



NORTHERN STAR  
RESOURCES LIMITED  
ASX Code: NST



World Class Financial Returns – From World Class Australian Gold Mines  
Diggers and Dealers August 2017



## 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 Project areas is based on information compiled by Darren Cooke, a Competent Person who is a Member of the Australian Institute of Geoscientists and a full-time employee of Northern Star Resources Limited. Mr Cooke has sufficient experience that is relevant to the styles of mineralisation and type of deposits under consideration and to the activity being undertaken 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 Company's Project areas. 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 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 is Central Tanami Gold Project based on information compiled by Darren Cooke a Competent Person who is a Member of the Australian Institute of Geoscientists and 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 Group reporting. 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 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.

(1) 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 less interest income.

(2) Free Cash Flow is calculated as operating cash flow minus investing cash flow.

(3) Underlying Free Cash Flow is calculated as follows: 31 Dec 2016 - free cash flow (\$12.8 million) plus bullion awaiting settlement (\$10.6 million), plus stamp duty paid on prior acquisitions (\$1.7 million), plus investments in Available for sale assets (\$0.8 million), plus FY2016 tax (\$33.6 million), less working capital adjustment (\$3.4 million). 31 Dec 2015 - free cash flow (\$66.4 million) plus bullion awaiting settlement (\$9 million), plus acquisition and exploration of Central Tanami Project (\$17.3 million), plus stamp duty paid on prior period acquisitions (\$5.0 million), less working capital adjustment (\$1.0 million).

EBITDA, Underlying Free Cash Flow and All-in Sustaining Costs (AISC) are unaudited non IFRS measures.

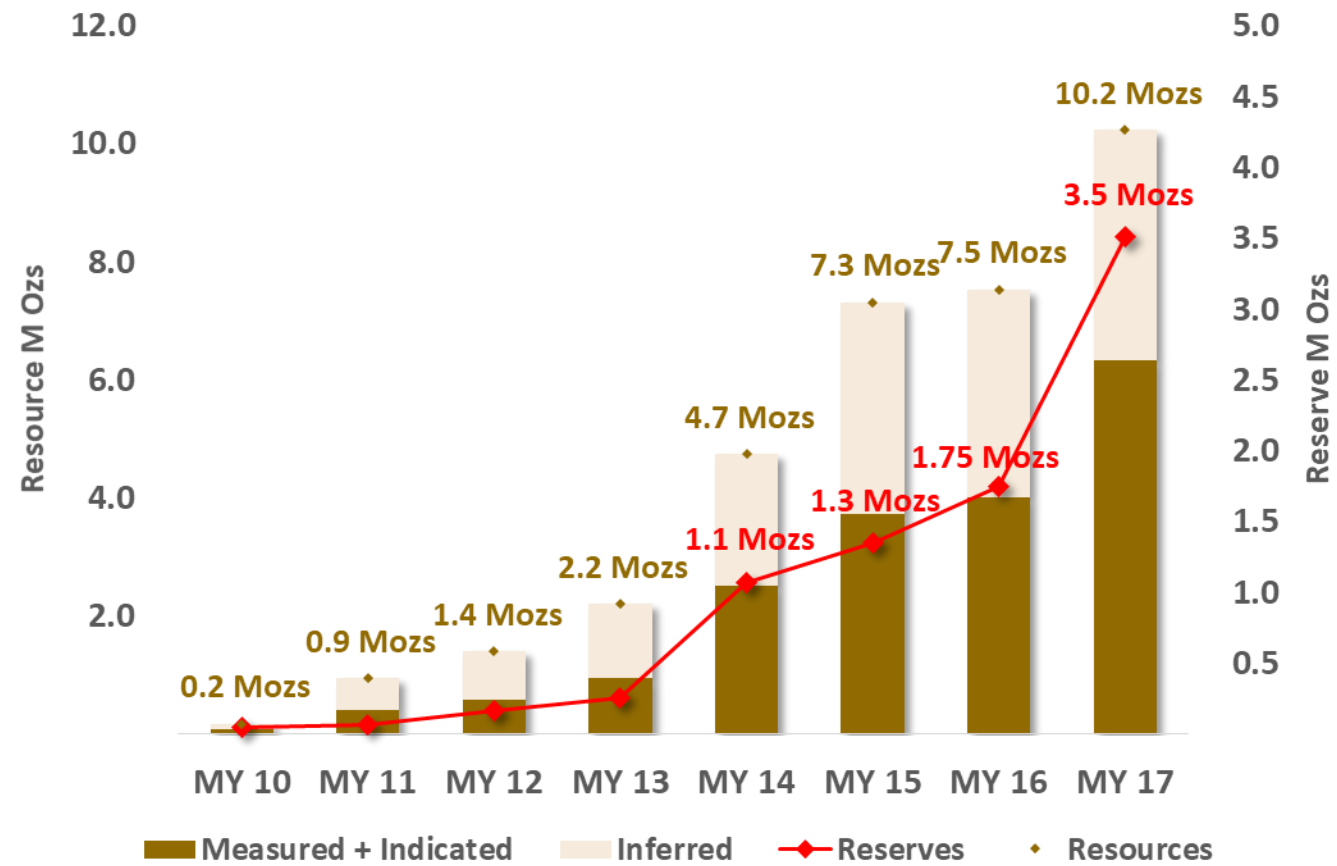
\* All Data from Bloomberg referenced sources has had all N.A. and erroneous data points removed in the associated sector comparisons and all GDX data point comparisons have had streaming company data removed for a better reflection of the producing companies within the indices

# FY2017: The year Northern Star became a long-life gold miner



- ✦ FY2017 production 515koz (top end of guidance) at AISC of A\$1,013/oz (bottom end of guidance), a record production despite the divestment of Plutonic
- ✦ Reserves increased by 2.3Moz to 3.5Moz; Resources increased by 2.7Moz to 10.2Moz  
Reserves added at a cost of just A\$24/oz
- ✦ 10-year mine life visibility at our Tier-1 Jundee and Kalgoorlie Operations, returned to their “world-class” status
- ✦ A\$447M cash and investments at 30 June 17; no bank debt, 43% Return on Equity and 38% Return on Invested Capital in the December 2016 half

