

# APPENDIX 4D: HALF YEAR REPORT FOR THE PERIOD ENDED 31 DECEMBER 2013



## RESULTS FOR ANNOUNCEMENT TO THE MARKET

Current Reporting Period: 6 Months ended 31 December 2013

Previous Corresponding Reporting Period: 6 Months ended 31 December 2012

CONSOLIDATED	Dec 2013 \$'000	Dec 2012 \$'000	CHANGE %	MOVEMENT
Revenues from ordinary activities	72,194	70,085	3	Up
Profit from ordinary activities after tax attributable to members	7,590	22,265	66%	Down
Net profit for the period attributable to members	7,590	22,265	66%	Down

### DIVIDEND INFORMATION

After balance date the following dividend was proposed by the Directors.

DIVIDEND RATE	RECORD DATE	EXPECTED PAYMENT DATE	FRANKING
1 cent per share	13 March 2014	4 April 2014	100% franked

The financial effect of this dividend has not been brought to account in the financial statement for the period ended 31 December 2013 and will be recognised in subsequent financial reports.

NET TANGIBLE ASSETS	Dec 2013 \$	Dec 2012 \$
Net tangible assets per security*	21 cents	20 cents

\*Exploration and evaluation phase assets and Deferred Tax assets have been treated as intangible assets

### FINANCIAL RESULTS

The following appendix 4D reporting requirements are found in the attached Half Year Report.

REQUIREMENT	TITLE	REFERENCE
Review of Results	Directors' Report	Page 9
A statement of comprehensive income	Income Statement and Statement of Comprehensive Income	Page 12
A statement of financial position	Statement of Financial Position	Page 13
A statement of cash flows	Statement of Cash Flows	Page 14
A statement of retained earnings	Statements of Changes In Equity	Page 15
Earnings per share	Earnings per Share	Page 12
Independent audit report	Independent Audit Report	Page 24

### CONTROL GAINED OR LOST OVER ENTITIES DURING THE PERIOD

There have been no gains or losses of control over entities in the year ended 31 December 2013.

### ASSOCIATE AND JOINT VENTURE ENTITIES

There are no associate or joint venture entities.

### FINANCIAL RESULTS

This Report is based on the attached Half Year Report which has been reviewed.



**NORTHERN STAR**  
RESOURCES LIMITED

**NORTHERN STAR RESOURCES LIMITED**

**ABN: 43 092 832 892**

**Half Year Report**

**For the period ended 31 December 2013**

**ASX Code: NST**

**Dated 27 February 2014**

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## **DIRECTORS**

Christopher Rowe (Non-Executive Chairman)  
Bill Beament (Managing Director)  
John Fitzgerald (Non-Executive Director)  
Peter O'Connor (Non-Executive Director)

## **COMPANY SECRETARY**

Liza Carpena

## **REGISTERED OFFICE/ PRINCIPAL PLACE OF BUSINESS**

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1 Puccini Court  
Stirling WA 6021  
Australia  
Telephone: +61 8 6188 2100  
Facsimile: +61 8 6188 2111  
Website: [www.nsr ltd.com](http://www.nsr ltd.com)  
Email: [info@nsr ltd.com](mailto:info@nsr ltd.com)

## **SHARE REGISTRY**

Advanced Share Registry Limited  
150 Stirling Highway  
Nedlands WA 6009  
Australia  
Telephone: +61 8 9389 8033  
Facsimile: +61 8 9389 7871  
Website: [www.advancedshare.com.au](http://www.advancedshare.com.au)

## **HOME STOCK EXCHANGE**

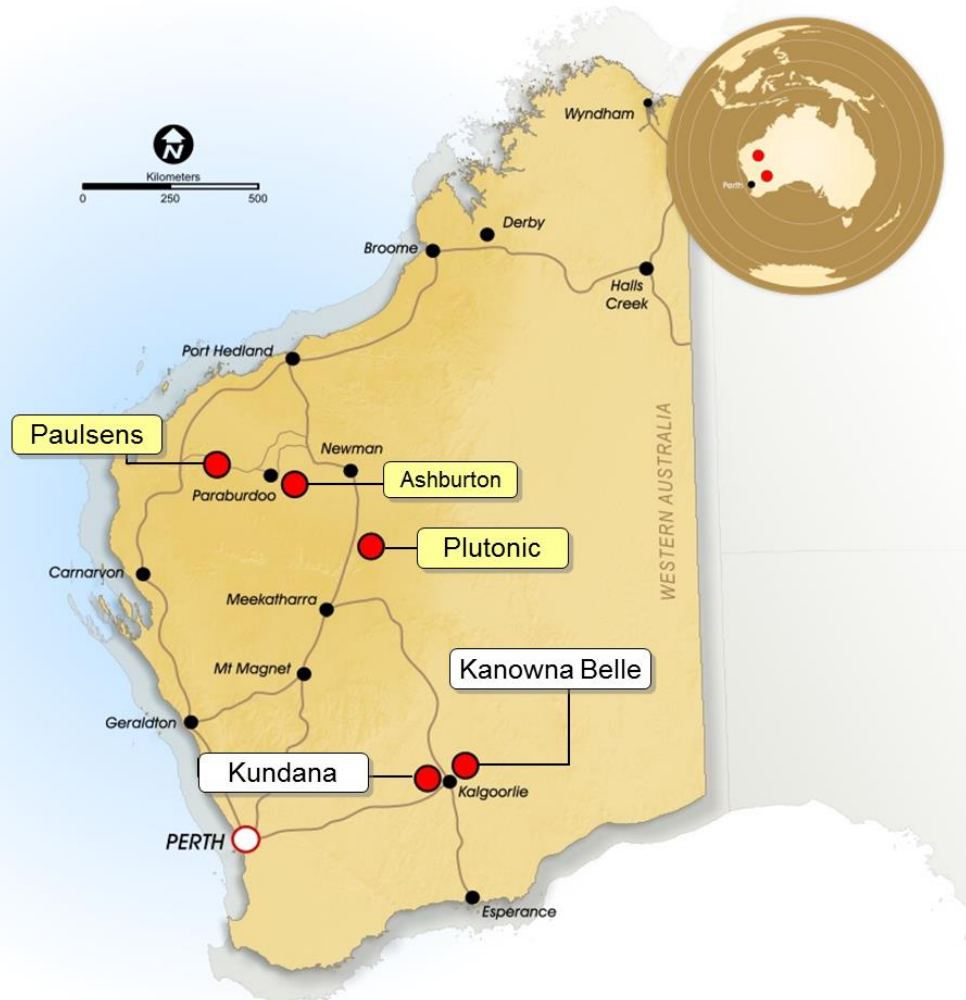
ASX Limited  
2 The Esplanade  
Perth WA 6000  
Australia  
ASX Code: NST

## **AUDITORS**

Rothsay Chartered Accountants  
Level 1  
Lincoln House  
4 Ventnor Avenue  
West Perth WA 6005  
Australia

## OVERVIEW

Northern Star Resources Limited (Northern Star) is an ASX 200 gold (Au) production and exploration company with a growing resource base located in highly prospective gold regions of Western Australia and now controls a total land package of ~9,500km<sup>2</sup>. During the reporting period, Northern Star remained focussed on its growth strategy to increase its production profile through continued success at the Paulsens Gold Mine and through regional exploration activities on its large tenement package. The Company maintains a strong business development focus and has advanced its activities through a structured and disciplined approach to assessing new opportunities, demonstrated by the subsequent successful acquisitions of the Plutonic Gold Mine (completed 1 February 2014) and Kanowna Belle and Kundana Operations (due to settle 1 March 2014).



