RESULTS FOR ANNOUNCEMENT TO THE MARKET

Current Reporting Period:	12 months ended 30 June 2014
Previous Corresponding Reporting Period:	12 months ended 30 June 2013

CONSOLIDATED

	Jun 2014 $'000	Jun 2013 $'000	Change %	Movement
Revenues from ordinary activities	296,976	144,236	106%	▲
Profit from ordinary activities after tax attributable to members	24,007	28,328	15%	▼
Net profit for the period attributable to members	24,007	28,328	15%	▼

DIVIDEND INFORMATION

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

Dividend Rate	Record Date	Expected Payment Date	Franking
2.5 cent per share	15 September 2014	3 October 2014	100% franked

The financial effect of this dividend has not been brought to account in the financial statement for the period ended 30 June 2014 and will be recognised in subsequent financial reports.

NET TANGIBLE ASSETS

	Jun 2014 $	Jun 2013 $
Net tangible assets per security*	0.33	0.22

**Exploration and evaluation phase assets have been treated as intangible assets*

FINANCIAL RESULTS

Requirement	Title	Reference
Review of results	Review of Results	Page 3
A statement of comprehensive income	Statement of Profit or Loss & Other Comprehensive Income	Page 6
A statement of financial position	Statement of Financial Position	Page 7
A statement of cash flows	Statement of Cash Flows	Page 8
A statement of retained earnings	Statements of Changes In Equity	Page 9
Earnings per share	Statement of Profit or Loss & Other Comprehensive Income	Page 6

CONTROL GAINED OR LOST OVER ENTITIES DURING THE PERIOD

During the period, the Group gained control over the following entities:

- Northern Star (Kanowna) Ltd acquired 1 March 2014 (including subsidiary Kundana Gold Pty Ltd)
- Gilt-Edged Mining NL acquired 1 March 2014 (including subsidiary EKJV Management Pty Ltd)
- Kanowna Mines Ltd acquired 1 March 2014
- GKL Properties Pty Ltd acquired 1 March 2014

ASSOCIATE AND JOINT VENTURE ENTITIES

The Group has the following interests in unincorporated joint ventures:

Joint Ventures	Principal Activities	30 June 2014
FMG JV	Exploration	25%
Hardey Junction JV	Exploration	80%
Mt Clement JV	Exploration	20%
East Kundana Production Joint Venture	Exploration & Development	51%
Kanowna West JV	Exploration	60%
Kalbarra JV	Exploration	60%
West Kundana JV	Exploration	75.5%
Carbine East JV	Exploration	95%

The joint ventures are not separate legal entities. They are contractual arrangements between participants for the sharing of costs and outputs, and do not in themselves generate revenue and profit. The joint ventures are of the type where initially one party contributes tenements with the other party earning a specified percentage by funding exploration activities; thereafter the parties often share exploration and development costs and output in proportion to their ownership of joint venture assets. The joint ventures are accounted for in accordance with the Group's accounting policies set out in Note 1.

FINANCIAL RESULTS

This Report is based on accounts which are in the process of being audited.

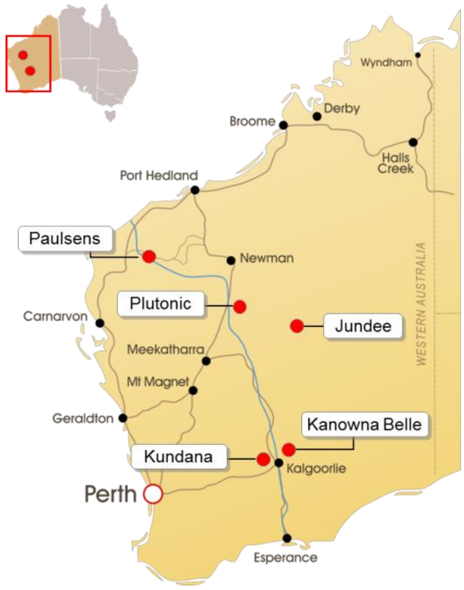
OVERVIEW

Northern Star Resources Limited (Northern Star) is an ASX 200 gold (Au) production and exploration company with a Mineral Resource base of 6.2 million ounces and Ore Reserves of 1.2 million ounces[1], located in highly prospective regions of Western Australia with a total land package of >10,000km².