## NST Resource and Reserve Growth

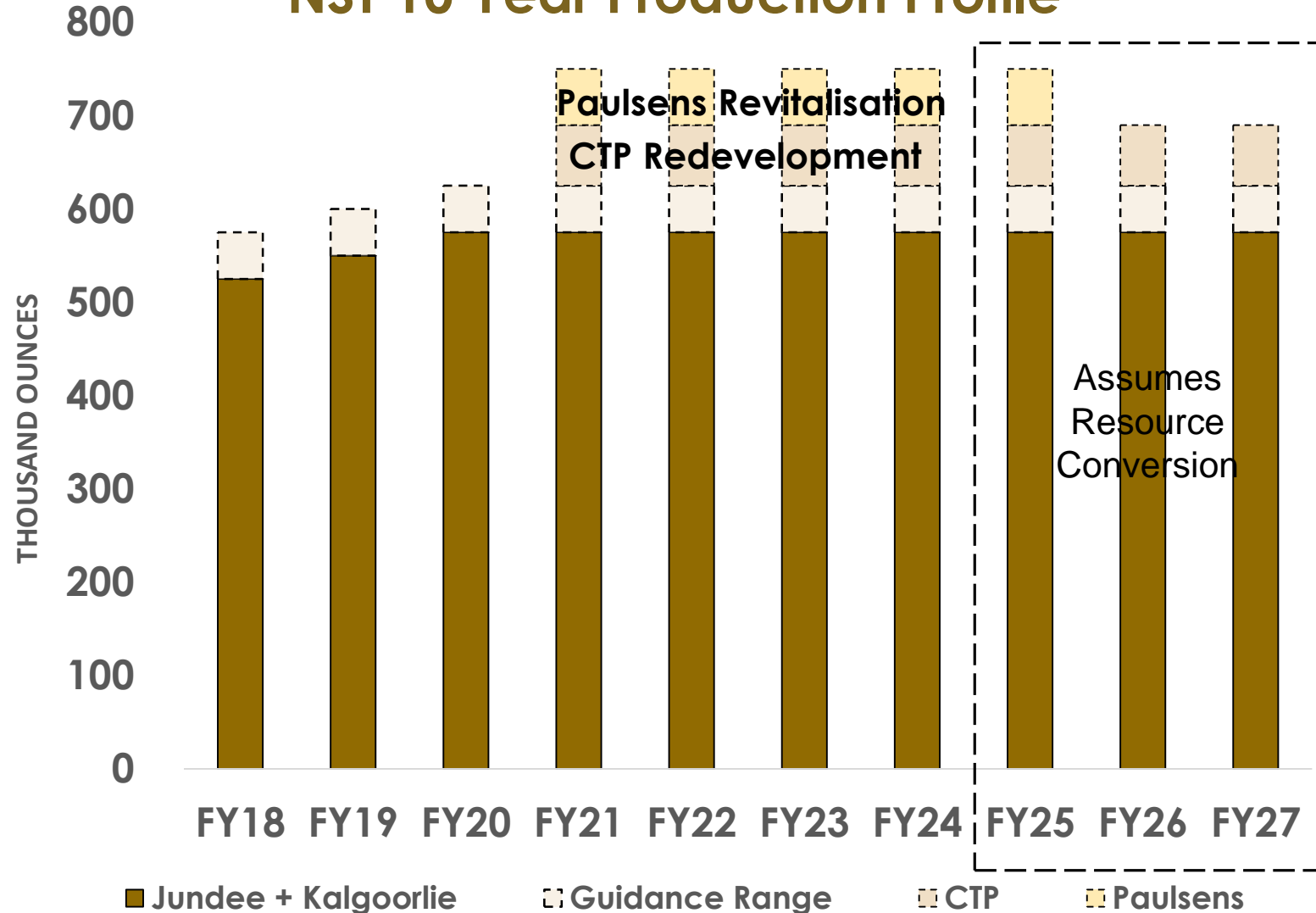


# Organic growth strategy: CAPEX now falling and benefits rising



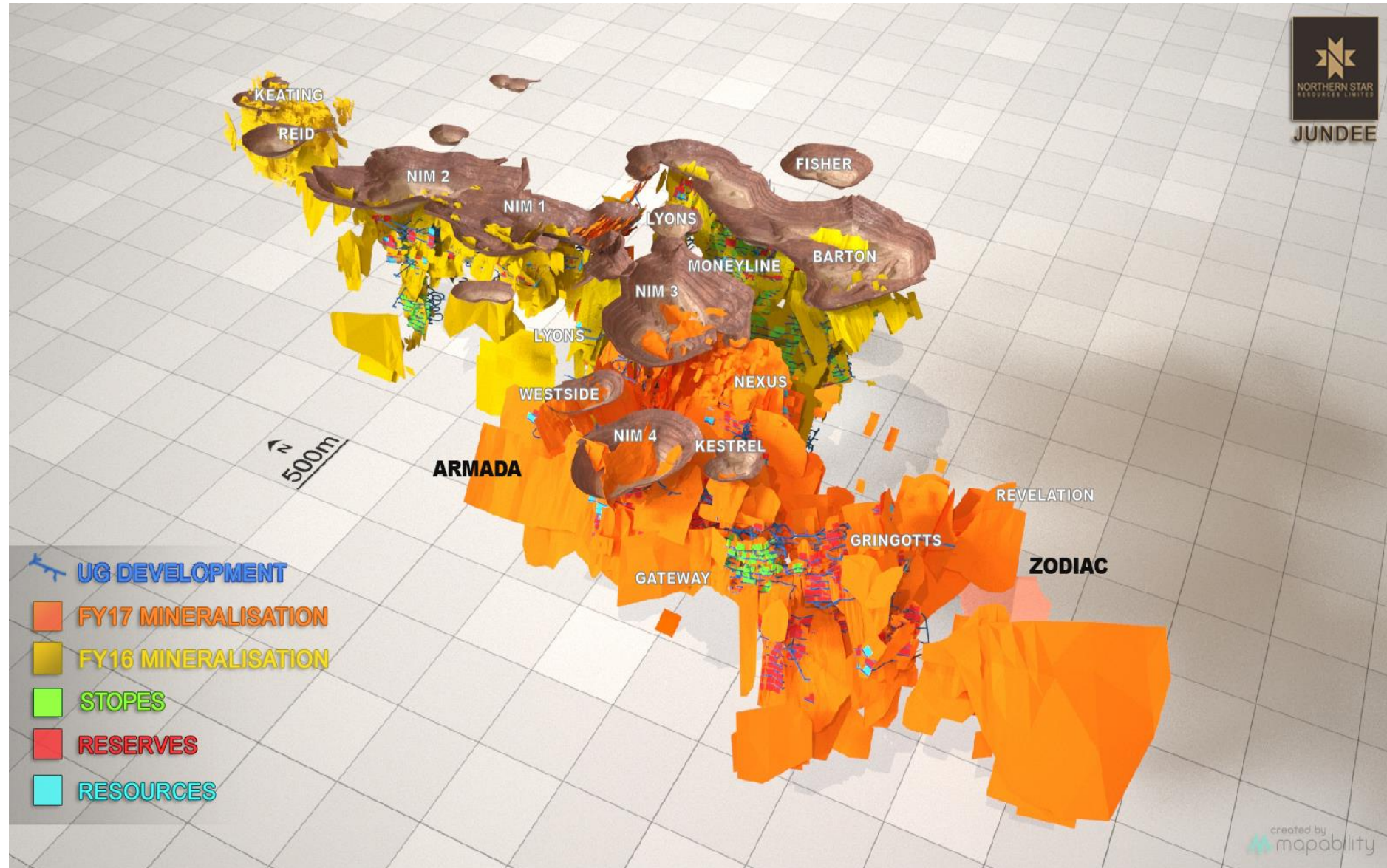
- ✦ Invested A\$250M in exploration and expansionary capital over past three years; now CAPEX is falling and financial benefits are rising
- ✦ FY2018: Guidance 525,000-575,000oz at an AISC of A\$1,000-A\$1,050/oz, expansionary CAPEX A\$65M, followed by A\$60M in FY2019 and A\$40M in FY2020
- ✦ 600,000oz per annum producer next year from Jundee and Kalgoorlie only
- ✦ Opportunity to grow production beyond 600,000oz per annum through Central Tanami re-development and Paulsens revitalisation