## HEALTH AND SAFETY, ENVIRONMENT AND COMMUNITY

Northern Star values the health and safety of its employees and contractors, and continues to drive initiatives to further improve safety in the workplace. This on-going focus and commitment to a safe environment assists in maintaining a strong safety performance and is a fundamental measure of success for the business.

The Company is committed to managing its activities in an environmentally responsible manner. Through effective management practices, and the commitment of its employees and contractors, Northern Star will ensure its activities have a minimum impact on the environment.

Northern Star proactively engages with the Communities in which it operates, and believes that the support and endorsement of its activities by these Communities is fundamental to the long-term success of its business. Northern Star's employees and contractors embrace an inclusive culture, operate under a strong set of core values and continue to strengthen relationships with all its stakeholders.

## MINE PRODUCTION

All ore to date has been sourced from the Paulsens Gold Mine. A total of 55,094 ounces Au were mined for the half year. Cash costs for the period were \$791 per ounce Au which included State Government Royalties of \$34 per ounce. During the period 229,755 tonnes were milled at an average head grade of 7.5 gpt Au for 50,419 ounces Au recovered. Unprocessed ore stocks available for mill feed at the end of the period totalled 138,452 tonnes containing 9,881 ounces Au. Gold in circuit at the end of the period totalled 1,299 ounces. Bullion on hand amounted to 2,130 ounces, and was subsequently sold in January 2014 realising \$3.0 million. Both of these items are reflected in the accounts as gold in circuit at cost.

Paulsens	Units	Mar-13 Qtr	Jun-13 Qtr	Sep-13 Qtr	Dec-13 Qtr
Ore Hoisted	Tonnes	103,491	127,392	108,788	114,315
Mined Grade	gpt Au	7.3	6.9	7.9	7.1
Gold in Ore Hoisted	Oz	24,271	28,263	27,705	26,163
Low Grade Hoisted	Tonnes	10,864	11,238	13,425	15,561
Grade	gpt Au	1.0	1.1	1.3	1.3
Gold in Low Grade	Oz	360	407	571	655
<b>Total Ore Hoisted</b>	<b>Tonnes</b>	<b>114,355</b>	<b>138,628</b>	<b>122,213</b>	<b>129,876</b>
<b>Mined Grade</b>	<b>gpt Au</b>	<b>6.7</b>	<b>6.4</b>	<b>7.2</b>	<b>6.4</b>
<b>Gold in Ore Hoisted</b>	<b>Oz</b>	<b>24,631</b>	<b>28,681</b>	<b>28,276</b>	<b>26,818</b>
Milled Tonnes	Tonnes	115,715	116,820	111,387	118,368
Head Grade	gpt Au	7.2	7.2	7.7	7.2
Ounces Produced	Oz	26,715	27,260	27,718	27,416
Recovery	%	89.1	93.5	93.8	89.1
<b>Gold Recovered</b>	<b>Oz</b>	<b>23,816</b>	<b>25,421</b>	<b>26,009</b>	<b>24,410</b>
Ounces Poured	Oz	23,631	25,348	23,921	26,929
<b>Ounces Sold</b>	<b>Oz</b>	<b>24,492</b>	<b>25,036</b>	<b>24,171</b>	<b>26,756</b>
Average Gold Price	A\$/oz	1,569	1,423	1,465	1,371
<b>Revenue</b>	<b>A\$M</b>	<b>38.4</b>	<b>35.6</b>	<b>35.4</b>	<b>36.7</b>
<b>Cash Operating Cost</b>	<b>A\$/oz</b>	<b>624</b>	<b>808</b>	<b>722</b>	<b>853</b>
<b>All in Sustaining Cost</b>	<b>A\$/oz</b>	<b>893</b>	<b>1,114</b>	<b>1,082</b>	<b>1,156</b>
Ore High Grade Stockpile	Tonnes	39,094	49,664	47,065	43,012
Stockpile Grade	gpt Au	4.7	4.3	4.6	4.1
Contained Gold in Stockpile	Oz	5,857	6,942	6,961	5,708
Ore Low Grade Stockpile	Tonnes	58,152	68,390	80,131	95,440
Stockpile Grade	gpt Au	1.4	1.4	1.4	1.4
Gold in Low Grade Stockpile	Oz	2,674	3,034	3,529	4,173
Total Stockpiles Contained Gold	Oz	8,531	9,976	10,490	9,881
Gold in Circuit (GIC)	Oz	1,664	1,741	3,820	1,299
Gold in Transit (GIT)	Oz	1,961	2,214	1,957	2,130

## FINANCIAL RESULT

For the half year ended 31 December 2013, the Company produced 50,419 ounces Au at an average cash cost of \$791 per ounce Au which included State Government Royalty of \$34 per ounce. Revenue totalled \$72.2 million, at an average gold sale price of \$1,416 per ounce. Net profit after tax for the financial period was \$7.6 million.

	HALF YEAR END 31 DEC 2013 '000	HALF YEAR END 31 DEC 2012 '000	% CHANGE
Revenue	72,194	70,085	3%
EBITDA <sup>(1)</sup>	23,448	35,826	-35%
EBIT <sup>(2)</sup>	10,213	25,114	-59%
NPAT <sup>(3)</sup>	7,590	22,265	-66%

<sup>(1)</sup> EBITDA is calculated as follows: Profit before Income Tax plus depreciation and amortisation plus finance cost

<sup>(2)</sup> EBIT is calculated as follows: Profit before Income Tax plus finance costs

<sup>(3)</sup> NPAT is calculated as follows: Net Profit after taxation

## CORPORATE

Key events during the period included:

- the Company entered into a Sale and Purchase Agreement in December 2013 to acquire the Plutonic Gold Mine from Barrick Gold Corporation for A\$25 million;
- the Company entered into an exploration joint venture agreement with Resource and Investment NL (ASX RNI) in December 2013 in respect of Northern Star's Cheroona copper-gold project;
- Michael Fotios resigned as a Non-Executive Director in October 2013, and
- a fully franked dividend of 2.5 cents per share was paid in August 2013.

## BUSINESS DEVELOPMENT

The Company maintained its structured and disciplined approach to developing the strategic direction and growth of the business during the reporting period, and announced the acquisition of the Plutonic Gold Mine which settled on 1 February 2014 for A\$25 million. Subsequent to the period, the Company announced the acquisition of the Kanowna Belle and Kundana Gold Mines for A\$75 million which is due to settle on 1 March 2014. The acquisitions include fully operational mines and significant infrastructure with Resources and Reserves as detailed below. These acquisitions provide the Company with four separate gold producing business units and a future production profile in excess of 350,000 ounces Au per annum.

An agreement was also reached with Resources and Investment NL (ASX:RNI) that provides for RNI to earn a stake of up to 51% in the tenements which comprise of Cheroona and Beatty Park, by spending \$500,000 on exploration over three years. RNI can further increase its stake to 70% by spending a further \$800,000.