Northern Star remains focussed on delivering on its growth strategy objective of being a significant gold company producing greater than 550,000 ounces of gold per annum from its five operating business units being the Paulsens, Plutonic, Kanowna Belle, Kundana (51% interest) and Jundee Gold Mines (acquired 1 July 2014).

In parallel, the Company is progressing its exploration activities with the goal of extending mine life at all operations and creating an organic pipeline of future projects.

The Company maintains a strong business development focus and will continue to advance its activities through a structured and disciplined approach to assessing new opportunities.



HEALTH AND SAFETY, ENVIRONMENT AND COMMUNITY

Northern Star, through its employees and contractors, is committed to operating its business at all levels based on its core values of: **Safety**, **Teamwork**, **Accountability**, **Respect** and **Results (STARR)**.

Northern Star values the health and safety of its employees and contractors, and drives initiatives to further improve safety in the workplace. With the recent expansion of the Company's business through acquisition, the Company focused heavily on the safe and effective integration of all new assets and personnel into the Group. The Company maintains its commitment to a safe environment and demands strong safety performance. Safety is a key core value of the organisation and is fundamental to the success of 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 expanded family of employees and contractors embrace an inclusive culture, and continue to strengthen relationships with all Stakeholders. Northern Star acknowledges all of its new Stakeholders through the recent expansion of its business activities, in particular its workforce.

MINE OPERATIONS REVIEW

	Measure	12 months Paulsens	5 months Plutonic	4 months Kanowna Belle	4 months Kundana (51%)	Total
Total Material Mined	tonnes	510,244	360,852	302,383	72,450	1,245,929
Total Material Milled	tonnes	464,777	399,317	352,375	76,184	1,292,653
Gold Grade	grams/tonne	7.4	3.9	4.0	13.7	5.8
Gold Recovery	%	90%	83%	91%	97%	90%
Gold Produced	ounces	100,041	41,623	41,313	32,442	215,419
Revenue	$000's	143,039	56,963	55,852	41,121	296,976
Cost of Sales	$000's	(77,916)	(45,802)	(47,022)	(23,920)	(194,661)
Depreciation & Amortisation	$000's	(29,715)	(10,577)	(3,800)	(3,511)	(47,603)
Operating EBIT	$000's	35,408	584	5,030	13,690	54,712
All in Sustaining Cost	$/ounce sold	1,105	1,414	993	768	1,094

Table 1 – Mine Operations Review

[1] As at 30 June 2014 – see ASX Release dated 4 August 2014.

Performance for the 2014 financial year has been sourced from the Paulsens (12 months), Plutonic (5 months), Kanowna Belle (4 months) and Kundana (4 months) gold mines. In the 2014 financial year, a total of 210,055 ounces of gold was sold at an average price of A$1,410 All in sustaining cost for the period $1,094 per ounce including allowance for rehabilitation (non-cash) of $30 per ounce.

During the period 1.3 million tonnes were milled at an average head grade of 5.8gpt Au for 215,419 ounces Au recovered. Unprocessed ore stocks available for mill feed at the end of the period totalled 584,014 tonnes containing 53,381 ounces Au. Gold in circuit at the end of the period totalled 20,974 ounces. Bullion on hand amounted to 1,456 ounces. Both of these items are reflected in the accounts as gold in circuit at cost.