## NST 10 Year Production Profile



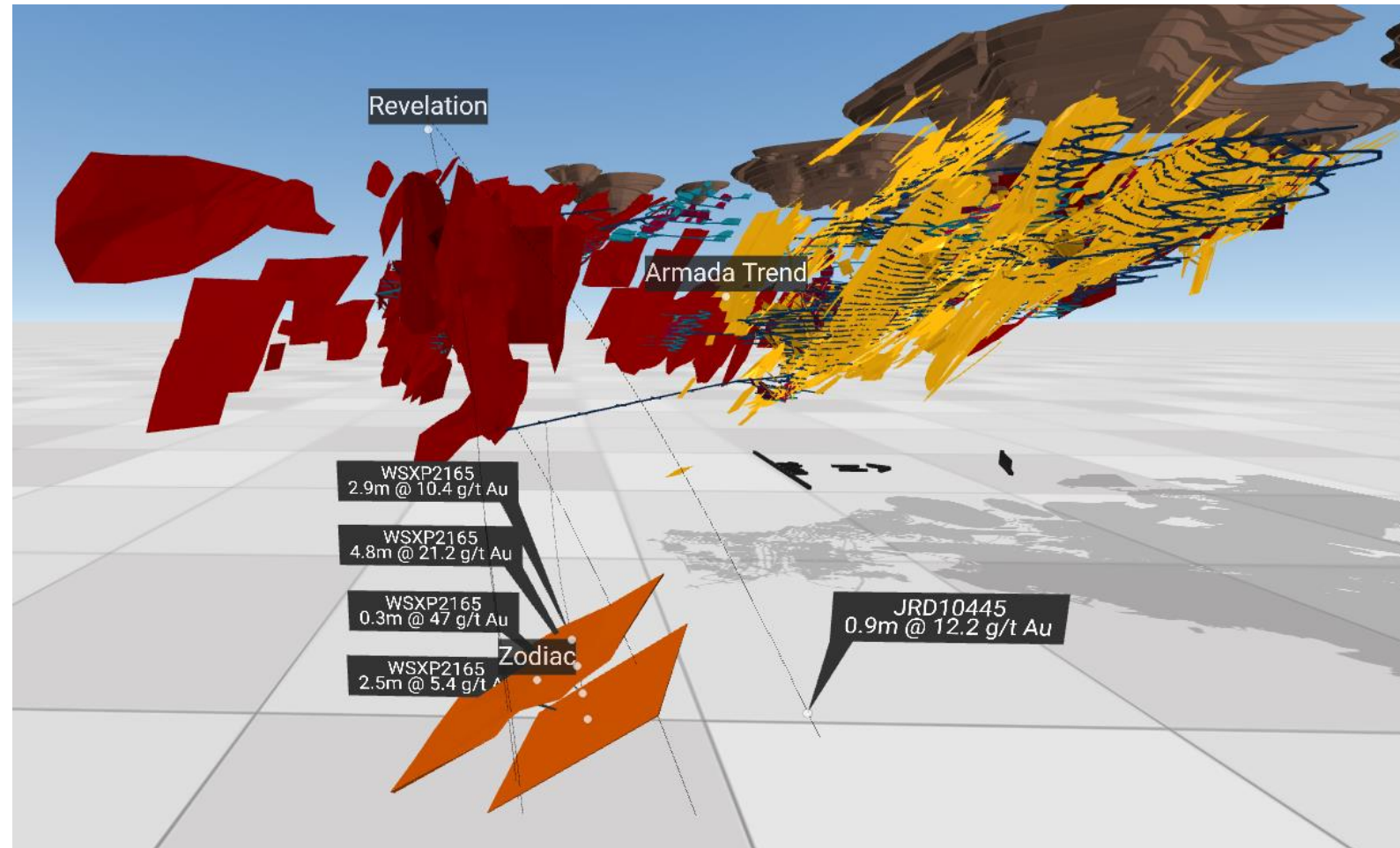
# Jundee: Restored to world class status

- ✦ 7Moz of continuous production, life of mine average of 320kozpa with a peak year of 410koz
- ✦ FY2017 Resource of 3.2Moz, up 155% and Reserves of 1.45Moz, up 100% despite depletion of 259koz
- ✦ FY2018 Guidance 245,000-265,000oz at an AISC of A\$950-A\$1,000/oz
- ✦ Growing production to a 300,000ozpa within the next two years