## EXPLORATION

### Paulsens Group

Geological and structural studies incorporating data from underground and surface drilling, mapping and a 2D seismic survey were completed. This work defined targets south of the mine in the Gabbro Offset position, in addition to north of the mine up plunge of the recently discovered Titan lode, as well as the Paulsens East prospect. RC and diamond drilling of targets has been largely completed, with assay results pending from the diamond drilling. Drilling at the Far East prospect 20km ESE of Paulsens encountered wide zones of ferruginous quartz, but no significant gold was reported in assay results.

### Ashburton Group

Planned resource drilling programs were postponed, however target generation for additional oxide mineralisation has continued with success. Soil sampling programs were also completed over several areas, with a number of geochemical anomalies defined on multiple new targets. These include the Titus prospect where recent soil sampling returned a significant soil anomaly with gold values over 250ppbAu extending for at least 250m, within a 1.5km long alteration zone. Planned RC drilling is awaiting heritage clearances.

## *Electric Dingo*

Northern Star announced the discovery of a significant coal occurrence at the Kazput prospect, with further details provided in an ASX release on 30 October 2013. Thick thermal coal intersections of up to 65m were encountered, with initial analysis showing that the coal would be suitable for fuelling a major base-load power station. Work has focussed on RC and diamond drilling in order to potentially establish a maiden JORC resource estimate, which is targeted for completion in the March quarter of 2014.

Gold exploration also continued with the completion of significant soil sampling and RAB/Aircore drilling programs.

## *Fortescue JV*

In March 2013, Northern Star announced a deal to acquire the non-iron ore mineral rights over a large tenement package in the Ashburton Basin from Fortescue Metals Group. Early stage exploration including data acquisition, soil sampling and RAB drilling has been completed in order to generate targets for follow up with RC drilling.

## RESOURCES & RESERVES

The following tables detail the Mineral Resources and Reserves established as at the effective periods reported.

Subsequent to the reporting period, the Company completed the acquisition of the Plutonic Gold Mine effective 1 February 2014 and will complete the acquisition of the Kanowna Belle and Kundana Gold Mines on 1 March 2014. With these acquisitions brings the Total Mineral Resources and Reserves base to a total of 5.6 Moz Au in Mineral Resources (an increase of 254%) and 1.1 Moz Au in Proven and Probable Reserves (an increase of 428%).

Paulsens Gold Project: The Mineral Resources remain unchanged at 532Koz Au to 30 June 2013 with the Proven and Probable Reserves remaining unchanged at 204Koz Au to 31 December 2012 (refer Table 1 and 2).

Ashburton Project: The Mineral Resources remain unchanged at 1.7 Moz Au to 30 June 2013 and the Proven and Probable Reserves remaining unchanged at 53Koz to 31 December 2012 (refer Table 1 and 2).

Plutonic Gold Project: The Mineral Resources and Reserves were reported as Foreign Estimates as at 31 December 2012 in accordance with ASX Listing Rule 5.12. The Mineral Resources stand at 1.7 Moz Au and the Proven and Probable Reserves stand at 206 Koz Au (refer Table 3).

Kanowna Belle Gold Project: The Mineral Resources and Reserves were reported as Foreign Estimates as at 31 December 2012 in accordance with ASX Listing Rule 5.12. The Mineral Resources stand at 1.1Moz Au and the Proven and Probable Reserves stand at 383 Koz Au (refer Table 4).

East Kundana Joint Venture Gold Project: The Mineral Resources and Reserves were reported as Foreign Estimates as at 31 December 2012 in accordance with ASX Listing Rule 5.12. The Mineral Resources stand at 0.7Moz Au and the Proven and Probable Reserves stand at 237 Koz Au (refer Table 5).

### **Cautionary Statement for Plutonic and Kanowna/East Kundana Joint Venture Gold Projects**

- The information is a Foreign Estimate and not reported in accordance to the JORC Code.
- a competent person has not done sufficient work to classify the Foreign Estimates as mineral resources or ore reserves in accordance with the JORC Code; but Northern Star notes the close similarity of the Canadian and JORC classification systems; and
- it is uncertain that following evaluation and/or further exploration work that the foreign estimates will be able to be reported as mineral resources or ore reserves in accordance with the JORC Code. This will require new estimates and future reporting to JORC (2012) after the completion of the asset sales.



GOLD MINERAL RESOURCES <sup>1</sup>													
As at 30 June 2013													
Based on attributable ounces	MEASURED (M)			INDICATED (I)			INFERRED (Inf)			TOTAL (MI&Inf)			Cut Off Grade
	Tonnes (000's)	Grade (gpt)	Ounces (000's)	Tonnes (000's)	Grade (gpt)	Ounces (000's)	Tonnes (000's)	Grade (gpt)	Ounces (000's)	Tonnes (000's)	Grade (gpt)	Ounces (000's)	
<b>PAULSENS GOLD PROJECT</b>													
<b>Surface</b>													
Paulsens	-	-	-	573	2.5	47	169	3	14	742	2.5	61	1.0 gpt Au
Belvedere	-	-	-	168	3.6	19	99	5	16	267	4.2	35	1.0 gpt Au
Merlin	-	-	-	-	-	-	523	1	24	523	1.4	24	1.0 gpt Au
Mt Clement (20%)	-	-	-	-	-	-	226	2	13	226	1.8	13	0.5 gpt Au
<b>Underground</b>													
Upper Paulsens	63	9.7	20	98	13.1	41	119	8	31	280	10.2	92	2.5 gpt Au
Voyager UG	517	12.1	201	173	11.9	66	61	13	26	751	12.2	293	2.5 gpt Au
Stockpiles	118	2.6	10	-	-	-	-	-	-	118	2.6	10	1.0 gpt Au
Gold in Circuit/Transit	-	-	4	-	-	-	-	-	-	-	-	4	
<b>Subtotal Paulsens</b>	<b>698</b>	<b>10.5</b>	<b>235</b>	<b>1,012</b>	<b>5.3</b>	<b>173</b>	<b>1,197</b>	<b>3.2</b>	<b>124</b>	<b>2,907</b>	<b>5.6</b>	<b>532</b>	
<b>ASHBURTON GOLD PROJECT</b>													
<b>Surface</b>													
Mt Olympus	-	-	-	6,038	2.3	448	9,138	2.2	632	15,176	2.2	1,080	0.7 gpt Au
Peake	-	-	-	113	5.2	19	3,544	3.3	380	3,657	3.3	399	0.9 gpt Au
Waugh	-	-	-	347	3.6	40	240	3.6	28	587	3.6	68	0.9 gpt Au
Zeus	-	-	-	508	2.1	34	532	2.2	38	1,040	2.2	72	0.9 gpt Au
Electric Dingo	-	-	-	98	1.6	5	444	1.2	17	542	1.3	22	0.9 gpt Au
Romulus	-	-	-	-	-	-	329	2.6	27	329	2.6	27	0.9 gpt Au
<b>Subtotal Ashburton</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,104</b>	<b>2.4</b>	<b>546</b>	<b>14,227</b>	<b>2.5</b>	<b>1,122</b>	<b>21,331</b>	<b>2.4</b>	<b>1,668</b>	
<b>TOTAL RESOURCES</b>	<b>698</b>	<b>10.5</b>	<b>235</b>	<b>8,116</b>	<b>2.8</b>	<b>719</b>	<b>15,424</b>	<b>2.5</b>	<b>1,246</b>	<b>24,238</b>	<b>2.8</b>	<b>2,200</b>	