FINANCIAL OVERVIEW

	Financial Year End 30 June 2014	Financial Year End 30 June 2013	Change	% Change
Revenue	296,976	144,236	152,027	106%
EBITDA[1]	99,666	63,785	35,881	56%
EBIT[2]	52,063	37,560	14,503	39%
Net Profit / (loss) [3]	24,007	28,328	(4,321)	(15%)
Underlying Profit / (loss) [4]	38,633	28,328	10,305	36%
Cash flow from Operating Activities	98,679	65,892	32,787	50%
Cash flow from Investing Activities	(49,964)	(63,551)	13,587	(21%)
Sustaining Capital	(36,815)	(30,132)	(6,683)	22%
Non Sustaining Capital	0	(18,190)	18,190	N/A
Exploration	(13,149)	(15,229)	2,080	(14%)
Free Cash flow	48,715	2,341	46,374	1,981%
Average Gold Price /ounce	A$1,410	A$1,552	(A$142)	(9%)
Earnings per share (cents/share)	5.0	6.6	(1.6)	(24%)

Table 2 – Financial Overview

[1] EBITDA is calculated as follows: Profit before Income Tax plus depreciation and amortisation plus finance cost plus one off acquisition and redundancy charges
[2] EBIT is calculated as follows: Profit before Income Tax plus finance costs plus one off acquisition and redundancy charges
[3] Net Profit is calculated as net profit after taxation
[4] Underlying Profit is calculated as net profit plus one off acquisition and redundancy charges

Profit

For the financial year ended 30 June 2014 the Company reported a net profit of $24 million (2013: $28.3 million).

Reconciliation between the net profit after tax and the Group's underlying profit is outlined in Table 3. This reconciliation is an unaudited non-IFRS measure that, in the opinion of the Board, provides useful information to assess the operating performance of the Group.

Underlying profit for 30 June 2014 was $38.6 million which was 36% higher than the underlying profit for the previous financial year. Increased gold production from the Company's recent acquisitions resulted in revenue increasing by 106% to $297 million for the financial year. Revenue was impacted somewhat by a decline in average gold price realised of 9%.

Underlying profit and net profit differences are reconciled as follows:-

Profit Reconciliation	$000's
Net Profit	24,007
Acquisition Costs	7,382
Redundancy Costs	7,245
Underlying Profit	38,634

Table 3 – Profit Reconciliation

Underlying EBITDA was $99.7 million for the financial year ended 30 June 2014, which was an increase of 51% over the corresponding period. Depreciation and amortisation charges in the 2014 financial year were up 82% with the increase largely attributable to the purchase of the Plutonic, Kanowna Belle and Kundana gold mines. Underlying EBIT was up by 31% to $49 million for the 2014 financial year the increase reflecting the strong performance of the newly acquired mines.

Corporate costs for the financial year increased by $3.4 million in line with the increased scale of the Group.

Balance Sheet

Current assets as at the 30 June 2014 increased by 149% against the prior year balance date. The increase was largely a result of cash on hand increasing by $26.6 million and inventories (gold in circuit and ore stocks) increasing by $50.6 million which is a reflection that Northern Star had three (3) operating processing centres during the period.

Non-current assets increased by $138 million largely through the addition of the Plutonic, Kanowna Belle and Kundana mine assets.

Increases in trade payables ($22.7 million) and provisions ($17.3 million) are in line with the addition of the three mines and the associated employee complement.

Non-current liability increases are reflective of the increase in employee entitlements and the higher environmental liability provisions. Contributed equity increased through the capital raising of net $125.6 million.

Review of Cash Flow

Cash flow from operating activities for the 12 months ended 30 June 2014 was $98.7M which was $32.8 million higher than the previous financial year ($65.9 million).

- receipts from customers increased by 114% due to higher gold production offset by a reduction in gold price of 9% from the previous year; and
- supplier payments increased by $126 million reflecting the increases in overall spend for the Company.

Cash flows from investing activities decreased by 21% after allowance for the purchase of the Barrick mines. Lower exploration spend was a result of the fall in gold price which necessitated a review of discretionary spending. Sustaining capital increased by $6.7 million in line with the new mine additions.

CAPITAL STRUCTURE

As at the report date the Company had 579,404,804 fully paid ordinary shares and 1,791,666 unlisted options on issue.

