



ASX Announcement
 23 January 2019

DECEMBER 2018 QUARTERLY ACTIVITIES REPORT

Solid quarter at Australian mines; Strong progress at Pogo

Group FY2019 production guidance maintained; AISC guidance increased by A\$75/oz following increased upfront investment to capitalise on growing opportunities at Pogo and the higher Australian gold price

HIGHLIGHTS

- Gold sold in the December quarter of 210,561oz at an AISC of A\$1,365/oz (US\$981/oz)*
 - Australian operations sold 153,027oz at an AISC of A\$1,246/oz (US\$895/oz)
 - US operations sold 57,534oz at an AISC of A\$1,681/oz (US\$1,208/oz), with a further 3,527oz of gold dore in transit; not sold in the quarter
- Group FY2019 production guidance maintained at 850,000-900,000oz
- Cash and equivalents at 31 December of A\$292M (A\$277M at September 30); Northern Star has no bank debt
- Operating cash flow of A\$110M, was up 73% from last quarter. A\$36M of underlying free cash flow was generated, after investing A\$52M into organic growth across exploration and expansionary capital to set-up future areas.
- December quarter production:
 - Jundee Gold Operations:
 - 67,211oz mined and 69,403oz sold at an AISC A\$1,052/oz (US\$756/oz)
 - Kalgoorlie Gold Operations:
 - 82,500oz mined and 83,624oz sold at an AISC A\$1,406/oz (US\$1,010/oz)
 - Pogo Gold Operations:
 - 59,219oz mined and 57,534oz sold at an AISC A\$1,681/oz (US\$1,208/oz)
- At Jundee, production was impacted marginally by one-off operational disruptions (weather related) resulting in lower milled tonnes; This has been rectified
- At Kalgoorlie, the higher gold price allowed lower-grade ore to be mined, resulting in development ore tonnes rising 41% from previous quarter and lower production, which in turn led to higher costs; Production is forecast to increase and costs to fall in this half due to capitalising on the extra production areas
- Australian operations on track to meet FY2019 production guidance of 600,000-640,000oz. Kalgoorlie FY2019 cost guidance increased by A\$50/oz to A\$1,190-\$1,300/oz, reflecting strategic decision to mine lower grade ore given ability to maintain margins due to significantly higher gold price; Jundee cost guidance unchanged

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- At Pogo, the early benefits of Northern Star's productivity drive began to flow through, with mined ore tonnes up 22% and mill throughput up 33% to date. These combined efforts have lowered the total cost per ore tonne by 23%
 - Pogo's lower grade compared to September Quarter reflected the change in mining method, increased ore development to access new areas and the mining sequence
 - Pogo's increased costs stem in part from higher-than-budgeted upfront investment in-mine development, drilling and new mobile mining fleet to accelerate the outstanding opportunities in the mine
 - Pogo costs expected to fall in this half as benefits flow from switch to long-hole stoping, owner mining, increased mechanisation and higher-grade mining sequence
 - Pogo's FY2019 production guidance maintained at 250,000-260,000oz; Pogo FY2019 AISC cost guidance increased from US\$880/oz to US\$950-1,025/oz in light of this upfront investment
 - Group FY2019 AISC guidance now A\$1,125-1,225/oz, up 6.8% from A\$1,050-1,150/oz
 - At ~A\$1,800/oz, the gold price is more than A\$100/oz higher than budgeted; NST's Australian Reserves were calculated at A\$1,500/oz and the Company mines to a margin. Gold price increase bodes well for a Reserve update in mid-2019
 - Outstanding exploration success at Jundee and Kalgoorlie operations pave the way for significant growth in-mine lives
 - During the quarter, Northern Star declared a Maiden JORC Resource at Pogo of 4.15Moz at 14.7gpt; taking Group Resources to 20.5Moz at 3.4gpt**
 - The Pogo JORC estimate included a 24% increase in the in-mine Resource; It did not include an additional 765,000oz in non-JORC resources contained in satellite deposits
 - Northern Star will host a quarterly conference call today at 10:30am AEDT (7:30am AWST) Wednesday, 23 January 2019. The call can be accessed at <https://webcasting.boardroom.media/broadcast/5c3e8e15257d2c2aa697eb32>
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Northern Star Resources Limited (ASX: NST) is pleased to report on a solid December quarter during which its Australian operations, despite being impacted by weather events, performed in line with expectations and strong productivity gains were made at its Pogo mine in Alaska.

Total gold sales in the December quarter were 210,561oz, taking sales for the six months to December 31 to 423,243oz. As a result, the Company remains on track to achieve its FY2019 production guidance of 850,000-900,000oz. The Company's second half is budgeted to be much stronger than the first half.

Operating cash flow of A\$110 million, was up 73 per cent from the last quarter. A\$36 million of underlying free cash flow was generated, after investing A\$52 million into organic growth across exploration and expansionary capital to set-up future production areas.

During the December quarter, gold sold at the Australian operations totalled 153,027oz at an AISC of A\$1,246/oz (US\$897/oz).

The performance of the Australian operations reflects in part Northern Star's strategic decision to mine lower grade ore. This decision was taken because the significantly higher gold price allowed margins to be maintained despite the lower grades and higher costs. Kalgoorlie ore development tonnes increased 41% from the prior quarter and made available multiple new mining areas.

The performance also reflects the mine sequences at Jundee and Kalgoorlie.

Given the mine sequences expected to be encountered in this half, the FY2019 production guidance for the Australian operations is unchanged at 600,000-640,000oz.



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AISC cost guidance for the Australian operations has been increased from A\$1,025-1,125/oz to A\$1,050-1,150/oz.

Gold in stockpiles, circuits and in transit were 108,598oz.

Gold sold at Pogo was 57,534oz at an AISC cost of A\$1,681/oz (US\$1,210/oz). Pogo's average mined grade in the quarter fell to 8.2gpt from 11.2gpt in the previous three months, reflecting Northern Star's gradual transition to a more bulk mining approach and the mine sequence during the quarter.