<sup>1</sup> Resources are inclusive of Reserves

<sup>2</sup> Rounding errors may occur

Table 1 - Paulsens and Ashburton Mineral Resources inclusive of Reserves effective 30 June 2013

GOLD MINERAL RESERVES <sup>1</sup>										
As at 31 December 2012										
Based on attributable ounces	PROVED			PROBABLE			PROVED and PROBABLE			
	Tonnes (000's)	Grade (gpt)	Ounces (000's)	Tonnes (000's)	Grade (gpt)	Ounces (000's)	Tonnes (000's)	Grade (gpt)	Ounces (000's)	
<b>PAULSENS GOLD PROJECT</b>										
<b>Surface</b>										
Paulsens	-	-	-	424	2.3	31	424	2.3	31	
Belvedere	-	-	-	129	3.2	13	129	3.2	13	
<b>Underground</b>										
Upper Paulsens	-	-	-	36	6.9	8	36	6.9	8	
Voyager UG	328	8.0	84	149	11.1	53	477	8.9	137	
Stockpiles	102	3.3	11	-	-	-	102	3.3	11	
Gold in Circuit/Transit	-	-	4	-	-	-	-	-	4	
<b>Subtotal Paulsens</b>	<b>430</b>	<b>6.9</b>	<b>99</b>	<b>738</b>	<b>4.4</b>	<b>105</b>	<b>1,168</b>	<b>5.3</b>	<b>204</b>	
<b>ASHBURTON GOLD PROJECT</b>										
<b>Surface</b>										
Mt Olympus	248	3.6	29	113	3.6	13	361	3.6	42	
Peake	-	-	-	47	5.0	8	47	5.0	8	
Zeus	-	-	-	38	2.4	3	38	2.4	3	
<b>Subtotal Ashburton</b>	<b>248</b>	<b>3.6</b>	<b>29</b>	<b>198</b>	<b>3.8</b>	<b>24</b>	<b>446</b>	<b>3.7</b>	<b>53</b>	
<b>TOTAL RESERVES</b>	<b>678</b>	<b>5.9</b>	<b>128</b>	<b>936</b>	<b>4.3</b>	<b>129</b>	<b>1,614</b>	<b>5.0</b>	<b>257</b>	

<sup>1</sup> Rounding errors may occur

Table 2 - Paulsens and Ashburton Mineral Reserves effective 31 December 2012





GOLD MINERAL RESOURCES <sup>2</sup>													
As at December 31, 2012													
Based on attributable ounces	MEASURED (M)			INDICATED (I)			(M) + (I)	INFERRED (Inf)			TOTAL (MI & Inf)		
	Tonnes (000's)	Grade (gpt)	Ounces (000's)	Tonnes (000's)	Grade (gpt)	Ounces (000's)	Ounces (000's)	Tonnes (000's)	Grade (gpt)	Ounces (000's)	Tonnes (000's)	Grade (gpt)	Ounces (000's)
<b>PLUTONIC GOLD PROJECT</b>													
<b>Underground</b>													
Plutonic	289	4.8	45	2,087	11.0	736	780	2,672	11.2	966	5,048	10.8	1,746
<b>TOTAL</b>	<b>289</b>	<b>4.8</b>	<b>45</b>	<b>2,087</b>	<b>11.0</b>	<b>736</b>	<b>780</b>	<b>2,672</b>	<b>11.2</b>	<b>966</b>	<b>5,048</b>	<b>10.8</b>	<b>1,746</b>

Resources are exclusive of Reserves  
Gold Price \$USD 1650, FX 1.05 AUD

GOLD MINERAL RESERVES <sup>3</sup>									
As at December 31, 2012									
Based on attributable ounces	PROVED			PROBABLE			TOTAL		
	Tonnes (000's)	Grade (gpt)	Ounces (000's)	Tonnes (000's)	Grade (gpt)	Ounces (000's)	Tonnes (000's)	Grade (gpt)	Ounces (000's)
<b>PLUTONIC GOLD PROJECT</b>									
<b>Underground</b>									
Plutonic	345	7.0	77	633	6.3	129	978	6.6	206
<b>TOTAL</b>	<b>345</b>	<b>7.0</b>	<b>77</b>	<b>633</b>	<b>6.3</b>	<b>129</b>	<b>978</b>	<b>6.6</b>	<b>206</b>

Gold Price \$USD 1250, FX 1.05 AUD

Table 3 – Plutonic Resources (exclusive of reserves) and Reserves as at 31 December 2012

Reserves and Resources figures have been excerpted from those published in Barrick Gold Corporation's Annual Information Form for the year ended 31 December 2012 and dated March 28, 2013 ("AIF"). These figures were calculated in accordance with National Instrument 43-101 of the Canadian securities regulators ("NI 43-101") as describe on page 25 of the AIF under the supervision of the Qualified Persons named on page 11 of the AIF and the Qualified Persons approved the figures in advance of their publication. Each of the Qualified Persons are employees of Barrick, their relationship to Barrick being further described on page 11 of the AIF, and Barrick has determined that such persons are Qualified Persons pursuant to NI 43-101 as described on page 11 of the AIF. Barrick report short tons and oz/ton Au, this release refers to metric tonnes and may contain rounding errors for Kt (000's tonnes) and gpt Au.

GOLD MINERAL RESOURCES <sup>2</sup>													
As at December 31, 2012													
Based on attributable ounces	MEASURED (M)			INDICATED (I)			(M) + (I)	INFERRED (Inf)			TOTAL (MI & Inf)		
	Tonnes (000's)	Grade (gpt)	Ounces (000's)	Tonnes (000's)	Grade (gpt)	Ounces (000's)	Ounces (000's)	Tonnes (000's)	Grade (gpt)	Ounces (000's)	Tonnes (000's)	Grade (gpt)	Ounces (000's)
<b>Kanowna Belle</b>													
<b>Surface</b>													
				1,098	2.4	86	86	1,600	2.2	114	2,698	2.3	200
<b>Underground</b>	1,291	4.7	194	1,312	5.4	227	421	558	5.9	107	3,161	5.2	528
<b>East Kundana Joint Venture</b>													
<b>Underground Sources</b>													
	33	8.2	9	219	7.3	51	60	396	9.2	117	648	8.5	177
<b>TOTAL</b>	<b>1,324</b>	<b>4.8</b>	<b>203</b>	<b>2,629</b>	<b>4.3</b>	<b>364</b>	<b>567</b>	<b>2,554</b>	<b>4.1</b>	<b>338</b>	<b>6,507</b>	<b>4.3</b>	<b>905</b>

<sup>1</sup> Resources are exclusive of Reserves  
<sup>2</sup> Gold Price \$USD 1650, FX 1.05 AUD