DIVIDENDS

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

Dividend rate	Record Date	Expected Payment Date	Franking
2.5 cent per share	15 September 2014	3 October 2014	100% franked

The financial effect of this dividend has not been brought to account in the financial statement for the period ended 30 June 2014 and will be recognised in subsequent financial reports.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The following significant changes in the state of affairs of the Company occurred during the period:

- Northern Star entered into an agreement with Barrick Gold Corporation to acquire all the assets of Plutonic Gold Mine. The acquisition was completed on 1 February 2014. Further details of the transaction are discussed in Note 33.
- Northern Star entered into an agreement with Barrick Gold Corporation to acquire all the assets of Kanowna Belle and Kundana Gold Mines (inclusive of Barrick's 51% interest in the East Kundana Joint Venture). The acquisition was completed on 1 March 2014. Further details of the transaction are discussed in Note 34.
- Northern Star raised ~$128.9 million through the placement of ~150 million shares at $0.86 via an institutional placement and share purchase plan.
- Other than noted elsewhere in this report, there were no other significant changes in the state of affairs of the Group that occurred during the year under review.

For the Year Ended 30 June 2014		Group	
		30 June 2014	30 June 2013
	Notes	$'000	$'000
Revenue from operations	2 (a)	296,976	144,236
Mine operating costs	3 (a)	(179,166)	(60,960)
Gross profit		**117,810**	**83,276**
Other Income	2 (b)	3,788	2,253
Exploration expenses		(5,544)	(5,854)
Acquisition costs		(7,382)	-
Redundancy costs		(7,245)	-
Corporate expenses		(10,192)	(6,790)
Net loss on financial assets held at fair value through profit or loss		(592)	(5,747)
Finance costs		(1,800)	(783)
Government Royalty expense		(7,328)	(3,353)
Gain/(Loss) on derivatives	11	1,726	-
Depreciation and amortisation		(47,603)	(26,225)
Profit before Income Tax		**35,637**	**36,777**
Income tax expense	5	(11,629)	(8,449)
Profit for the Year		**24,007**	**28,328**
Other comprehensive income		-	-
Total Comprehensive Income for the Year		**24,007**	**28,328**
Total Comprehensive Income Attributed to:			
Owners of the Company		**24,007**	**28,328**

		Cents per Shares	Cents per Shares
Earnings Per Share			
Basic earnings/(loss) per share (cents per share)	4	5.0	6.7
Diluted earnings/(loss) per share (cents per share)	4	5.0	6.6

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

NORTHERN STAR RESOURCES LIMITED

For the Year Ended 30 June 2014		Group	
		30 June 2014	30 June 2013
	Notes	$'000	$'000
ASSETS			
Current Assets			
Cash and cash equivalents	7 (a)	82,387	55,775
Trade and other receivables	8	13,665	1,713
Inventory	9	63,104	12,405
Prepayments	10	11,225	-
Derivative financial instrument	11	3,024	-
Other current assets	12	400	4
Total Current Assets		**173,805**	**69,897**
Non-Current Assets			
Investments	13	2,906	2,224
Property, plant & equipment	14	60,639	42,876
Exploration tenements	15	69,049	30,462
Mine Development	16	90,197	8,813
Total Non-Current Assets		**222,791**	**84,376**
TOTAL ASSETS		**396,596**	**154,272**
LIABILITIES			
Current Liabilities			
Trade and other payables	17	37,449	14,449
Derivative financial instrument	11	333	-
Financial Liabilities	18 (a)	2,143	6,163
Provisions	19 (a)	18,618	1,297
Current tax liabilities	6 (b)	5,228	4,620
Other liabilities		-	610
Total Current Liabilities		**63,771**	**27,139**
Non-Current Liabilities			
Financial Liabilities	18 (b)	3,804	5,069
Derivative financial instrument	11	965	-
Provisions	19 (b)	73,041	2,902
Deferred tax liabilities	6 (b)	10,804	8,827
Total Non-Current Liabilities		**88,614**	**16,798**
TOTAL LIABILITIES		**152,386**	**43,937**
NET ASSETS		**244,209**	**110,335**
EQUITY			
Contributed equity	20	193,808	66,765
Reserves	21	395	691
Retained earnings		50,007	42,879
TOTAL EQUITY		**244,209**	**110,335**

