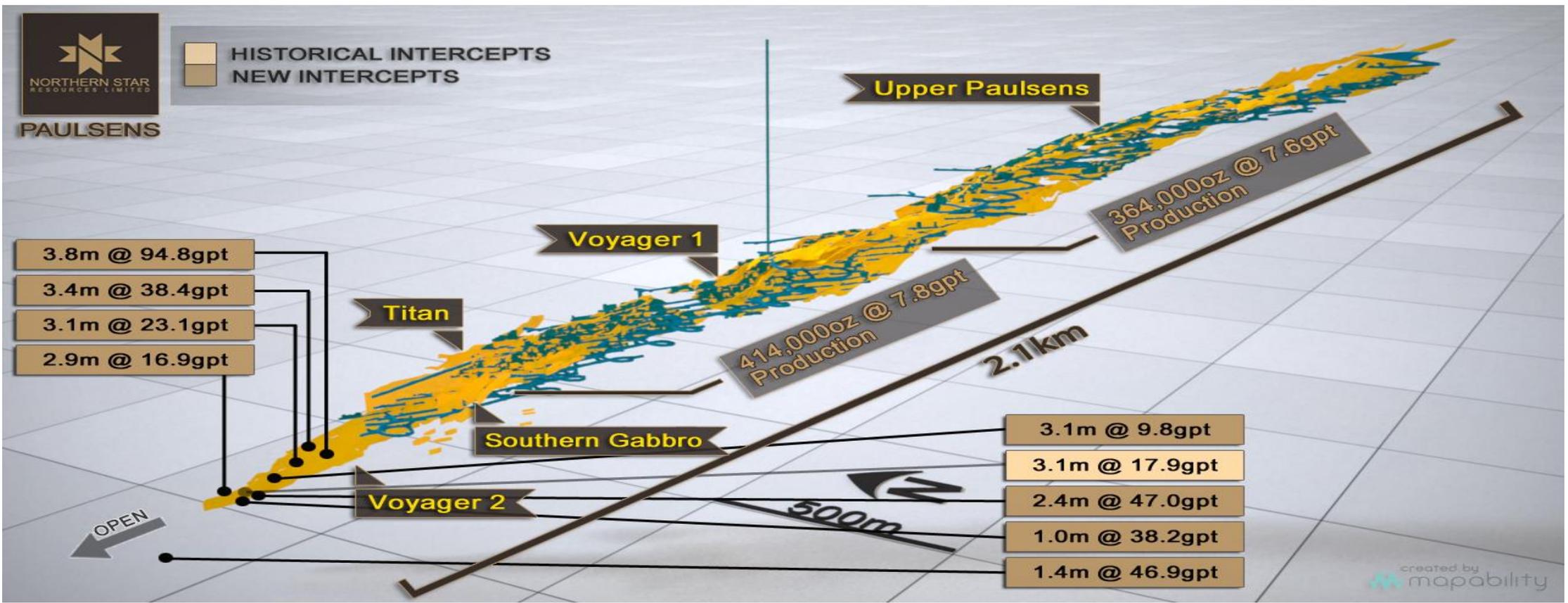
- ✦ Kanowna extension at depth and along strike;
  - ✦ Drill out depth extension to +5Moz orebody, historically averaging 4Koz per vertical metre
  - ✦ Continue to define Velvet discovery (recent result of 47.9m at 83.1gpt) and bring into production
  - ✦ Continue to drill out the Paradigm discovery