Strong productivity gains were recorded at Pogo in the quarter, with mined tonnages rising 22 per cent and mill throughput up 33 per cent to date. These combined efforts have lowered the cost per ore tonne by 23 per cent. This is an exceptional result considering this is the first quarter of Northern Star's ownership.

These productivity gains and lower costs per tonne bode well for the Reserve estimates which will be calculated in the middle of this calendar year.

However, Northern Star is still in the process of implementing its widespread operational changes at Pogo and while this new approach can be seen in the lower grade, further increases in tonnages and cost reductions are expected to flow through in the current half.

Northern Star is delighted with the drilling results and related mining opportunities which have emerged at Pogo since it took ownership last quarter.

In light of these results, the Company has increased its upfront investment in-mine development, diamond drilling (an additional four underground drill rigs have been mobilised to site), mobile fleet and other measures aimed at enabling it to take full advantage of the opportunities now available. A more comprehensive update will be given in February.

This accelerated expenditure is reflected in the project's AISC during the quarter.

Given these costs and the other timing considerations associated with the transition process, Northern Star has increased its cost guidance for Pogo to US\$950-1,025/oz (A\$1,325-1,425/oz) from US\$880/oz.

As a result, the Group's ASIC guidance for FY2019 now stands at A\$1,125-1,225/oz, up from A\$1,050-1,150/oz.

Northern Star Executive Chairman Bill Beament said the operations had performed well in the December quarter given the combination of lower-grade mine sequences and the extensive reform program underway at Pogo.

"The higher costs stem from the lower grades mined at each of our three operations," Mr Beament said.

"These lower grades reflect two factors. The higher gold price in the December quarter allowed us to extract lower-grade ore, which reduces production and in turn increases our per-unit costs, without damaging our margins.

"This is entirely consistent with Northern Star's long-standing policy of mining to a margin.

"Second, the lower grades also stemmed in part from the mine sequences encountered during the quarter. Our mine plans show that grades will be higher at each of our three operating centres in the current half.

"In addition at Pogo, the lower grade stems from the switch to a more bulk-mining approach.

"The upshot is that our FY2019 production guidance is unchanged at both the Australian and US operations. Our FY2019 cost guidance at our Australian operations has been increased by A\$25/oz cost to reflect the impact of these two factors and it has risen at Pogo by ~US\$100/oz to reflect the increased upfront investment and mine sequence factor."

Mr Beament said the Australian operations would benefit from the resumption of mining in higher-grade areas in the current half.

"This will help strengthen production, which will in turn put downward pressure on unit costs," he said.

"This outlook is also supported by the outstanding drilling results which we have generated recently, particularly at Jundee and Kanowna Belle.

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“These demonstrate the strength of the ore grades we will encounter over coming months as well as the scope to continue growing the inventories.”

Mr Beament said the productivity gains and drilling results at Pogo in the latest quarter highlighted the huge strength of this acquisition and the potential to drive the operational results and grow the inventory.

“Pogo is still very much a work in progress,” he said. “We didn’t take management control until September 28 and already we have generated enormous productivity gains.

“Mined tonnes were up 22 per cent in the latest quarter, mill throughput jumped 33 per cent and mine development metres increased by over 10 percent, culminating in a 23 per cent reduction in the total cost per ore tonne.

“The quarter’s results reflect the fact that the mine grades have come down in line with our increased bulk mining approach, but we are still ramping up tonnages.

“The timing of this cross-over, combined with the increased upfront investment in development, drilling and mobile fleet, has led to the spike in costs.

“While much of this is of a temporary nature, we believe it is prudent to revise Pogo’s costs guidance for this financial year.”

Northern Star	Units	Mar-18 Qtr	Jun-18 Qtr	Sep-18 Qtr [^]	Dec-18 Qtr	FYTD
Ore Hoisted	Tonnes	900,724	1,013,112	1,425,006	1,471,614	2,896,620
Mined Grade	gpt Au	4.6	5.6	5.3	4.4	4.9
Gold in Ore Hoisted	Oz	134,421	183,843	244,953	208,930	453,883
Milled Tonnes	Tonnes	929,342	1,243,682	1,410,585	1,511,547	2,922,132
Head Grade	gpt Au	4.6	5.0	5.1	4.4	4.7
Ounces Produced	Oz	136,547	200,322	229,136	213,829	442,965
Recovery	%	91	92	91	90	91
Gold Recovered	Oz	123,913	183,949	207,600	193,252	400,852
Ounces Sold	Oz	119,976	182,856	212,682	210,561	423,243
Cash Operating Cost	A\$/oz	820	788	999	1,108	1,054
All-in Sustaining Cost	A\$/oz	1,075	982	1,226	1,365	1,295
Total Stockpiles Contained Gold	Oz	70,579	78,787	88,512	81,783	81,783
Gold in Circuit (GIC)	Oz	24,577	27,523	33,572 ^{^^}	23,173	23,173
Gold in transit (oz)	Oz	-	1,391	11,035 ^{^^}	3,642	3,642

[^]Physical metrics, cash operating costs and all-in-sustaining costs are inclusive of Pogo operations for September quarter.

^{^^}Includes Pogo inventory of 5,447ozs GIC; 9,860ozs Gold in transit at September 2018.

Northern Star	Units	Mar-18 Qtr	Jun-18 Qtr	Sep-18 Qtr [^]	Dec-18 Qtr	FYTD
Revenue	A\$M	190.3	316.5	258.9	362.6	621.5
Average Gold Price	A\$/oz	1,720	1,731	1,691	1,722	1,700

[^]Excludes Pogo operations revenue as it was acquired 28 September 2018.