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

For the Year Ended 30 June 2014		Group	
		30 June 2014	30 June 2013
	Notes	$'000	$'000
Cash Flows From Operating Activities			
Receipts from customers (inclusive of GST)		308,506	144,375
Payments to suppliers and employees (inclusive of GST)		(200,603)	(74,590)
Interest received		1,624	2,147
Finance costs		(1,804)	(750)
Net Income taxes paid		(9,044)	(5,290)
Net Cash From Operating Activities	**7 (b)**	**98,679**	**65,892**
Cash Flows From Investing Activities			
Payments for property, plant & equipment		(11,106)	(30,363)
Payments for equity investments		-	(1,318)
Proceeds from sale of property, plant and equipment		(233)	8
Proceeds from financial asset		24	-
Payments for development of mining properties		(25,500)	(16,649)
Exploration and evaluation expenditure		(13,149)	(15,229)
Acquisition of Mine		(125,995)	-
Net Cash Used In Investing Activities		**(175,959)**	**(63,551)**
Cash Flows From Financing Activities			
Proceeds from issue of shares and conversion of options		128,856	1,368
Payments for dividends		(16,393)	(14,842)
Payments for share issue costs		(3,288)	-
Proceeds from financing facility		-	8,556
Repayment of financing facility		(5,284)	(6,610)
Net Cash From Financing Activities		**103,891**	**(11,528)**
Net Decrease In Cash And Cash Equivalents		**26,612**	**(9,187)**
Cash and Cash Equivalents at 1 July		55,775	64,962
Cash and Cash Equivalents at 30 June	**7 (a)**	**82,387**	**55,775**

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

	Notes	Group Share Capital $'000	Reserves $'000	Retained Earnings $'000	Total Equity $'000
Balance at 30 June 2012		**64,613**	**503**	**29,393**	**94,508**
Equity issues net of transaction costs		1,368	-	-	1,368
Share based payments	3 (b)	71	901	-	972
Transfer from option reserve		713	(713)	-	-
Dividend Paid		-	-	(14,842)	(14,842)
Total comprehensive income for the period		-	-	28,328	28,328
Balance at 30 June 2013		**66,765**	**691**	**42,879**	**110,335**
Equity issues net of transaction costs		125,568	-	-	125,568
Share based payments	3 (b)	84	1,095	-	1,179
Transfer from option reserve		1,391	(1,391)	-	-
Dividend Paid		-	-	(16,393)	(16,393)
Other		-	-	(486)	(486)
Total comprehensive income for the period		-	-	24,007	24,007
Balance at 30 June 2014		**193,808**	**395**	**50,007**	**244,209**

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

1. ACCOUNTING POLICIES

(i) New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the consolidated entity from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

– AASB 10 Consolidated Financial Statements

  The consolidated entity has applied AASB 10 from 1 July 2013, which has a new definition of 'control'. Control exists when the reporting entity is exposed, or has the rights, to variable returns from its involvement with another entity and has the ability to affect those returns through its 'power' over that other entity. A reporting entity has power when it has rights that give it the current ability to direct the activities that significantly affect the investee's returns. The consolidated entity not only has to consider its holdings and rights but also the holdings and rights of other shareholders in order to determine whether it has the necessary power for consolidation purposes.

– AASB 11 Joint Arrangements

  The consolidated entity has applied AASB 11 from 1 July 2013. The standard defines which entities qualify as joint arrangements and removes the option to account for joint ventures using proportional consolidation. Joint ventures, where the parties to the agreement have the rights to the net assets are accounted for using the equity method. Joint operations, where the parties to the agreements have the rights to the assets and obligations for the liabilities, will account for its share of the assets, liabilities, revenues and expenses separately under the appropriate classifications.