GOLD MINERAL RESERVES									
As at December 31, 2012									
Based on attributable ounces	PROVED			PROBABLE			TOTAL		
	Tonnes (000's)	Grade (gpt)	Ounces (000's)	Tonnes (000's)	Grade (gpt)	Ounces (000's)	Tonnes (000's)	Grade (gpt)	Ounces (000's)
<b>Kanowna Belle Project</b>									
<b>Surface</b>									
	58	11.0	20	515	1.7	29	573	2.7	49
<b>Underground</b>	1,422	4.2	191	973	4.6	143	2,395	4.3	334
<b>East Kundana Joint Venture</b>									
<b>Surface</b>									
	5	12.1	2	84	3.9	10	89	4.3	12
<b>Underground</b>	291	14.0	131	298	9.8	94	589	11.9	225
<b>TOTAL</b>	<b>1,776</b>	<b>6.0</b>	<b>345</b>	<b>1,870</b>	<b>4.6</b>	<b>276</b>	<b>3,646</b>	<b>5.3</b>	<b>620</b>

Gold Price \$USD 1250, FX 1.05 AUD

Table 4 – Kanowna Belle and EKJV Resources (exclusive of reserves) and Reserves as at 31 December 2012

Reserves and Resources figures have been excerpted from those published in Barrick Gold Corporation's Annual Information Form for the year ended 31 December 2012 and dated March 28, 2013 ("AIF"). These figures were calculated in accordance with National Instrument 43-101 of the Canadian securities regulators ("NI 43-101") as describe on page 25 of the AIF under the supervision of the Qualified Persons named on page 11 of the AIF and the Qualified Persons approved the figures in advance of their publication. Each of the Qualified Persons are employees of Barrick, their relationship to Barrick being further described on page 11 of the AIF, and Barrick has determined that such persons are Qualified Persons pursuant to NI 43-101 as described on page 11 of the AIF. Barrick report short tons and oz/ton Au, this release refers to metric tonnes and may contain rounding errors for Kt (000's tonnes) and gpt Au.



GOLD MINERAL RESOURCES <sup>1</sup>													
As at December 31, 2013													
Based on attributable ounces	MEASURED (M)			INDICATED (I)			(M) + (I)	INFERRED (Inf)			TOTAL (Ml & Inf)		
	Tonnes (000's)	Grade (gpt)	Ounces (000's)	Tonnes (000's)	Grade (gpt)	Ounces (000's)		Tonnes (000's)	Grade (gpt)	Ounces (000's)	Tonnes (000's)	Grade (gpt)	Ounces (000's)
<b>Pegasus(EKJV-51%)</b>													
Pegasus				351	9.0	101	101	225	11.0	80	576	9.8	181
<b>TOTAL</b>	-	-	-	351	9.0	101	101	225	11.0	80	576	9.8	181

Table 5 – EKJV-Pegasus Resources as at 31 December 2013

## Competent Persons Statements

The information in this announcement that relates to Paulsens and Ashburton mineral resource estimations, exploration results, data quality, geological interpretations, potential for eventual economic extraction and estimates of exploration potential, is based on and fairly represents information compiled by or under the supervision of Brook Ekers, who is an AIG member who is a full-time employee of Northern Star Resources Ltd. 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". Mr Ekers consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Information in this announcement that relates to the Paulsens Project Ore Reserves has been compiled by or under the supervision of Darren Stralow, General Manager – Paulsens Gold Mine, who is a full-time employee of Northern Star Resources Ltd. Mr Stralow 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 Stralow is a Member of the Australasian Institute of Mining and Metallurgy and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Information in this announcement that relates to the Ashburton Ore Reserves has been compiled by Shane McLeay, Principal Engineer – Entech Pty Ltd, who has sufficient experience 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". Shane McLeay is a Member of the Australasian Institute of Mining and Metallurgy and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this announcement and the previous announcements released on 23 December 2013 and 23 January 2014 that relates to Plutonic Gold Mine and Kanowna Gold Mine Mineral Resources and Ore Reserves respectively is based on and fairly represents information supplied to Northern Star as a foreign estimate and reported in accordance with ASX Listing Rule 5.12 by Bernd Sostak, who is a member of the Australasian Institute of Mining and Metallurgy (111186) and who has sufficient experience that is relevant to the styles of mineralisation, the types of deposits under consideration and the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Mineral Resources and Ore Reserves. Mr Sostak is a full-time employee of Northern Star Resources Limited and consents to the inclusion in the announcements of the matters based on this information in the form and context in which it appears which accurately reflects the foreign estimate as supplied to Northern Star. (Refer announcements 23 December 2013 and 13 and 23 January 2014)

The information in this announcement that relates to Pegasus Mineral Resource estimations, exploration results, data quality, geological interpretations and potential for eventual economic extraction, is based on information compiled by Alan Pedersen (Member AusIMM, Barrick Gold Corporation) and reviewed by Bernd Sostak, (Member AusIMM), who is a full-time employee of Northern Star Resources Limited. Mr Sostak 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 Pegasus Deposit. Mr Sostak consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears (for JORC 2012 Table 1, refer ASX release 23 January 2014).

## 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.

The Directors of Northern Star Resources Limited (Northern Star) present their report together with the consolidated financial report for the half year ended 31 December 2013.

## DIRECTORS

The Directors in office at the date of this report, and at any time during the financial period, are as follows. Directors were in office for the financial period unless otherwise stated.

Christopher K G Rowe	Chairman
William J (Bill) Beament	Managing Director
Michael G Fotios	Director (Resigned on 24 October 2013)
Peter O'Connor	Director
John D Fitzgerald	Director

## PRINCIPAL ACTIVITIES

The principal activities of the Group are:

- mining of gold deposits at Paulsens,
- construction and development of extensions to existing gold mining operations at Paulsens Gold Mine, and
- exploration and development of gold deposits in the Ashburton region of Western Australia.

The entity's operations are discussed in the Review of Operations section at the front of this report.

## EARNINGS PER SHARES

Basic Earnings per Share was 1.8 cents (Dec 2012: 5.3 cents).

## REVIEW OF OPERATIONS

The entity's operations are discussed in detail in the operations report contained in this half year report.

## DIVIDENDS

Dividends paid to Members during the half year were as follows:

Dividend Rate	Record Date	Payment Date	Franking
2.5 cent per share	16 August 2013	27 September 2013	100% franked

After the balance date, the following dividend was proposed by the Directors:

Dividend Rate	Record Date	Expected Payment Date	Franking
1 cent per share	13 March 2014	4 April 2014	100% franked

The financial effect of this dividend has not been brought to account in the financial statement for the period ended 31 December 2013 and will be recognised in subsequent financial reports.

## FINANCIAL POSITION

The profit of the Group for the financial year, after providing for income tax, amounted to \$7.6 million (December 2012: \$22.3 million). At the end of the financial year, the Group had \$49.3 million in cash (December 2012: \$51 million) and \$3.0 million in gold bullion (December 2012: \$4.3 million). Following a major spend to upgrade Paulsens to a 100,000 ounce capacity in 2012/13, the capital requirement at Paulsens is now largely sustaining capital. Although gold sales increased to 50,419 ounces (December 2012: 43,267 ounces), the fall in average gold price to \$1,416/oz (December 2012: \$1,619/oz) resulted in revenue being relatively flat with the corresponding period.

Mining costs were up by \$14.4 million on the corresponding period largely due to the increase in mill throughput, the introduction of paste fill into the mining sequence to extract 100% of the ore body and an unfavourable movement in the gold price which resulted in stockpiles being revalued lower.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Consolidated Entity that occurred during the half year not otherwise disclosed in this Directors' Report or the financial statements.