Table 1: Key Group Performance Figures (Quarterly)

Northern Star	Units	Mar-18 Qtr	Jun-18 Qtr	Sep-18 Qtr	Dec-18 Qtr	FYTD
Mining	A\$/oz	549	452	611	644	629
Processing	A\$/oz	176	199	295	274	285
Site Services	A\$/oz	55	38	76	91	84
Ore Stock & GIC Movements	A\$/oz	1	58	(6)	64	29
Royalties	A\$/oz	42	44	25	29	27
Ore Purchase	A\$/oz	-	-	-	8	4
By Product Credits	A\$/oz	(4)	(3)	(3)	(3)	(3)
Rehabilitation-Accretion & Amortisation	A\$/oz	4	3	6	7	6
Corporate Overheads	A\$/oz	58	51	37	44	40
Mine Development/Sustaining CAPEX	A\$/oz	145	110	163	182	172
Mine Exploration	A\$/oz	49	30	22	25	22
All-in Sustaining Costs	A\$/oz	1,075	982	1,226	1,365	1,295
Depreciation & Amortisation	A\$/oz	193	201	304	281	292

Table 2: Key Group Cost per Ounce Measures



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Production KPIs December Quarter	Units	Kalgoorlie Operations	Jundee	Pogo	Total
Total Ore Hoisted	Tonnes	766,710	480,388	224,516	1,471,614
Mine Grade	gpt Au	3.4	4.4	8.2	4.4
Gold in Ore Hoisted	Oz	82,500	67,211	59,219	208,930
Milled Tonnes	Tonnes	789,351	493,593	228,603	1,511,547
Head Grade	gpt Au	3.4	4.4	7.8	4.4
Recovery	%	91	92	88	90
Gold Recovered	Oz	79,496	63,650	50,106	193,252
Gold Sold	Oz	83,624	69,403	57,534	210,561
Cash Operating Costs	A\$/oz	1,070	890	1,426	1,108
All-In Sustaining Costs	A\$/oz	1,406	1,052	1,681	1,365
Depreciation & Amortisation	A\$/oz	389	124	305	281

Table 3: Key Quarterly Mine Production Performance

FINANCE

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

		Mar-18 Qtr	Jun-18 Qtr	Sep-18 Qtr	Dec-18 Qtr
Cash at bank	A\$M	\$367.6	\$443.0	\$216.4	\$229.8
Bullion awaiting settlement ⁽¹⁾	A\$M	\$10.6	\$11.4	\$15.2	\$16.6
Equity Investments	A\$M	\$60.9	\$57.5	\$43.7	\$45.3
Total	A\$M	\$439.1	\$511.9	\$275.3	\$291.7

⁽¹⁾ Bullion awaiting settlement is ore which has been received by the refiner in the quarter and is awaiting settlement.

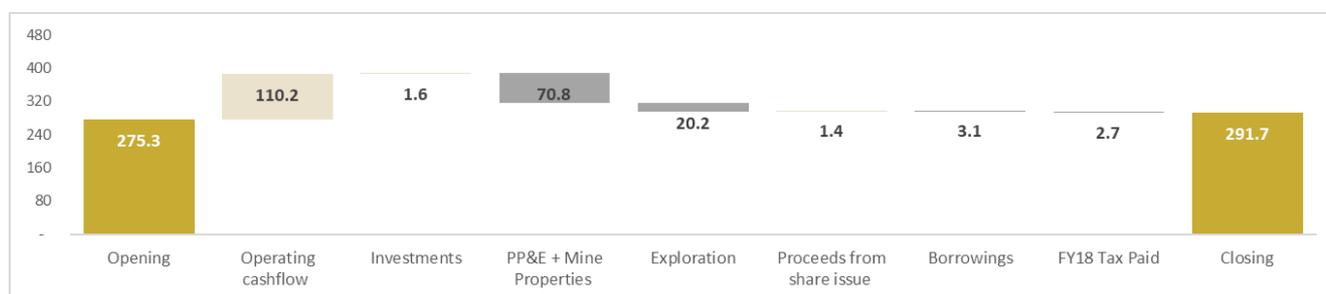
Table 4: Cash, Bullion and equity investments

The below table sets out the total of surface gold inventories:

Gold Inventories	Mar-18 Qtr	Jun-18 Qtr	Sep-18 Qtr	Dec-18 Qtr
Stockpiles contained gold (oz)	70,579	78,787	88,512	81,783
Gold in circuit (oz)	24,577	27,523	33,572	23,173
Gold in transit (oz)	-	1,391	11,035	3,642
Total Gold Inventories (oz)	95,156	107,701	133,119	108,598

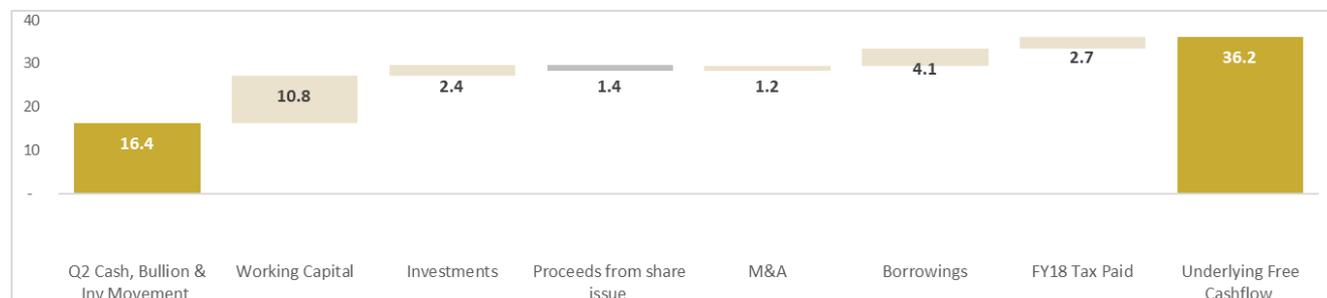
Table 5: Gold Inventories

The below waterfall chart highlights the December quarter's operating cash flow together with movements in cash, bullion and investments (A\$M):