– AASB 12 Disclosure of Interests in Other Entities

  The consolidated entity has applied AASB 12 from 1 July 2013. The standard contains the entire disclosure requirement associated with other entities, being subsidiaries, associates, joint arrangements (joint operations and joint ventures) and unconsolidated structured entities. The disclosure requirements have been significantly enhanced when compared to the disclosures previously located in AASB 127 'Consolidated and Separate Financial Statements', AASB 128 'Investments in Associates', AASB 131 'Interests in Joint Ventures' and Interpretation 112 'Consolidation - Special Purpose Entities'.

– AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13

  The consolidated entity has applied AASB 13 and its consequential amendments from 1 July 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach is used to measure non-financial assets whereas liabilities are based on transfer value. The standard requires increased disclosures where fair value is used.

– AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)

  The consolidated entity has applied AASB 119 and its consequential amendments from 1 July 2013. The standard eliminates the corridor approach for the deferral of gains and losses; streamlines the presentation of changes in assets and liabilities arising from defined benefit plans, including requiring remeasurements to be presented in other comprehensive income; and enhances the disclosure requirements for defined benefit plans. The standard also changed the definition of short-term employee benefits, from 'due to' to 'expected to' be settled within 12 months. Annual leave that is not expected to be wholly settled within 12 months is now discounted allowing for expected salary levels in the future period when the leave is expected to be taken.

– AASB 127 Separate Financial Statements (Revised), AASB 128 Investments in Associates and Joint Ventures (Reissued) and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards

  The consolidated entity has applied AASB 127, AASB 128 and AASB 2011-7 from 1 July 2013. AASB 127 and AASB 128 have been modified to remove specific guidance that is now contained in AASB 10, AASB 11 and AASB 12 and AASB 2011-7 makes numerous consequential changes to a range of Australian Accounting Standards and Interpretations. AASB 128 has also been amended to include the application of the equity method to investments in joint ventures.

– AASB 2012-2 Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities

  The consolidated entity has applied AASB 2012-2 from 1 July 2013. The amendments enhance AASB 7 'Financial Instruments: Disclosures' and requires disclosure of information about rights of set-off and related arrangements, such as collateral agreements. The amendments apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement.

- AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle

  The consolidated entity has applied AASB 2012-5 from 1 July 2013. The amendments affect five Australian Accounting Standards as follows: Confirmation that repeat application of AASB 1 'First-time Adoption of Australian Accounting Standards' is permitted; Clarification of borrowing cost exemption in AASB 1; Clarification of the comparative information requirements when an entity provides an optional third column or is required to present a third statement of financial position in accordance with AASB 101 'Presentation of Financial Statements'; Clarification that servicing of equipment is covered by AASB 116 'Property, Plant and Equipment', if such equipment is used for more than one period; clarification that the tax effect of distributions to holders of equity instruments and equity transaction costs in AASB 132 'Financial Instruments: Presentation' should be accounted for in accordance with AASB 112 'Income Taxes'; and clarification of the financial reporting requirements in AASB 134 'Interim Financial Reporting' and the disclosure requirements of segment assets and liabilities.

- AASB 2012-10 Amendments to Australian Accounting Standards - Transition Guidance and Other Amendments

  The consolidated entity has applied AASB 2012-10 amendments from 1 July 2013, which amends AASB 10 and related standards for the transition guidance relevant to the initial application of those standards. The amendments clarify the circumstances in which adjustments to an entity's previous accounting for its involvement with other entities are required and the timing of such adjustments.

- Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine and AASB 2011-12 Amendments to Australian Accounting Standards arising from Interpretation 20

  The consolidated entity has applied Interpretation 20 and its consequential amendments from 1 July 2013. The Interpretation clarifies when production stripping costs should lead to the recognition of an asset and how that asset should be initially and subsequently measured. The Interpretation only deals with waste removal costs that are incurred in surface mining activities during the production phase of the mine.

- AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement

  The consolidated entity has applied 2011-4 from 1 July 2013, which amends AASB 124 'Related Party Disclosures' by removing the disclosure requirements for individual key management personnel ('KMP'). Corporations and Related Legislation Amendment Regulations 2013 and Corporations and Australian Securities and Investments Commission Amendment Regulation 2013 (No.1) now specify the KMP disclosure requirements to be included within the directors' report.

(ii) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2014. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

- AASB 9 Financial Instruments and its consequential amendments

  This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2017 and completes phases I and III of the IASB's project to replace IAS 39 (AASB 139) 'Financial Instruments: Recognition and Measurement'. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. Chapter 6 'Hedge Accounting' supersedes the general hedge accounting requirements in AASB 139 and provides a new simpler approach to hedge accounting that is intended to more closely align with risk management activities undertaken by entities when hedging financial and non-financial risks. The consolidated entity will adopt this standard and the amendments from 1 July 2017 but the impact of its adoption is yet to be assessed by the consolidated entity.

- AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities

  The amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of 'currently has a legally enforceable right of set-off'; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement. The adoption of the amendments from 1 July 2014 will not have a material impact on the consolidated entity.

- AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets

  These amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed. The adoption of these amendments from 1 July 2014 may increase the disclosures by the consolidated entity.

- AASB 2013-4 Amendments to Australian Accounting Standards - Novation of Derivatives and Continuation of Hedge Accounting

  These amendments are applicable to annual reporting periods beginning on or after 1 January 2014 and amends AASB 139 'Financial Instruments: Recognition and Measurement' to permit continuation of hedge accounting in circumstances where a derivative (designated as hedging instrument) is novated from one counter party to a central counterparty as a consequence of laws or regulations. The adoption of these amendments from 1 July 2014 will not have a material impact on the consolidated entity.

– AASB 2013-5 Amendments to Australian Accounting Standards - Investment Entities

  These amendments are applicable to annual reporting periods beginning on or after 1 January 2014 and allow entities that meet the definition of an 'investment entity' to account for their investments at fair value through profit or loss. An investment entity is not required to consolidate investments in entities it controls, or apply AASB 3 'Business Combinations' when it obtains control of another entity, nor is it required to equity account or proportionately consolidate associates and joint ventures if it meets the criteria for exemption in the standard. The adoption of these amendments from 1 July 2014 will have no impact on the consolidated entity.

– Annual Improvements to IFRSs 2010-2012 Cycle

  These amendments are applicable to annual reporting periods beginning on or after 1 July 2014 and affects several Accounting Standards as follows: Amends the definition of 'vesting conditions' and 'market condition' and adds definitions for 'performance condition' and 'service condition' in AASB 2 'Share-based Payment'; Amends AASB 3 'Business Combinations' to clarify that contingent consideration that is classified as an asset or liability shall be measured at fair value at each reporting date; Amends AASB 8 'Operating Segments' to require entities to disclose the judgements made by management in applying the aggregation criteria; Clarifies that AASB 8 only requires a reconciliation of the total reportable segments assets to the entity's assets, if the segment assets are reported regularly; Clarifies that the issuance of AASB 13 'Fair Value Measurement' and the amending of AASB 139 'Financial Instruments: Recognition and Measurement' and AASB 9 'Financial Instruments' did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amount, if the effect of discounting is immaterial; Clarifies that in AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets', when an asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount (i.e. proportional restatement of accumulated amortisation); and Amends AASB 124 'Related Party Disclosures' to clarify that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a 'related party' of the reporting entity. The adoption of these amendments from 1 July 2014 will not have a material impact on the consolidated entity.