## SUBSEQUENT EVENTS

Subsequent to the period end, the Company announced:

- an interim dividend of 1 cent per share to Shareholders on the record date of 13 March 2014, payable on 4 April 2014.
- in December 2013 that it had reached an agreement to acquire the Plutonic Gold Mine in Western Australia from Barrick for \$25 million. The transaction settled on the 1 February 2014.
- in January 2014, the Company announced that it had reached an agreement to acquire a 51% stake in East Kundana Joint Venture and 100% of the Kanowna Belle Gold Mine in Western Australia from Barrick for \$75 million. The transaction is expected to settle on 1 March 2014.
- in January 2014, the Company entered into a Loan Facility Agreement with Investec Bank (Australia) Ltd. The agreement provides for:
  - (a) a \$50 million debt facility; and
  - (b) a 100,000 ounce hedging facility.

The facility is secured via mining mortgages over tenements held by Northern Star Resources Limited, and a fixed and floating charge over the assets of the Company and its subsidiaries.

- in January 2014 the Group announced that it would raise \$115 million through the issue of 133.7 million shares in Northern Star Resources Limited at an issue price of \$0.86 per share. The funds raised will be used to fund the acquisition of a 51% stake in East Kundana Joint Venture and 100% of the Kanowna Belle Gold Mine.

There are no other matters or circumstances that have arisen since 31 December 2013 that have or may significantly affect the operations, results, or state of affairs of the Group in future financial years.

## AUDITOR INDEPENDENCE

The Auditor's independence declaration for year ended 31 December 2013 under Section 307C of the Corporations Act 2001 has been received and can be found on the next page.

## ROUNDING

The amounts contained in this report and in the financial statements have been rounded to the nearest \$1,000 (where rounding is applicable) as permitted under ASIC Class Order 98/0100. The Company is an entity to which the Class Order applies.

Signed in accordance with a resolution of the Directors.



**BILL BEAMENT**  
**Managing Director**

Perth, Western Australia  
27 February 2014

## *R*OTHSA Y

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Phone (08) 9486 7094 [www.rothsayresources.com.au](http://www.rothsayresources.com.au)

The Directors  
Northern Star Resources Ltd  
1 Puccini Court  
Stirling WA 6021

Dear Sirs

In accordance with Section 307C of the Corporations Act 2001 (the "Act") I hereby declare that to the best of my knowledge and belief there have been:

- i) no contraventions of the auditor independence requirements of the Act in relation to the audit of the 31 December 2013 interim financial statements; and
- ii) no contraventions of any applicable code of professional conduct in relation to the review.



Graham R Swan (Lead auditor)



Rothsay Chartered Accountants

Dated 27 FEBRUARY 2014



Chartered Accountants

Liability limited by the Accountants Scheme, approved under the Professional Standards Act 1994 (NSW).

# INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

	NOTES	GROUP	
		31 DEC 2013 \$'000	31 DEC 2012 \$'000
Revenue from operations	2(a)	72,194	70,085
Mine operating costs	3(a)	(40,492)	(26,107)
<b>Gross profit</b>		<b>31,702</b>	<b>43,978</b>
Other revenue	2(b)	711	1,227
Government Royalty expense	3(b)	(1,706)	(1,486)
Depreciation and amortisation		(13,235)	(10,712)
Administration expenses		(4,342)	(4,000)
Exploration expenses		(2,383)	(1,429)
Net loss on financial assets held at fair value through profit or loss		(211)	(2,463)
Finance costs		(323)	(362)
<b>Profit before Income Tax</b>		<b>10,213</b>	<b>24,753</b>
Income tax expense		(2,623)	(2,488)
<b>Profit for the Period</b>		<b>7,590</b>	<b>22,265</b>
Other comprehensive income		-	-
<b>Total Comprehensive Income for the Period</b>		<b>7,590</b>	<b>22,265</b>
<b>Total Comprehensive Income Attributed to: Owners of the Company</b>		<b>7,590</b>	<b>22,265</b>
		<b>CENTS PER SHARES</b>	<b>CENTS PER SHARES</b>
<b>Earnings Per Share</b>			
Basic earnings/(loss) per share (cents per share)	5	1.8	5.3
Diluted earnings/(loss) per share (cents per share)	5	1.8	5.2

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

# STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2013

GROUP

	NOTES	31 DEC 2013 \$'000	30 JUNE 2013 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6	49,270	55,775
Trade and other receivables	7	1,524	1,713
Inventory	8	9,447	12,405
Other current assets	9	558	4
<b>Total Current Assets</b>		<b>60,799</b>	<b>69,897</b>
<b>Non-Current Assets</b>			
Investments	10	2,013	2,224
Property, plant & equipment	11	46,000	42,876
Exploration tenements	12	32,577	30,462
Mine Development	13	9,327	8,813
Deferred tax assets		3,309	3,077
<b>Total Non-Current Assets</b>		<b>93,226</b>	<b>87,452</b>
<b>TOTAL ASSETS</b>		<b>154,025</b>	<b>157,349</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	14	13,910	14,449
Financial Liabilities	15(a)	3,231	6,163
Provisions	16(a)	1,480	1,297
Current tax liabilities		5,974	4,620
Other liabilities	14	41	610
<b>Total Current Liabilities</b>		<b>24,636</b>	<b>27,140</b>
<b>Non-Current Liabilities</b>			
Financial Liabilities	15(b)	5,735	5,069
Provisions	16(b)	3,755	2,902
Deferred tax liabilities		12,136	11,904
<b>Total Non-Current Liabilities</b>		<b>21,625</b>	<b>19,875</b>
<b>TOTAL LIABILITIES</b>		<b>46,261</b>	<b>47,014</b>
<b>NET ASSETS</b>		<b>107,763</b>	<b>110,335</b>
<b>EQUITY</b>			
Contributed equity	17(b)	66,765	66,765
Reserves	18	1,136	691
Retained earnings		39,862	42,879
<b>TOTAL EQUITY</b>		<b>107,763</b>	<b>110,335</b>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

# STATEMENT OF CASH FLOWS

	GROUP	
	31 DEC 2013	31 DEC 2012
NOTES	\$'000	\$'000
<b>Cash Flows From Operating Activities</b>		
Receipts from customers (inclusive of GST)	72,155	70,145
Payments to suppliers and employees (inclusive of GST)	(46,851)	(37,933)
Interest received	767	1,177
Finance costs	(227)	(360)
Net Income taxes paid	(1,269)	(3,968)
<b>Net Cash From Operating Activities</b>	<b>24,575</b>	<b>29,062</b>
<b>Cash Flows From Investing Activities</b>		
Payments for property, plant & equipment	(7,145)	(11,698)
Payments for equity investments	-	(1,318)
Proceeds from sale of property, plant and equipment	-	8
Payments for development of mining properties	(8,847)	(14,564)
Exploration and evaluation expenditure	(2,114)	(9,032)
<b>Net Cash Used In Investing Activities</b>	<b>(18,107)</b>	<b>(36,604)</b>
<b>Cash Flows From Financing Activities</b>		
Proceeds from issue of shares and conversion of options	(0)	1,368
Payments for dividends	4 (10,607)	(10,599)
Payments for share issue costs	-	-
Proceeds from financing facility	8,556	5,456
Repayment of financing facility	(10,922)	(2,800)
<b>Net Cash From Financing Activities</b>	<b>(12,973)</b>	<b>(6,574)</b>
<b>Net Decrease In Cash And Cash Equivalents Held</b>	<b>(6,505)</b>	<b>(14,116)</b>
Cash and Cash Equivalents at 1 July	55,775	64,962
<b>Cash And Cash Equivalents at 31 December</b>	<b>49,270</b>	<b>50,846</b>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.