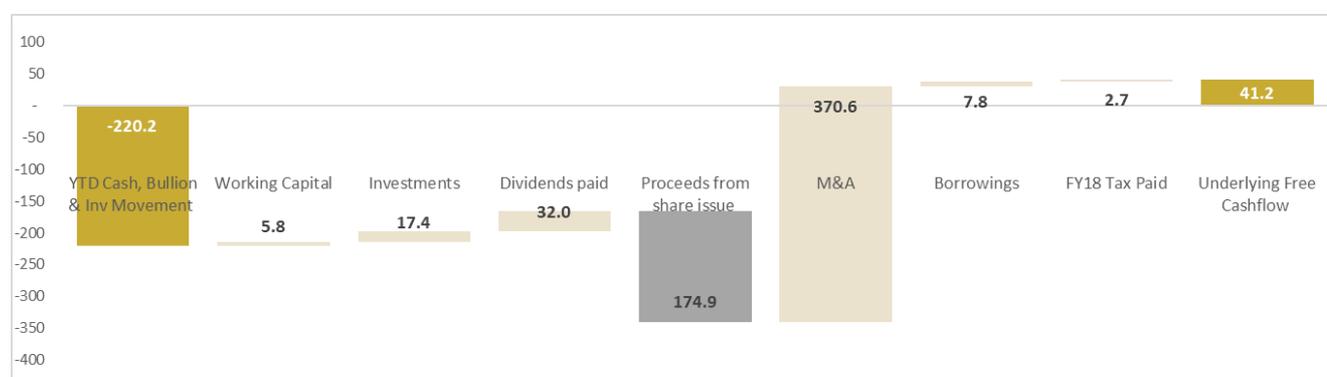


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The below waterfall chart highlights the underlying free cash flow for the December quarter (A\$M):



The below waterfall chart highlights an overview of year to date underlying free cash flow (A\$M):



Banking Facilities

Northern Star has in place undrawn debt facilities with a self-arranged syndicate of Banks.

Hedging

The below table outlines the Company's current hedging position:

Term	Jun-19 Half	Dec-19 Half	Jun-20 Half	Dec-20 Half	Total
Ounces	146,500	60,000	65,000	80,000	351,500
Gold Price/oz	A\$1,742	A\$1,743	A\$1,784	A\$1,783	A\$1,759
Ounces	20,000	22,500	15,000	-	57,500
Gold Price/oz	US\$1,221	US\$1,244	US\$1,281	-	US\$1,245

Table 6: Hedging commitments

During the quarter, 188,000 ounces of gold were hedged for delivery across all periods above at an average of A\$1,767 per ounce and 22,500 ounces of gold were hedged for delivery in the Dec-19 half and June-20 half at an average of US\$1,277 per ounce.

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OPERATIONS

Jundee Gold Operations

Production Summary Jundee Operations		Mar-18 Qtr	Jun-18 Qtr	Sep-18 Qtr	Dec-18 Qtr	FYTD
Ore Mined	Tonnes	391,083	472,679	528,628	480,388	1,009,016
Mined Grade	gpt Au	5.4	6.1	5.0	4.4	4.7
Ounces Mined	Oz	67,505	91,923	84,399	67,211	151,610
Milled Tonnes	Tonnes	458,794	532,240	588,356	493,593	1,081,949
Head Grade	gpt Au	5.1	5.4	4.6	4.4	4.5
Recovery	%	88	90	89	92	90
Gold Recovered	Oz	65,844	82,058	76,602	63,650	140,252
Gold Sold	Oz	63,175	84,474	73,018	69,403	142,421
Cost per Ounce						
Mining	A\$/oz	444	410	562	576	569
Processing	A\$/oz	175	157	182	176	179
Site Services	A\$/oz	41	33	45	45	45
Ore Stock Movements	A\$/oz	53	11	(48)	53	1
Royalties	A\$/oz	44	43	40	43	42
By Product Credits	A\$/oz	(3)	(3)	(3)	(3)	(3)
Cash Operating Costs	A\$/oz	754	651	778	890	833
Rehabilitation - Accretion & Amortisation	A\$/oz	3	2	3	3	3
Corporate Overheads	A\$/oz	56	51	50	44	47
Mine Development / Sustaining CAPEX	A\$/oz	108	66	61	104	82
Jundee Mine Exploration	A\$/oz	42	43	16	11	13
All-in Sustaining Costs	A\$/oz	963	813	908	1,052	978
Depreciation & Amortisation	A\$/oz	137	137	146	124	135

Table 7: Summary Details – Jundee Operations

Kalgoorlie Gold Operations

Production Summary Kalgoorlie Operations		Mar-18 Qtr	Jun-18 Qtr	Sep-18 Qtr	Dec-18 Qtr	FYTD
Ore Mined	Tonnes	509,641	540,433	712,122	766,710	1,478,832
Mined Grade	gpt Au	4.1	5.3	4.1	3.4	3.7
Ounces Mined	Oz	66,916	91,920	94,190	82,500	176,690
Milled Tonnes	Tonnes	470,548	711,441	651,015	789,351	1,440,366
Head Grade	gpt Au	4.1	4.8	4.0	3.4	3.7
Recovery	%	94	94	92	91	92
Gold Recovered	Oz	58,069	101,891	76,524	79,496	156,020
Gold Sold	Oz	56,236	98,382	80,097	83,624	163,721
Cost per Ounce						
Mining	A\$/oz	697	488	669	673	672
Ore Purchase	A\$/oz	-	-	-	20	10
Processing	A\$/oz	179	236	252	243	248
Site Services	A\$/oz	75	42	71	70	70
Ore Stock Movements	A\$/oz	(68)	98	(47)	30	(8)
Royalties	A\$/oz	42	44	31	38	34
By Product Credits	A\$/oz	(6)	(3)	(4)	(4)	(4)
Cash Operating Costs	A\$/oz	919	905	972	1,070	1,022
Rehabilitation - Accretion & Amortisation	A\$/oz	4	3	5	8	6
Corporate Overheads	A\$/oz	61	52	50	44	47
Mine Development / Sustaining CAPEX	A\$/oz	195	147	246	234	240
Kalgoorlie Operations Mine Exploration	A\$/oz	60	20	44	50	48
All-in Sustaining Costs	A\$/oz	1,239	1,127	1,318	1,406	1,363
Depreciation & Amortisation	A\$/oz	269	256	419	389	404