# Paulsens: The Founding Asset



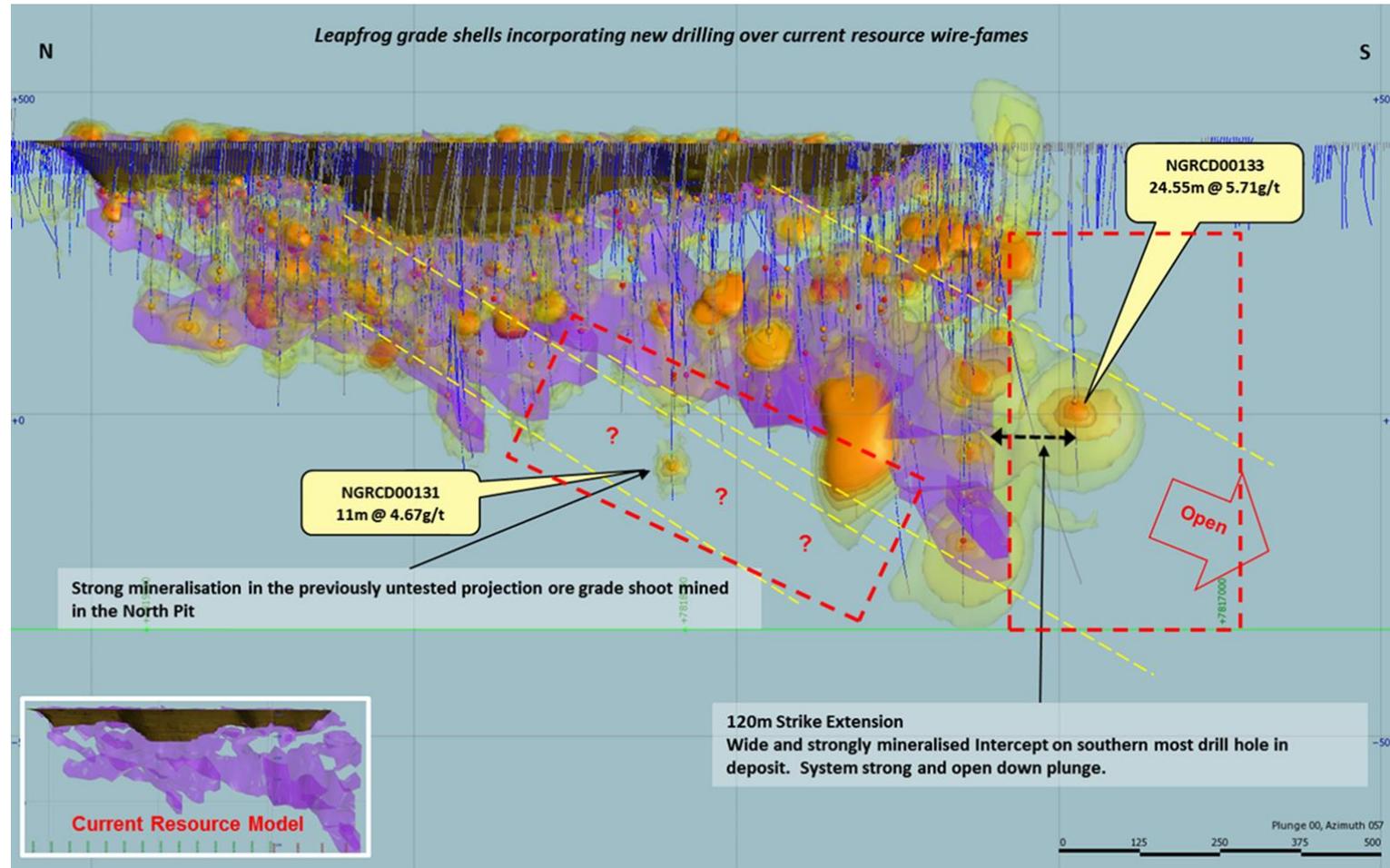
- ✦ FY2016 production of 91,250oz mined and 80,278oz sold at an AISC of A\$1,099/oz (US\$800/oz)
- ✦ FY2017 guidance 65,000-75,000oz at AISC of A\$1,200-\$1,250/oz (US\$874-\$910/oz)
- ✦ Resources: 0.3Moz and Reserves 0.1Moz, after mining 91Koz in FY2016
- ✦ Record cash flow achieved in FY2016



# Central Tanami Project: Next Tier of Production Growth



- ✦ Historically produced 2.1Moz, last major production was from Newmont in 2005 when it produced 610,000oz at 4.3gpt over a 4 year period from the main deposit: Groundrush open pit
- ✦ The past 5 years has seen A\$40m invested at Groundrush in exploration, drilling and feasibility studies
- ✦ Groundrush current Resource is 1.1Moz
- ✦ Plan this year is to refurbish the plant to obtain our 60% joint venture interest
- ✦ Has the potential to be a 120-150koz per annum producing asset (100%) from 2018 onwards





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