# STATEMENT OF CHANGES IN EQUITY

GROUP				
NOTES	SHARE CAPITAL \$'000	RESERVES \$'000	RETAINED EARNINGS \$'000	TOTAL EQUITY \$'000
<b>Balance at 1 July 2012</b>	64,613	503	29,393	94,508
Equity issues net of transaction costs	1,368	-	-	1,368
Equity issues – Treasury Shares	-	-	-	-
Share based payments	-	910	-	910
Transfer from option reserve	677	(677)	-	-
Total comprehensive income for the period	-	-	(10,599)	-
<b>Balance at 31 December 2012</b>	66,658	736	41,059	108,452
<b>Balance at 1 July 2013</b>	66,765	691	42,879	110,335
Equity issues net of transaction costs	(0)	-	-	(0)
Equity issues – Treasury Shares	-	-	-	-
Share based payments	-	445	-	445
Transfer from option reserve	-	-	-	-
Dividend Paid	-	-	(10,607)	(10,607)
Total comprehensive income for the period	-	-	7,590	7,590
<b>Balance at 31 December 2013</b>	66,765	1,136	39,862	107,763

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## 1. ACCOUNTING POLICIES

### (i) Reporting Entity

Northern Star Resources Ltd ("Northern Star" or "the Company") is a company domiciled in Australia. The interim financial report of the Company as at and for the six months ended 31 December 2013 comprises the Company and its subsidiaries (together referred to as the "Group").

### (i) Basis of Preparation

These financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board including the Australian Accounting Interpretations. The financial statements have been prepared on a historical cost basis with the exception of derivative financial instruments and investments which have been measured at fair value.

The financial statements are presented in Australian dollars, which is the parent company's functional and presentation currency, and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated. The Group is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that class order to the nearest thousand dollars.

### (ii) Statement of Compliance

These general purpose financial statements for the half-year ended 31 December 2013 have been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The half-year financial statements do not include all notes of the type normally included within the Annual Financial Statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statements. The half-year financial statements should be read in conjunction with the annual financial statements for the year ended 30 June 2013 and any public announcements made by Northern Star Resources Ltd during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001. For the purpose of preparing the half-year financial statements, the half-year has been treated as a discrete reporting period..

### (iii) Significant Accounting Policies

The accounting policies applied by the Group in this consolidated interim financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2013.

## 2. REVENUE

	GROUP	
	31 DEC 2013 \$'000	31 DEC 2012 \$'000
<b>(a) Revenue from operations</b>		
Sale of gold	72,094	69,995
Sale of silver	100	90
	72,194	70,085
<b>(b) Other revenue</b>		
Interest revenue	711	1,174
Other	-	53
	711	1,227
<b>Total Revenue</b>	72,905	71,312

## 3. EXPENSES

	GROUP	
	31 DEC 2013 \$'000	31 DEC 2012 \$'000
<b>(a) Mine operating costs</b>		
Mining Expenses	21,896	13,467
Processing Expenses	13,570	8,056
Admin Expenses	5,026	4,585
	<b>40,492</b>	<b>26,107</b>
<b>(b) Operating costs</b>		
Government Royalty expense	1,706	1,486
Depreciation	4,066	2,384
Amortisation	9,169	8,328
Administration expenses	3,897	3,090
Administration – Shares based payments	445	910
Exploration expenses	2,383	1,429
Net loss on financial assets held at fair value through profit or loss	211	2,463
Finance costs	323	362
	<b>22,200</b>	<b>20,452</b>
<b>Total Expenses</b>	<b>62,692</b>	<b>46,559</b>

## 4. DIVIDENDS PAID AND PROPOSED

	GROUP	
	31 DEC 2013 \$'000	31 DEC 2012 \$'000
<b>Declared and paid during the period</b>		
Final fully franked dividend for 2013 \$0.025 (2012: \$0.025) (fully franked at 30 per cent)	10,607	10,599
<b>Proposed and not recognised as a liability (fully-franked at 30 per cent)</b>		
Interim franked dividend for 2014: \$0.01 (2013: \$0.01)	5,789	4,243

## 5. EARNINGS PER SHARE

	GROUP	
	31 DEC 2013	31 DEC 2012
Basic profit/(loss) per share (cents)	1.8	5.3
Diluted profit/(loss) per share (cents)	1.8	5.2
Profit/(loss) used to calculate earnings per share (\$'000)	7,590	22,265
Weighted average number of ordinary shares during the period used in calculation of basic profit/(loss) per share	427,514,569	417,862,091
Weighted average number of ordinary shares during the period used in calculation of diluted profit/(loss) per share	433,369,762	428,218,168

## 6. CASH AND CASH EQUIVALENTS

	GROUP	
	31 DEC 2013 \$'000	30 JUNE 2013 \$'000
(a) Cash and Cash Equivalents		
Cash at bank	17,770	19,163
Cash on Deposit	31,500	36,612
<b>Total Cash and Cash Equivalents</b>	<b>49,270</b>	<b>55,775</b>

## 7. TRADE AND OTHER RECEIVABLES

	GROUP	
	31 DEC 2013 \$'000	30 JUN 2013 \$'000
Amounts receivable from:		
Trade Debtors	122	107
Sundry debtors	47	40
Goods and services tax recoverable	861	906
Fuel Rebates	269	195
Other receivables	225	465
<b>Total Trade and other receivables</b>	<b>1,524</b>	<b>1,713</b>

## 8. INVENTORY

	GROUP	
	31 DEC 2013 \$'000	30 JUN 2013 \$'000
Consumables and spares	1,984	1,688
Ore Stockpiles	3,238	5,680
Gold In Circuit	4,225	5,037
<b>Total Inventory</b>	<b>9,447</b>	<b>12,405</b>

## 9. OTHER CURRENT ASSETS

	GROUP	
	31 DEC 2013 \$'000	30 JUN 2013 \$'000
Prepayments	558	4

## 10. INVESTMENTS

	GROUP	
	31 DEC 2013 \$'000	30 JUN 2013 \$'000
Investment in listed entities – at fair value	2,013	2,224
<b>2012 Reconciliation of Other Financial Assets</b>		
Balance bought forward	2,224	6,653
Shares acquired for cash	-	1,318
Shares and options acquired under tenement sale agreement	-	-
Fair value loss at year end	(211)	(5,747)
<b>Investment in listed entities – at fair value</b>	<b>2,013</b>	<b>2,224</b>

## 11. PROPERTY, PLANT AND EQUIPMENT

	GROUP	
	31 DEC 2013 \$'000	30 JUN 2013 \$'000
Plant and equipment at cost	60,734	53,586
Accumulated depreciation	(18,081)	(14,603)
	<b>42,653</b>	<b>38,983</b>
Motor Vehicles at Cost	1,682	1,722
Accumulated depreciation	(838)	(689)
	<b>844</b>	<b>1,033</b>
Office equipment at cost	826	824
Accumulated depreciation	(364)	(264)
	<b>462</b>	<b>560</b>
Buildings at cost	3,944	3,904
Accumulated depreciation	(1,902)	(1,603)
	<b>2,041</b>	<b>2,301</b>
	<b>46,000</b>	<b>42,876</b>