Table 8: Summary Details – Kalgoorlie Operations



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Pogo Gold Operations

Production Summary		Sep-18 Qtr	Dec-18 Qtr	FYTD
Pogo Operations				
Ore Mined	Tonnes	184,256	224,516	408,772
Mined Grade	gpt Au	11.2	8.2	9.6
Ounces Mined	Oz	66,364	59,219	125,583
Milled Tonnes	Tonnes	171,213	228,603	399,816
Head Grade	gpt Au	10.9	7.8	9.1
Recovery	%	91	88	89
Gold Recovered	Oz	54,474	50,106	104,580
Gold Sold	Oz	59,567	57,534	117,101
Cost per Ounce				
Mining	A\$/oz	595	686	640
Processing	A\$/oz	492	436	465
Site Services	A\$/oz	121	178	151
Ore Stock Movements	A\$/oz	98	128	113
Royalties	A\$/oz	-	-	-
By Product Credits	A\$/oz	(2)	(2)	(2)
Cash Operating Costs	A\$/oz	1,304	1,426	1,367
Rehabilitation - Accretion & Amortisation	A\$/oz	10	11	11
Corporate Overheads	A\$/oz	5	45	22
Mine Development / Sustaining CAPEX	A\$/oz	174	199	186
All-in Sustaining Costs	A\$/oz	1,493	1,681	1,586
Depreciation & Amortisation	A\$/oz	336	305	320

Table 9: Summary Details - Pogo Operations

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

EXPLORATION AND DEVELOPMENT - OPERATIONS

The Group's in-mine drilling activity continued at high levels leading into the Christmas period with the continuing focus on resource conversion and extension programs.

Jundee

At Jundee, the underground diamond drill fleet focussed on resource definition and extension targets across all mining areas.

In addition to operational drilling, resource definition programs were completed at Armada, Deakin, Gateway, Invicta and Nexus areas. Resource extension drilling within known systems targeted the Cardassian and Cook areas, the Cardassian area producing results well above expectations.

At Zodiac, surface diamond drilling continued the program of wedge holes designed off parent hole NSRJRD10447. The initial wedge, JRD10447W4 was completed at 2,165m depth, successfully intersecting mineralisation at all modelled target zones together with some additional unmodelled mineralisation. Combined intersections include 7.36m at 3.44g/t from 1,836.0m, 9.78m at 3.56g/t from 1,920.3m including 3.18m at 9.23g/t from 1,926.9m (refer ASX announcement dated 20 December 2018#).

NSRJRD10447W5 was in progress at the end of the quarter at 1,867m having successfully intersected the first mineralisation target at 1,814m.

At Ramone, permitting and pre-development activities have commenced at the site together with the initial grade control drilling program for the upper levels of the planned open pit.

Infill grade control drilling has been completed over approximately 85% of the planned pit area to a vertical depth of approximately 60 metres. Initial assay results have significantly exceeded expectations indicating the potential for increased production from the upper portion of the open pit (refer ASX announcement dated 20 December 2018#).

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Kanowna Belle

Underground diamond drilling continued with four underground rigs operating within the Kanowna Belle mine on resource extension and exploration programs.

Extension and exploration drilling adjacent to the existing mining areas continued with considerable success. Great progress was achieved at Velvet Central, Lowes C Block (West), Lowes D Block (East), Lowes E Block (East, Far East and West) and Sims (C and D Block) with excellent results recorded outside the existing resource blocks in all areas.

Exploration drilling deep into the hanging wall of the main Lowes ore system across A, B and C blocks has outlined new, strongly mineralised structures up to 150 metres from the Fitzroy Fault which will provide additional mining areas adjacent to existing infrastructure (refer ASX announcement dated 20 December 2018#).

These excellent results, together with new discoveries in the Velvet Gap and Porphyry Xenoliths corridors, are expected to underpin a significant increase in Resources and Reserves at Kanowna in mid-2019.

Kundana (NST 100%)

Underground resource extension diamond drilling focussed on Millennium in the quarter, targeting northern and depth extension potential of K2 structure. Exploration drilling targeted the K2A, K2E and Strzelecki positions in the hanging wall of Millennium.

Level development in the new Pope John deposit continued together with infill grade control diamond drilling.

EKJV (NST 51%)

Four drill rigs continued underground resource definition drilling programs across the EKJV mining complex during the quarter.

At Pegasus, drilling focussed on defining down plunge extensions to the K2 and Pode structures at the northern end of the Pegasus system with positive results (refer ASX announcement dated 20 December 2018#).

At Raleigh South, extensional surface and underground drilling continued to extend the Raleigh Main Vein mineralisation southwards from the existing resource model towards the proposed internal Sadler decline development. While grades are variable, the overall economic intersection ratio is consistent with the historical average on the Raleigh structure.

South Kalgoorlie

Underground drilling accelerated during the quarter with the change out of drilling contractors. In-mine drilling at the HBJ underground mine advanced ahead of the current production areas with resource definition and extensional drilling programs at COZ, Jubilee and NOZ mine areas delivering encouraging results.