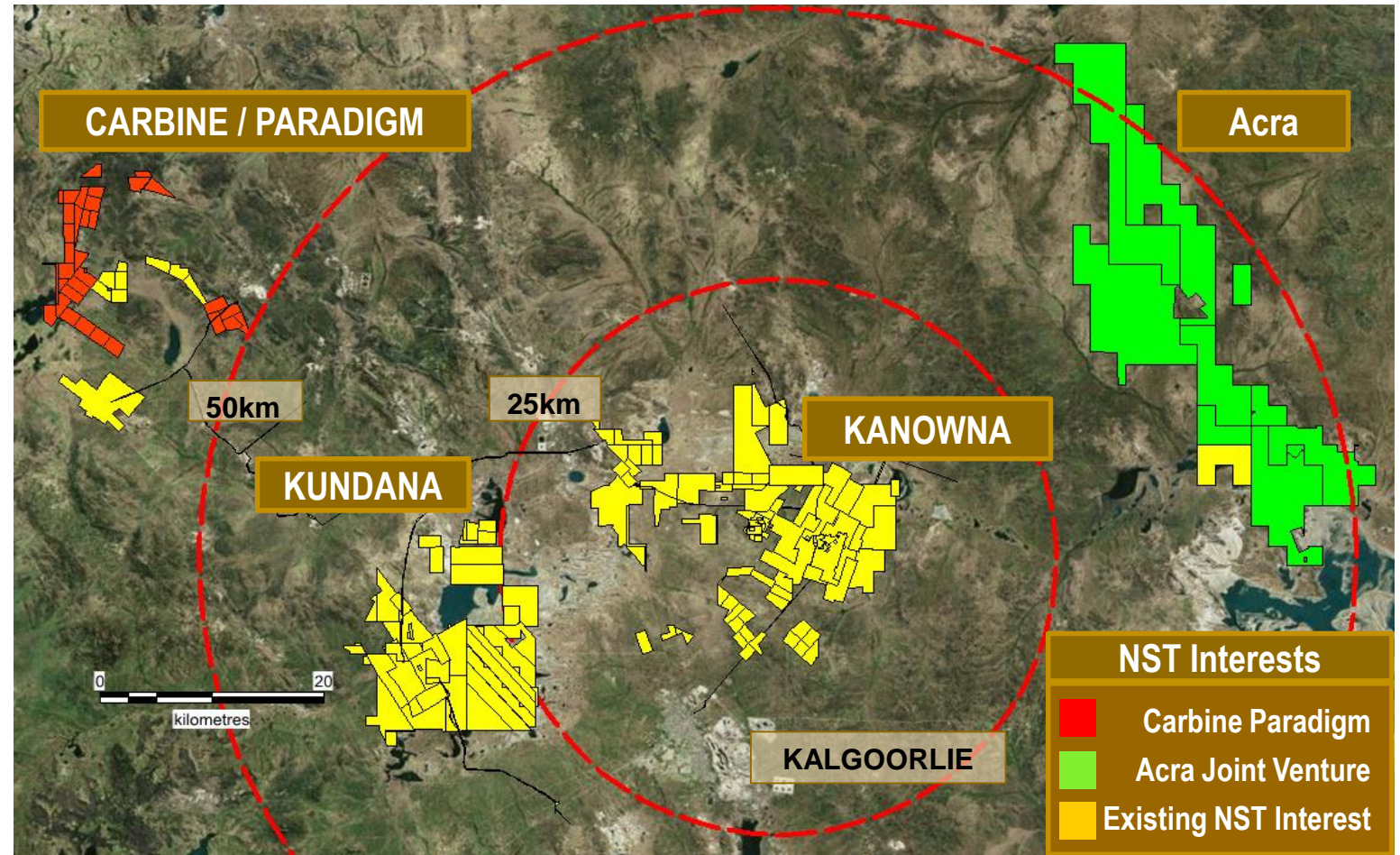


- ✦ The Zodiac high-grade discovery at Jundee was announced last week and is not included in the latest update
- ✦ Initial assays from Zodiac show multiple mineralised intercepts over a 200m single downhole interval
- ✦ Results in discovery hole include: 4.8m at 21.2gpt, 2.9m at 10.4gpt, 0.3m at 47gpt, 3.6m at 4gpt, 3.1m at 4.3gpt & 2.5m at 5.4gpt (all true width)
- ✦ Target was generated from a 3D Seismic survey performed over 10km<sup>2</sup> which will continue to enhance the geological understanding of Jundee



# Kalgoorlie Operations: Rapid, low-cost production growth

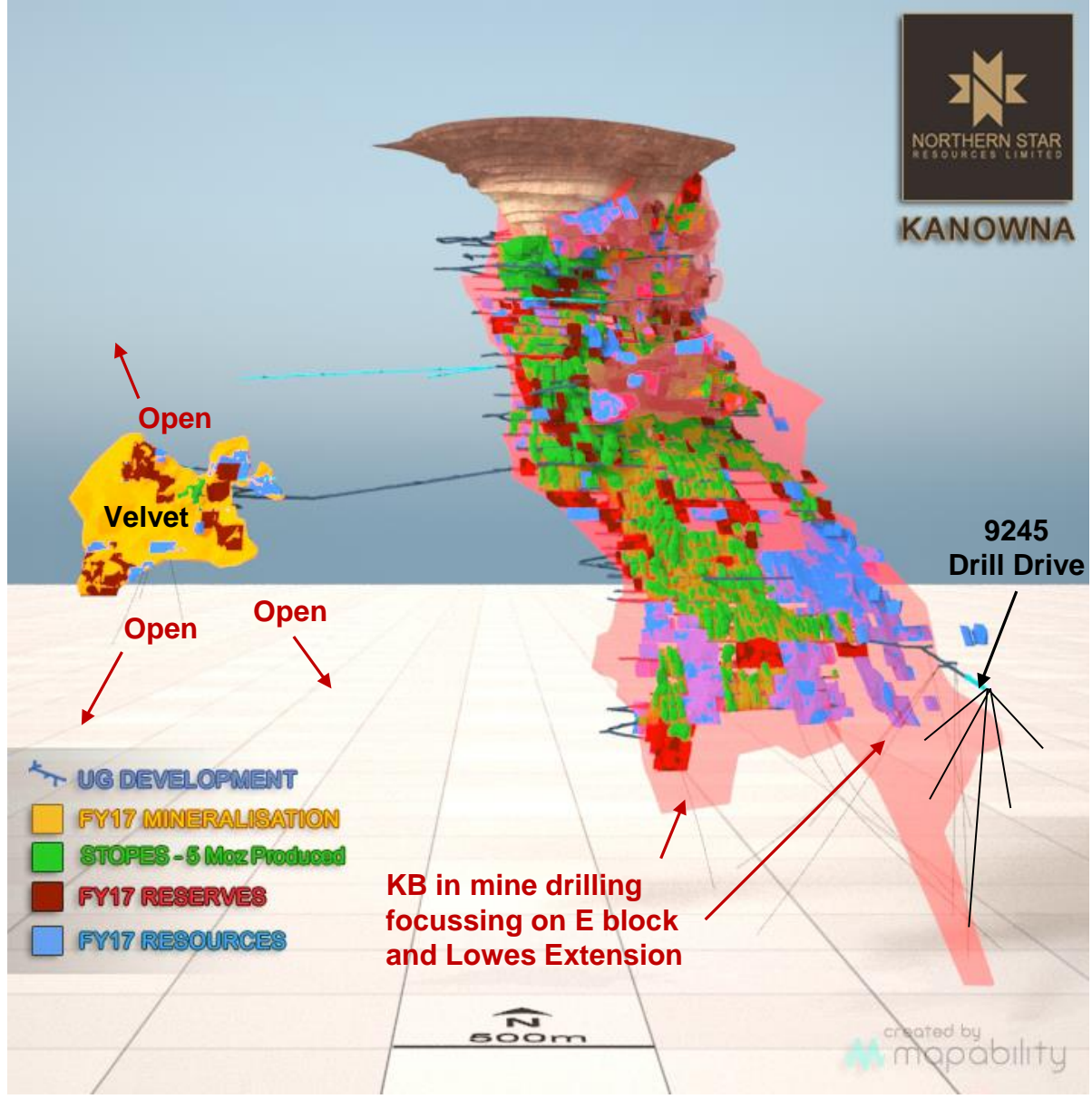
- ✦ Resources of 4.5Moz up 25% and Reserves of 2Moz up 117%, despite depletion of 229koz
- ✦ FY2018: Guidance 245,000-265,000oz at an AISC of A\$1,000-A\$1,050/oz
- ✦ Growing to a 300,000ozpa producer in the next two years
- ✦ Significant opportunities to expand production from known sources on 100% owned Kundana, Paradigm and Kanowna satellite pits