## 12. EXPLORATION AND EVALUATION COSTS

	GROUP	
	31 DEC 2013 \$'000	30 JUN 2013 \$'000
Exploration costs brought forward	30,462	24,785
Exploration costs this year	2,115	15,229
Exploration costs now written off	-	(4,303)
Transfer to development expenditure	-	(5,249)
Exploration tenements sold	-	-
<b>Exploration costs carried forward</b>	<b>32,577</b>	<b>30,462</b>

## 13. DEVELOPMENT EXPENDITURE

	GROUP	
	31 DEC 2013 \$'000	30 JUN 2013 \$'000
Development expenditure brought forward (acquired)	8,813	5,654
Transfer from exploration and evaluation costs	-	5,249
Development expenditure	59,093	47,319
Accumulated amortisation	(58,579)	(49,409)
<b>Development expenditure carried forward</b>	<b>9,327</b>	<b>8,813</b>

## 14. TRADE AND OTHER PAYABLES

	GROUP	
	31 DEC 2013 \$'000	30 JUN 2013 \$'000
Trade payables	13,910	14,449
Other payables	41	610
<b>Total Trade and other payables</b>	<b>13,951</b>	<b>15,059</b>

## 15. FINANCIAL LIABILITIES

	GROUP	
	31 DEC 2013 \$'000	30 JUN 2013 \$'000
<b>(a) Current</b>		
Hire Purchase / Loan Agreements	3,231	6,163
<b>Total Financial Liabilities</b>	<b>3,231</b>	<b>6,163</b>
<b>(b) Non-Current</b>		
Hire Purchase / Loan Agreements	5,735	5,069
<b>Total Financial Liabilities</b>	<b>5,735</b>	<b>5,069</b>

## 16. PROVISIONS

	GROUP	
	31 DEC 2013 \$'000	30 JUN 2013 \$'000
<b>(a) Current</b>		
Provision for annual leave	1,480	1,297
<b>Total Provisions</b>	<b>1,480</b>	<b>1,297</b>
<b>(b) Non-Current</b>		
Provision for long service leave	242	226
Provision for rehabilitation	3,513	2,676
<b>Total Provisions</b>	<b>3,755</b>	<b>2,902</b>

## 17. CONTRIBUTED EQUITY

GROUP  
31 DEC 2013    30 JUN 2013

### (a) Issued Capital

Ordinary shares fully paid	428,369,762	424,279,762
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### (b) Movements in Ordinary Share Capital

Number of Shares	Summary of Movements	Company \$'000
424,279,762	Closing Balance at 30 June 2013	66,765
4,090,000	Placements	-
-	Exercise of Options	-
-	Transfer from Option Reserve	-
-	Less: Treasury Shares	-
-	Less: Cost of Issue	-
428,369,762	Closing Balance at 31 December 2013	66,765

## 18. SHARE-BASED OPTION RESERVE

GROUP  
31 DEC 2013    30 JUN 2013  
\$'000            \$'000

Balance at the beginning of the year	691	503
Option exercised	-	(665)
Option forfeited	-	(48)
Option expense	445	901
<b>Balance at the end of the year</b>	<b>1,136</b>	<b>691</b>

## 19. INTEREST IN SUBSIDIARY

COUNTRY OF  
INCORPORATION

The Group consist of the Company and its wholly-owned controlled entity as follows:

Northern Star Mining Services Pty Ltd

Australia

### Related party transactions

Loan to subsidiary	6,000	6,000
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### Movement in loans to subsidiary

Opening balance	6,000	6,000
Loans advanced	-	-
<b>Closing balance</b>	<b>6,000</b>	<b>6,000</b>

The Parent company guarantees all commitments and financial obligations of its subsidiary.

## 20. COMMITMENTS AND CONTINGENT LIABILITIES

There have been no significant changes to the Group's commitments since 30 June 2013.

## 21. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the board of directors that are used to make strategic decisions. The group does not have any operating segments with discrete financial information. All the group's assets and liabilities are located within Australia. The Board of Directors review internal management reports on a monthly basis that is consistent with the information provided in the statement of comprehensive income, statement of financial position and statement of cash flows. As a result no reconciliation is required because the information as presented is what is used by the Board to make strategic decisions.

## 22. EVENTS SUBSEQUENT TO END OF FINANCIAL PERIOD

Subsequent to the period end, the Company announced:

- an interim dividend of 1 cent per share to Shareholders on the record date of 13 March 2014, payable on 4 April 2014.
- in December 2013 that it had reached an agreement to acquire the Plutonic Gold Mine in Western Australia from Barrick for \$25 million. The transaction settled on the 1 February 2014.
- in January 2014, the Company announced that it had reached an agreement to acquire a 51% stake in East Kundana Joint Venture and 100% of the Kanowna Belle Gold Mine in Western Australia from Barrick for \$75 million. The transaction is expected to settle on 1 March 2014.
- in January 2014, the Company entered into a Loan Facility Agreement with Investec Bank (Australia) Ltd. The agreement provides for:
  - (c) a \$50 million debt facility; and
  - (d) a 100,000 ounce hedging facility.

The facility is secured via mining mortgages over tenements held by Northern Star Resources Limited, and a fixed and floating charge over the assets of the Company and its subsidiaries.

- in January 2014 the Group announced that it would raise \$115 million through the issue of 133.7 million shares in Northern Star Resources Limited at an issue price of \$0.86 per share. The funds raised will be used to fund the acquisition of a 51% stake in East Kundana Joint Venture and 100% of the Kanowna Belle Gold Mine.

There are no other matters or circumstances that have arisen since 31 December 2013 that have or may significantly affect the operations, results, or state of affairs of the Group in future financial years.



In accordance with a resolution of the Board of Directors, I state that:

In the opinion of the Directors:

1. the financial statements and notes set out on pages 12 to 22, are in accordance with the Corporations Act 2001 including:
  - (a) giving a true and fair view of the Group's financial position as at 31 December 2013 and of its performance for the six month period ended on that date; and
  - (b) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



**BILL BEAMENT**  
**Managing Director**  
Perth, Western Australia  
27 February 2014



## ROTHSAY

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Phone (08) 9486 7094 www.rothsayresources.com.au

### Independent Review Report to the Members of Northern Star Resources Ltd

#### The financial report and directors' responsibility

The interim consolidated financial report comprises the statement of financial position, statement of comprehensive income, statement of changes in equity, cashflow statement, accompanying notes to the financial statements, and the directors' declaration for Northern Star Resources Ltd for the period ended 31 December 2013.

The Company's directors are responsible for the preparation and fair presentation of the consolidated financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

#### Review approach

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim consolidated financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the financial position as at 31 December 2013 and the performance for the half year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Northern Star Resources LTD, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.



#### Independence

In conducting our review we have complied with the independence requirements of the *Corporations Act 2001*.

#### Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim consolidated financial report of Northern Star Resources Ltd is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the consolidated financial position as at 31 December 2013 and of the performance for the period ended on that date; and
- complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

  
Rothsay  


Graham R Swan  
Partner

Dated 27 FEBRUARY 2014



Chartered Accountants

Liability limited by the Accountants Scheme, approved under the Professional Standards Act 1994 (NSW).