Pogo

Underground drilling continued with four diamond drilling rigs focussed on resource definition and extensional targets across the mine throughout the quarter. Target areas included the main Liese veins (L2, L3, Fun Zone), North Zone and X-Vein together with infill drilling at South Pogo in preparation for the commencement of mining activities.

Following the completion of the surface exploration drilling campaign, the four surface diamond drill rigs were refocussed into the mine lease area undertaking resource definition drilling on 30 – 50 metre centres in the new Strip Vein project area. The Strip Vein area encompasses a series of moderately dipping, stacked vein arrays located to the immediate north-west of the main Liese Vein corridor.

A much more expansive exploration update will be provided on Pogo operations in the March quarter.

REGIONAL EXPLORATION

Regional exploration activity tapered across all sites with the onset of the northern “wet” season and storm events across the Eastern Goldfields. Pogo exploration ceased for the winter break with all activities relocated to the mine lease area.

Jundee

Regional exploration focused on the Deep Well region, located 35 kilometres south east of the Jundee mill.

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At Ramone, surface diamond drilling is in progress to confirm the underground potential of the Ramone system beneath the planned open pit. A total of 5 holes have been completed revealing discrete high-grade areas within broader stockwork envelopes with the deepest intersection in NSRJRD10489 returning the excellent result of 17.6m at 4.9g/t from 334m (refer ASX announcement dated 20 December 2018[#]).

Further across the Deep Well region, RC drilling programs were completed at Marley-Ziggy, Mosely and Burton prospects targeting extensions to the previously defined mineralisation. Regional aircore drilling also continued across the Deep Well area defining and/or extending geochemical anomalies at Staley, Weiland Tosh, Easy-E and Barrett prospects.

Elsewhere, infill aircore drilling programs defined distinct mineralised trends at Plover Bore South (south of the Jundee TSF), Alcatraz, Magic Dragon and Sand Dragon prospects located to the north of the Jundee tenements. Full results are pending.

Kanowna

Kanowna regional exploration activity focussed on near mine RC and diamond drilling programs at the Ariel prospect located west of the Kanowna Belle mine.

At Ariel, RC and diamond drilling returned several significant results from a series of altered felsic intrusions near the contact between the Panglo and Gold Valley sedimentary sequences. Re-logging of historical drill holes in the area defined an anomalous trend spanning approximately 2 kilometres that requires further exploration.

Kundana (NST 100%)

With the Millennium Mine in production, the focus of growth and development drilling has moved further southwards to the Xmas-Moonbeam deposits.

Moonbeam is the southern continuation of the Millennium-Centenary-Pope John K2 mineralisation across the major Lucifer Fault while the adjacent Xmas deposit is the extension of the Strzelecki mineralisation south to the Lucifer Fault. Although the two ore systems are different in character, spatially they straddle the Lucifer Fault and will combine into a single mining operation.

Further resource definition drilling was completed at Moonbeam targeting depth extensions to the K2 structure south of the Lucifer Fault. All holes successfully intersected the target K2/K2E structures with assay results in line with expectations.

In addition, several Moonbeam drill holes intersected the Xmas structure in the upper portion of the drill holes indicating a flexure in the Lucifer Fault which provides for a potential overlap of the two structures on a southerly strike extension to the Xmas structure.

EKJV (NST 51%)

Surface diamond drill programs continued across the EKJV during the quarter with a major focus on Raleigh South and Drake prospects.

Further south on the Raleigh structure, surface exploration drilling at Sir Walter has confirmed the presence of high-grade intersections another 350 metres south of the proposed internal Sadler decline. The southernmost and last hole in the current program, SWCD18108, recorded the best result of 4.2m at 21.5g/t with the Raleigh structure remaining open in all directions (refer ASX announcement dated 20 December 2018[#]).

At the Drake prospect, situated midway between the Pegasus and Moonbeam deposits, a surface diamond drilling targeted the K2 structure north from Pegasus. Initial intersections on the primary K2 structure were modest however, significant "Pode style" mineralisation has been intersected in the hanging wall.

Two RC/diamond drill holes were completed at the Beverly Hills prospect to test for mineralisation between the Barkers structure and an area of stockwork veining identified in historical drilling. Both successfully intersected broad zones of stockwork veining in gabbroic units of the Powder Sill which require additional drilling.

Carbine

With pre-development studies underway at Paradigm and Carbine, regional exploration across the Carbine-Carnage area continued with aircore, RC and diamond drilling programs completed during the quarter.



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Results from diamond drilling beneath the Carbine deposit has defined four zones of significant mineralisation associated with the Ol'Rowley and Carbine Thrust structures. Further drilling is planned.

Further north, additional RC and diamond drilling at Comic Court prospect has expanded the mineralised zone identified in initial drilling. Significant mineralisation (with visible gold) is associated with a basalt-sediment contact in the hanging wall of the Carbine Thrust. Assay results are pending.

South Kalgoorlie

Regional exploration across the extensive South Kalgoorlie tenements has begun to achieve success in several areas.

At the Tornado prospect within the Zuleika Shear corridor, diamond drilling beneath historical shallow oxide mineralisation returned encouraging multiple intersections from the first hole, including TODD 18162 – 15.0m at 1.01g/t from 97m and 26.2m at 1.64g/t from 152.5m (refer ASX announcement dated 20 December 2018[#]). Follow-on RC drilling was in progress at the end of the quarter with all 7 holes intersecting broad zones of alteration, quartz veining and sulphide mineralisation. Assay results are pending.

Further east at the new Glasswing prospect, reconnaissance RC drilling of historic RAB anomalies has returned a strong initial result in XGRC18005 – 21.0m at 2.3g/t from 58m depth. Further step out RC drilling along strike encountered broad zones of alteration and quartz veining. Assay results are pending.