# Kalgoorlie Operations – Kanowna Belle (100% NST)



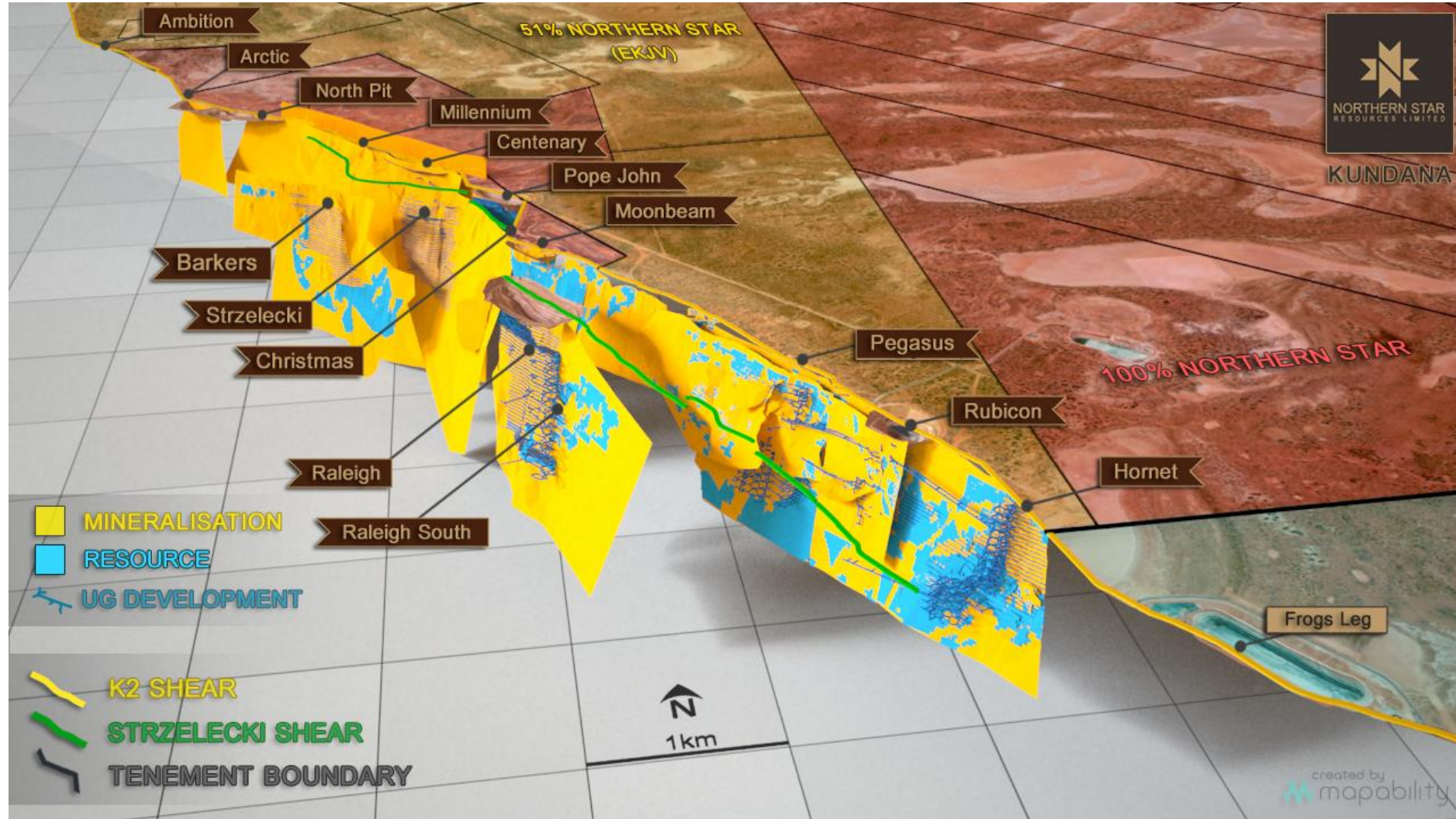
- ✦ Kanowna Belle is a +5Moz orebody, averaging 4,000oz per vertical metre, with limited exploration at depth and along strike of the major gold bearing structures
- ✦ Reserves have increased 120% to 0.5Moz and Resources are 1.4Moz which underpins a long mine life and now allows the opportunity to drill depth extensions
- ✦ Exploration at depth is underway from the recently excavated 9245mRL drill drive which subject to success has the potential to provide substantial life beyond current Reserves
- ✦ The Velvet deposit remains open up dip, along strike and down plunge back towards the main Kanowna orebody



# Kalgoorlie Operations - Kundana EKJV (51% NST)

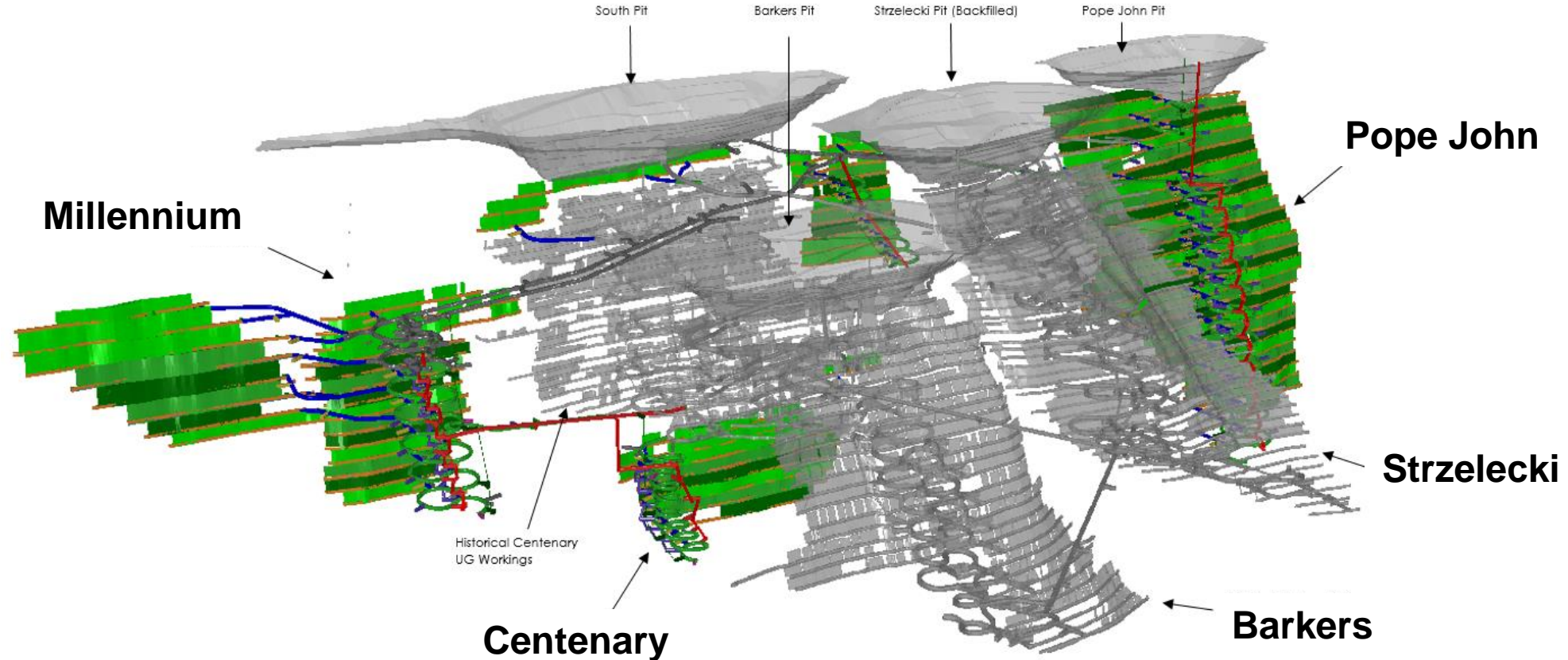


- ✦ NST attributable Reserves increased 36% to 0.6Moz, Resources increased 35% to 1.3Moz
- ✦ Primary production is from Rubicon, Hornet, Pegasus and Raleigh
- ✦ The new 2.1km drill drive from Hornet to Pegasus is now ~50% complete, providing the next long term drill platform to explore the depth potential of all lodes



# Kalgoorlie Operations: This is where the production growth is coming

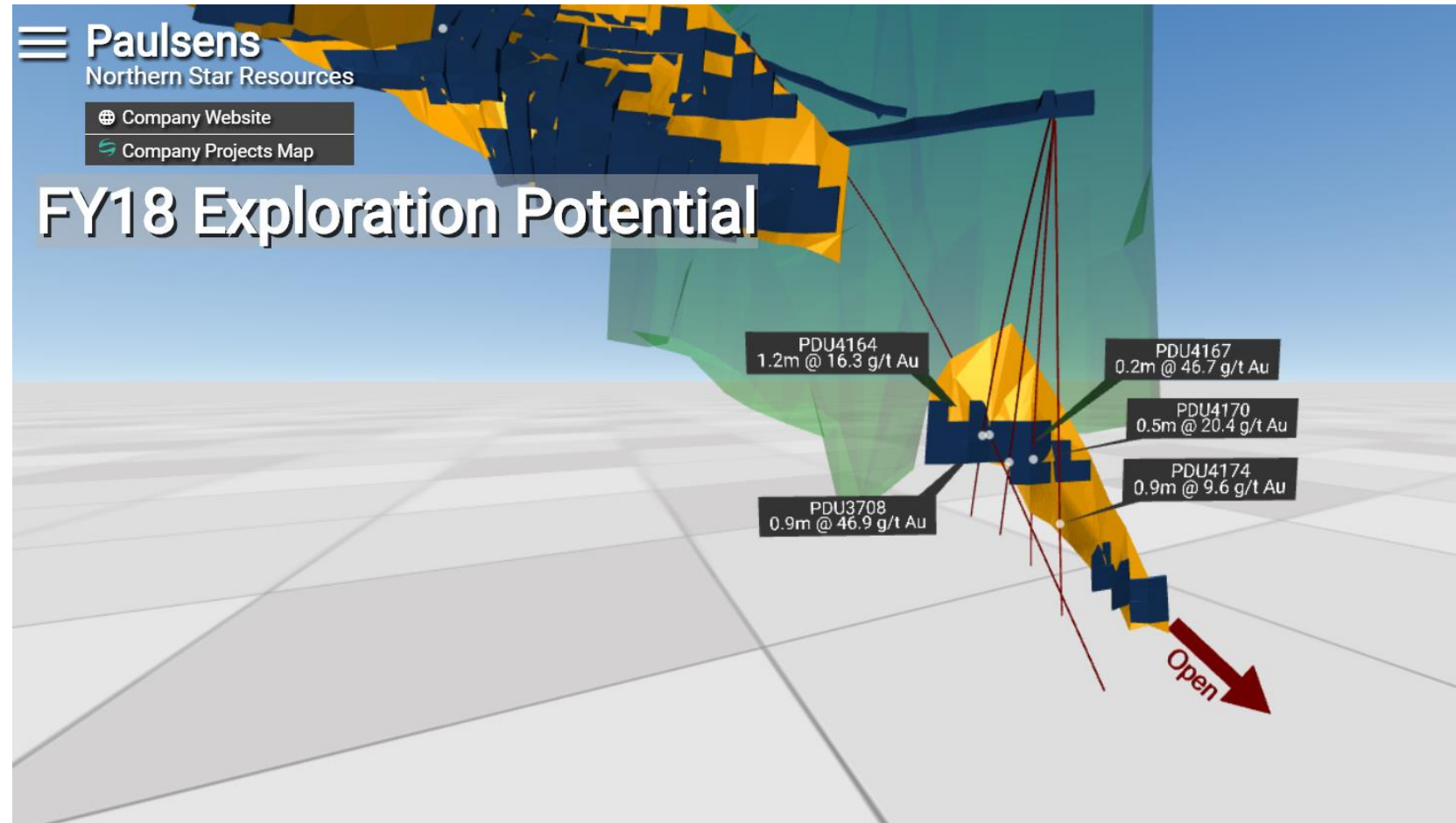
- ✦ Past production on the 100% NST ground has yielded 1.25Moz at 6gpt between 1990-2004
- ✦ Current development to 50kozpa Millennium is ahead of schedule; first production ore due in December quarter
- ✦ Further production growth to come from: Barkers, Strzelecki, Pope John, Moonbeam and Paradigm; each of these ore surfaces has historically produced 50-60kozpa