Broad spaced reconnaissance diamond drilling below the historic Samphire open pit has outlined a series of stacked mineralised veins containing visible gold across a strike length of at least 400 metres in fresh rock. Results from the first two holes include SPDD 18001 - 1.4m at 8.9g/t from 222.9m, 2.0m at 43.8g/t from 233.6m, 3.3m at 4.5g/t from 305.6m and SPDD18002 – 1.9m at 5.2g/t from 151.3m, 0.35m at 17.6g/t indicate the potential for a significant mineralised system (refer ASX announcement dated 20 December 2018[#]).

Central Tanami Project (NST 40%)

As part of the ongoing evaluation of the Central Tanami Project, a program of RC and diamond drilling was completed beneath the existing treatment plant infrastructure testing for potential shallow extensions to the main Hurricane-Repulse mineralisation.

RC drilling intersected significant gold mineralisation at varying depths in all 23 drill holes completed beneath all major infrastructure at the CTP Plant. Significant intersections from the RC drilling program include: NHRC00003 - 3m at 20.5g/t Au from 140m and 12m at 4.6g/t Au from 147m; NHRC00007 - 19m at 4.6g/t Au from 136m; NHRC00009 - 14m at 3.2g/t Au from 150m, and NHRC00015 - 15m at 2.9g/t Au from 92m.

In addition, diamond drilling down plunge of the new mineralised zones, intersected a wide zone of significant gold mineralisation: NHDD001 - 8.5m (dth) at 6.6 g/t gold from 177.86m depth located approximately 130 metres below the base of the existing Hurricane pit to the north (refer ASX announcement dated 20 December 2018[#]).

Further south at Jim's, diamond drilling beneath the existing open pit also returned significant gold intersections up to 170 metres beneath the base of the open pit. Significant results included: JDD001 - 7.2m at 2.3g/t Au from 184.5m and 26m at 3.9g/t Au from 224m; JDD002 – 10.0m at 5.7g/t gold from 401.0m; JDD003 – 8.0m at 3.9g/t gold from 219.1m; and JDD004 - 20.5m at 2.2g/t gold from 253.5m and 10.3m at 1.1g/t gold from 258.56m (refer ASX announcement dated 20 December 2018[#]).

Further extensional RC and diamond drilling is planned at both locations commencing in late Q3 following cessation of the Wet season.

Tanami Regional Project (100% NST)

Regional ground gravity geophysical surveys were completed at Stubbins and Cave Hill South during the quarter.

A soil sampling survey was completed at the Mars prospect located within an interpreted thrust duplex zone approximately 13 kilometres northwest of the historical Molech mining area.



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Western Tanami

Geological mapping and sampling of newly defined gravity and magnetic features at the Fremlin South prospect continued throughout the quarter.

Pilbara

A five-hole diamond drilling program commenced at Paulsens during the quarter to test exploration targets generated from interpretation of the new 3D seismic dataset. Two drill holes were completed with a third hole in progress prior to shut-down for the Christmas break.

CORPORATE

- On 13 November 2018 Northern Star disclosed to the market that it had made legally binding offers to acquire the 49% joint venture interest held in the East Kundana Joint Venture by Tribune Resources Limited, Rand Mining Limited and Rand Exploration NL, for A\$150 million cash. The offers were rejected on 30 December 2018.
- The Company's 2018 Annual General Meeting of Shareholders was held on Thursday, 15 November 2018 with all resolutions being passed by a majority.
- On 10 December 2018, Northern Star subscribed for 8 million fully paid ordinary shares in Yandal Resources Limited's initial public offer, resulting in a 15.01% substantial shareholding.
- On 17 December 2018, the Company's shareholding in Echo Resources Limited increased to 22.74% by way of a placement, subscribing for 22,727,273 fully paid ordinary shares at an issue price of A\$0.11 per share, and Northern Star's nominee Alan Thom was appointed as a Non-Executive Director of Echo Resources Limited. With effect on 23 January 2019, Northern Star's entitlement of 4,833,064 fully paid ordinary shares were issued under the Echo Resources Limited rights issue to the Company, resulting in a total shareholding of 22.61%.
- On 18 December 2018, Northern Star converted to equity, A\$1 million of the A\$2 million loan advanced to Venturex Resources Limited on 12 September 2018, increasing Northern Star's shareholding to 19.79%, by subscribing for 5,555,556 fully paid ordinary shares in Venturex Resources Limited at a deemed issue price of A\$0.18 each.
- During the quarter, Northern Star attended the annual Citi and UBS conferences in Sydney, the IMARC conference in Melbourne, and the BAML Asia investment conference in Hong Kong. The Company maintains a proactive presentation calendar to stockbroking firms, institutional and retail investors to promote the Company and its activities.
- The following changes occurred to the issued capital of the Company after the release of the September 2018 Quarterly Report:
 - 5,513 and 5,893 ordinary fully paid shares were released from voluntary escrow on 9 November and 10 December 2018 respectively in accordance with the Company's 2011 and 2017 Employee Share Plans.

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

Class of Securities	Issued Capital
Fully Paid Ordinary Shares	639,454,848
Unlisted Performance Rights	10,379,990

Table 10: Issued Capital

Yours faithfully



BILL BEAMENT
Executive Chairman
Northern Star Resources Limited

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Forward Looking Statements

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Currency Conversion Rate

**All currency conversions in this announcement have been converted at a currency of A\$/US\$ conversion rate of A\$0.7184*

Listing Rule 5.23 disclosures

Listing Rule 5.23 Disclosure: the information is extracted from the report entitled "Australian Operations - Exploration Update" dated 20 December 2018 available at www.nsrltd.com and www.asx.com. Northern Star 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 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. Northern Star 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.

*** Listing Rule 5.23 Disclosure: the information is extracted from the report entitled "Pogo JORC Resource" dated 16 October 2018 available at www.nsrltd.com and www.asx.com. Northern Star 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 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. Northern Star 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.*

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APPENDIX 1 – ADDITIONAL INFORMATION - OPERATIONS

Kalgoorlie Gold Operations

► Introduction

Kalgoorlie Gold Operations consist of the Millennium, EKJV, Kanowna Belle and HBJ (South Kalgoorlie) deposits.