# Paulsens: Revitalisation underway



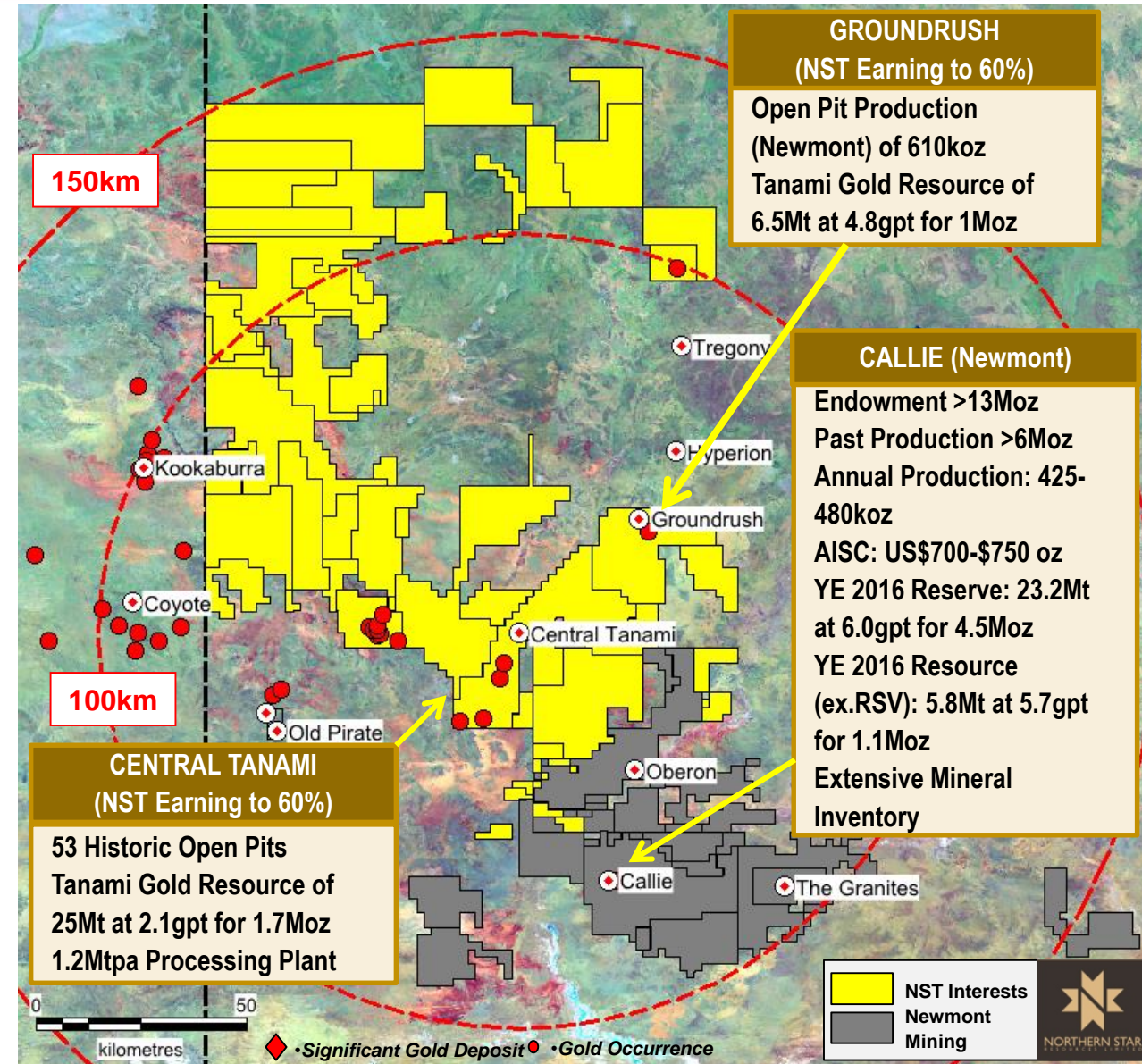
- ✦ FY2018: Guidance 35,000-45,000oz at AISC of A\$1,300-A\$1,400/oz
- ✦ 1Moz at +7gpt has been mined continuously over the past 12 years, at an average of 75kozpa
- ✦ NST has committed to invest approximately A\$10 million in exploration at Paulsens over the next two years to revitalise the operation
- ✦ Subject to success; Paulsens is due to come back into the production profile in FY2021



# Central Tanami Project “CTP”: Emerging Growth Region



- ✦ The Tanami region is an exciting new area that is rapidly developing a reputation for major gold discoveries
- ✦ CTP has produced 2.1Moz, an average of 120kozpa, from open pit mining to a depth of <125m
- ✦ Production ceased after mining the 610koz Groundrush pit over a 4 year period
- ✦ Past 5 years has seen A\$40M invested at Groundrush current Resource of 1.1Moz
- ✦ NST recently acquired a substantial strategic land position to complement existing operations
- ✦ CTP has the potential to be a 120-150kozpa producer (on a 100% basis)



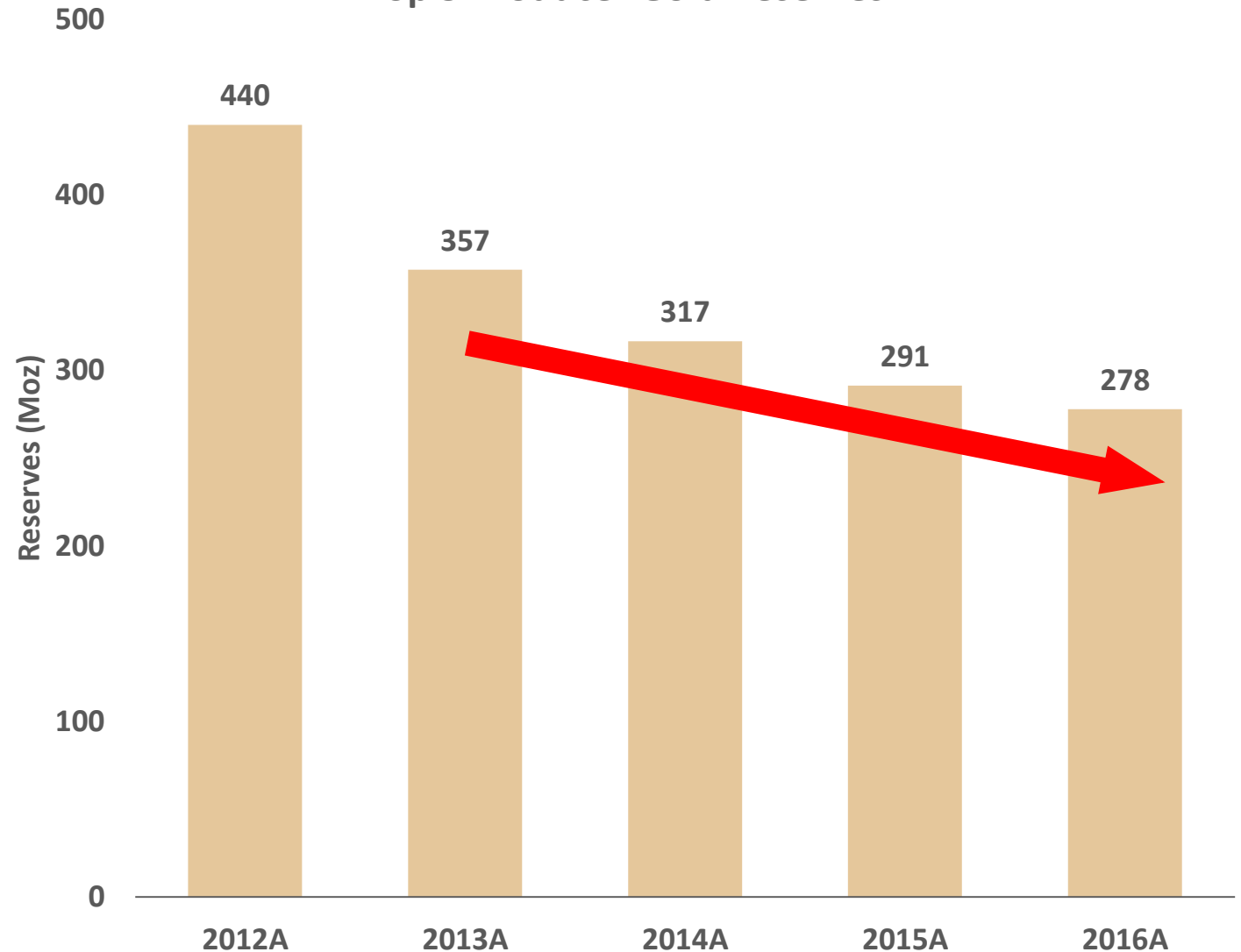
Source: \* Newmont May 2017 investor presentation - Mid-point of company guidance

# Northern Star continues to buck the global trend



- ✦ Since 2012 Reserve life of the top five global producers has declined by 37%
- ✦ NST Reserves have grown by 218% in just three years by investing into successive multi year exploration programs
- ✦ Substantial reduction in major discoveries world wide; greenfield discoveries now cost over A\$200 per ounce, Northern Star's costs were A\$21 per Resource ounce over the last three years
- ✦ With Northern Star's exploration investment of A\$35M in FY2018, Reserves and Resources are set to be replaced or continue to grow

### Top 5 Producer Gold Reserves

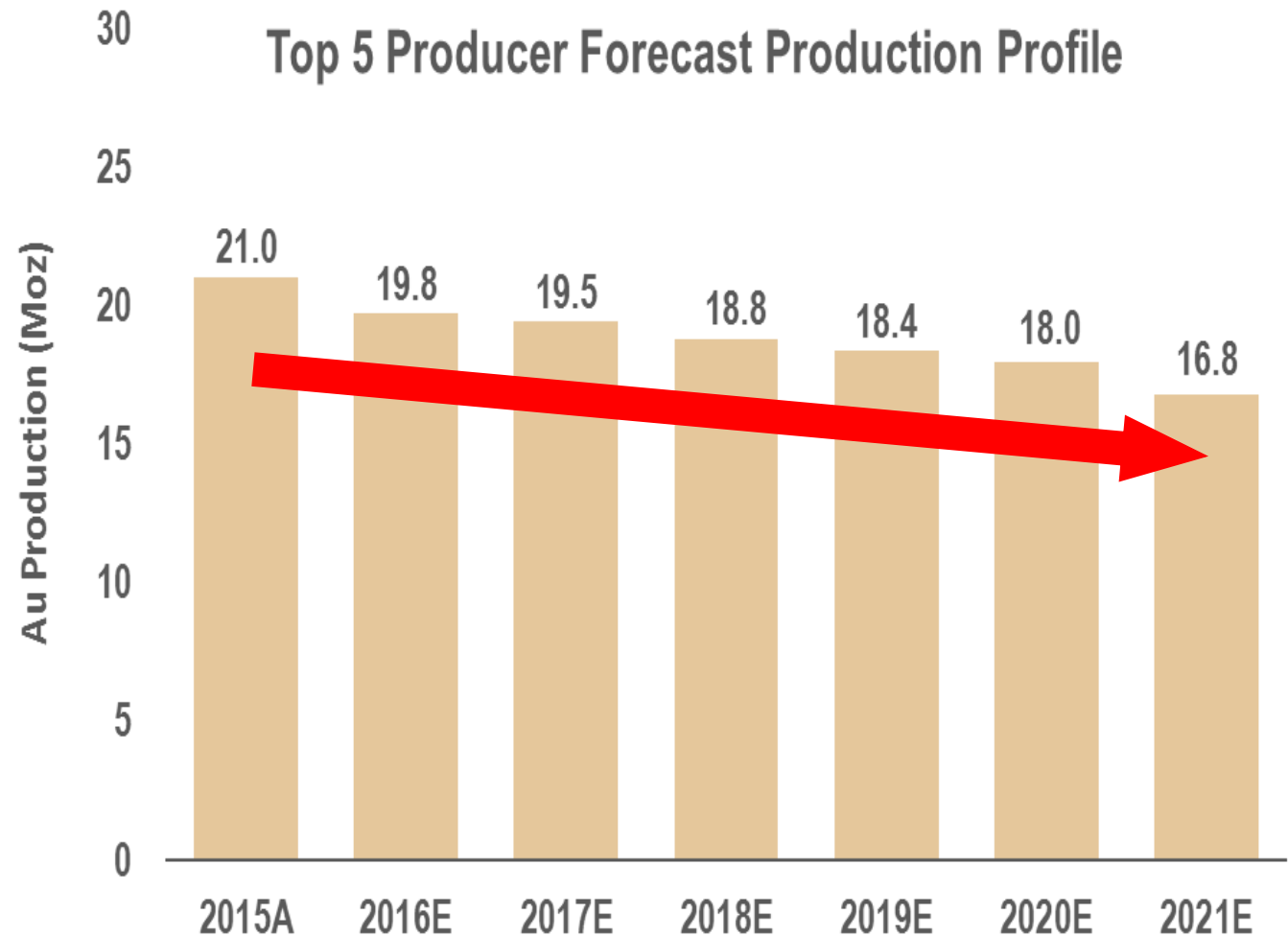


Source: \* RBC Estimates, Company announcements

# Northern Star grows from Tier-1 mines



- ✦ Production from the top five producers is forecast to decline by 20% from 2015 to 2021\*
- ✦ NST will grow production to an annualised rate of 600,000oz next year
- ✦ Jundee and Kalgoorlie operations are each capable of +300,000ozpa within two years
- ✦ Globally there are only 23 mines producing over 300,000ozpa in Tier 1 mining jurisdictions



Source: \* RBC Estimates, Company announcements

# Open cuts in decline: Invest in underground expertise

- ✦ Northern Star will invest A\$50M in expanding upon its specialist underground skills and innovation associated with all disciplines of underground mining
- ✦ Northern Star will also invest in acquiring and applying new technology and machinery to help ensure its exploration, development and production activity is more effective and efficient
- ✦ The investment will be made over a period of 10 years in line with the Company's expanded gold inventory and mine life visibility.
- ✦ This reflects our view that the global gold industry is going to transition to underground mines at an ever-increasing rate
- ✦ We will create a centre of excellence in underground skills and technology which generates huge benefits for Kalgoorlie and the wider state with training, jobs, fabrication and manufacturing
- ✦ This initiative is just as important as investing in exploration



# Northern Star: Now ticking every box



- ✦ World-class financial returns: 43% Return on Equity and 38% Return on Invested Capital in the Dec-2016 half, A\$177M in underlying free cash flow in FY2017 and a 6-year TSR avg of 188%
- ✦ World-class assets: 10-year mine life visibility; two Tier-1 mines capable of producing 300,000ozpa each within two years, joining an exclusive club
- ✦ Growing inventory: Reserves up 2.3Moz to 3.5Moz (A\$24/oz); Resources up 2.7Moz to 10.2Moz
- ✦ Growing production: FY2018 guidance of 525,000-575,000oz at an AISC of A\$1,000-1,050/oz; 600,000ozpa run-rate in 2018
- ✦ Outstanding balance sheet: No debt; A\$447M in cash and equivalents (30 June 2017)
- ✦ Underground mining specialists: Strong competitive advantage given the global trend of open pit operations transitioning to underground
- ✦ Significant exploration upside: A\$35M FY2018 exploration budget; Only a small portion of new discoveries included in the inventory update
- ✦ Strong management team: Track record of delivering key objectives which in turn have consistently achieved sector leading returns for Shareholders



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## Northern Star Resources

An Australian Mid Cap gold miner – for global investors



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