► Safety

There were zero Lost Time Injuries during the quarter.

► Underground Production

Mine Development:

	Mar-18 Qtr	Jun-18 Qtr	Sep-18 Qtr	Dec-18 Qtr
Decline	398m	711m	855m	750m
Level	2,774m	2,975m	4,841m	4,477m
Strike driving ⁽¹⁾	4,009m	4,061m	3,554m	3,988m
Total (metres)	7,180m	7,753m	9,250m	9,215m

Note (1) includes development through paste-fill

Table 1: Underground Production – Mine Development (physicals represent 100% share of EKJV development metres)

Decline and access development continues to be a high priority across all Kalgoorlie mines. The advance of the Velvet decline at Kanowna Belle continued and the NOZ decline at HBJ remains a priority to access higher grade mining areas. At Millennium, the Pope John ore drives are underway and adding additional stoping fronts, while the Christmas decline was prioritised to provide access to a diamond drill platform for Q3 drilling.

At HBJ, preparations were completed for commencement of internal mining service provider Northern Star Mining Services (NSMS) to take over from the incumbent mining contractor.

	Mar-18 Qtr	Jun-18 Qtr	Sep-18 Qtr	Dec-18 Qtr
Development ore (t)	141,002	202,804	174,517	246,865
Development grade (gpt)	3.5	3.6	3.2	3.0
Stope ore (t)	368,638	449,376	537,606	510,833
Stope grade (gpt)	4.3	5.5	4.4	3.6
Total ore (t)	509,640	652,180	712,122	766,710
Total grade (gpt)	4.1	4.9	4.1	3.4
Contained gold (oz)	66,916	101,996	94,190	82,500

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

Table 2: Underground Production – Ore Production (physicals represent Northern Star's 51% share of JV ore)

The ramp up at Millennium and HBJ has contributed to higher development ore tonnes due to increased heading availability. Stopping grade performed in line with expectations with planned lower grade production from Kanowna Belle.

► Gold Production

A total of 789,351 tonnes of ore was milled in the December quarter at 3.4gpt and 91% recovery for 79,496oz produced utilising the Northern Star owned Kanowna Belle and Jubilee processing plants, and additional contracted third-party facilities.

Ore stocks at the end of the quarter totalled 57,094 oz of gold.

► Gold Sales

83,624oz were sold.

Jundee Gold Operations

► Safety

There were zero Lost Time Injuries during the quarter.

► Underground Production

Mine Development:

	Mar-18 Qtr	Jun-18 Qtr	Sep-18 Qtr	Dec-18 Qtr
Decline	501m	350m	401m	683m
Level	1,462m	1,363m	1,514m	1,294m
Operating	2,126m	3,055m	3,575m	3,421m
Total (metres)	4,089m	4,769m	5,491m	5,398m

Table 3: Underground Production – Mine Development

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Decline development continued across multiple mining fronts during the December quarter, including Upper Gringotts, Hamptons, Nexus, Upper Wilson. Drill drive development was undertaken for Zodiac, Revelation (Lower) and Armada trends. A total of 3,421 operating metres were completed, yielding 138,978 development ore tonnes at an average grade of 2.2gpt.

	Mar-18 Qtr	Jun-18 Qtr	Sep-18 Qtr	Dec-18 Qtr
Development ore (t)	83,720	117,821	167,950	138,978
Development grade (gpt)	2.9	3.7	3.7	2.2
Stope ore (t)	307,364	354,858	360,678	341,410
Stope grade (gpt)	6.0	6.8	5.6	5.2
Total ore (t)	391,083	472,679	528,628	480,388
Total grade (gpt)	5.4	6.1	5.0	4.4
Contained gold (oz)	67,505	91,923	84,399	67,211

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

Table 4: Underground Production – Ore production

Mining for the quarter focussed on Upper Gringotts, Westside South, NIM and Wilson areas. Mining was affected by 8 days of power disruption from a lightning strike with multiple mining areas unavailable, requiring ore to be sourced from lower grade areas. This was corrected within the quarter with all areas now operational.

► Gold Production

Jundee ore milled in the December quarter was 493,593 tonnes at 4.4gpt and 92% recovery for 63,650oz.

Ore stocks at the end of the quarter totalled 24,688oz of gold.

► Gold Sales

69,403oz were sold.

Pogo Operations

► Safety

There were zero Lost Time Injuries during the quarter.

► Underground Production

Mine Development:

	Mar-18 Qtr	Jun-18 Qtr	Sep-18 Qtr	Dec-18 Qtr
Decline			586m	786m
Level			429m	1,037m
Operating			3,429m	3,068m
Total (metres)			4,444m	4,890m

Table 5: Underground Production – Mine Development

	Mar-18 Qtr	Jun-18 Qtr	Sep-18 Qtr	Dec-18 Qtr
Total ore (t)			184,256	224,516
Total grade (gpt)			11.2	8.2
Contained gold (oz)			66,364	59,219

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

Table 6: Underground Production – Ore production

Ore during the December quarter was sourced from the Liese, East Deep, North and Fun zones.

The operation continues to be mine constrained and access to new areas of the mine commenced, increasing the number of headings and allowing more efficient use of capital infrastructure. Demobilisation of the incumbent mining contractor was underway in the quarter and replacement mining equipment has been committed and is starting to arrive.

► Gold Production

Pogo ore milled in the December quarter was 228,603 tonnes at 7.8gpt and 88% recovery for 50,106oz. Throughput rates reached an annualised 0.9 million tonnes. Capacity testing indicates that throughput rates of 1.2 million tonnes per year can be achieved with minimal capital expenditure.

► Gold Sales

57,534 oz were sold.