– Annual Improvements to IFRSs 2011-2013 Cycle

  These amendments are applicable to annual reporting periods beginning on or after 1 July 2014 and affects four Accounting Standards as follows: Clarifies the 'meaning of effective IFRSs' in AASB 1 'First-time Adoption of Australian Accounting Standards'; Clarifies that AASB 3 'Business Combination' excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself; Clarifies that the scope of the portfolio exemption in AASB 13 'Fair Value Measurement' includes all contracts accounted for within the scope of AASB 139 'Financial Instruments: Recognition and Measurement' or AASB 9 'Financial Instruments', regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132 'Financial Instruments: Presentation'; and Clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in AASB 3 'Business Combinations' and investment property as defined in AASB 140 'Investment Property' requires the separate application of both standards independently of each other. The adoption of these amendments from 1 July 2014 will not have a material impact on the consolidated entity

(iii) Significant Accounting Estimates and Assumptions

Significant accounting judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

Exploration and evaluation assets

The Group's accounting policy for exploration and evaluation expenditure is set out at Note 1. The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under the policy, it is concluded that the expenditures are unlikely to be recovered by future exploitation or sale, then the relevant capitalised amount will be written off to the statement of comprehensive income.

Critical accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Impairment of assets

In determining the recoverable amount of assets, in the absence of quoted market prices, estimations are made regarding the present value of future cash flows using asset-specific discount rates and the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

The recoverable amounts of cash generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values. The calculations require the use of estimates and assumptions. It is reasonably possible that the gold price assumption may change which may then impact our estimated life of mine determinant and may then require a material adjustment to the carrying value of tangible assets.

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared for future cash flows of the mining assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including reserves and production estimates, together with economic factors such as spot gold prices, discount rates, estimates of costs to produce reserves and future capital expenditure.

Provisions for restoration costs

Restoration costs are a normal consequence of mining, and the majority of this expenditure is incurred at the end of a mine's life. In determining an appropriate level of provision consideration is given to the expected future costs to be incurred, the timing of these expected future costs (largely dependent on the life of the mine), and the estimated future level of inflation.

The ultimate cost of restoration is uncertain and costs can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other mine-sites. The expected timing of expenditure can also change, for example in response to changes in reserves or to production rates.

Changes to any of the estimates could result in significant changes to the level of provisioning required, which would in turn impact future financial results.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black-Scholes model. Should the assumptions used in these calculations differ, the amounts recognised could significantly change.

Commitments - Exploration

The Group has certain minimum exploration commitments to maintain its right of tenure to exploration permits. These commitments require estimates of the cost to perform exploration work required under these permits. These have been disclosed in Note 24.

Determination of Mineral Resources and Ore Reserves

The Group reports its Mineral Resources and Ore Reserves in accordance with the Joint Ore Reserves Committee (JORC) "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" – the JORC Code. The information on Mineral Resources and Ore Reserves is prepared by Competent Persons as defined by the JORC Code.

There are numerous uncertainties inherent in estimating Mineral Resources and Ore Reserves. Assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being restated. Such changes may impact asset carrying values, depreciation and amortisation rates, deferred stripping costs and provisions for restoration.

Recoverability of deferred income tax assets

The Group recognises deferred income tax assets in respect of tax losses and temporary differences to the extent that the future utilisation of these losses and temporary differences is considered probable. Assessing the future utilisation of these losses and temporary differences requires the Group to make significant estimates related to expectations of future taxable income.

Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, this could result in significant changes to the deferred income tax assets recognised, which would in turn impact future financial results.

Fair value of derivative financial instruments

The Group assesses the fair value of its financial derivatives in accordance with the accounting policy stated in Note 1. Fair values have been determined based on well established valuation models and market conditions existing at the reporting date. These calculations require the use of estimates and assumptions. Changes in assumptions concerning gold prices and volatilities could have significant impact on the fair valuation attributed to the Group's financial derivatives. When these assumptions change or become known in the future, such differences will impact asset and liability carrying values in the period in which they change or become known.

The Company does not have any hedging in place at the end of the financial period.

(iv) Summary of Significant Accounting Policies

Basis of consolidation

The consolidated financial statements include the financial statements of Northern Star Resources Limited ("the Company"), and its subsidiary ("the Group" or "Group"). The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

Where an entity has been acquired during the year, its results are included in consolidated results from the date control commenced.

Unrealised gains and losses and inter-entity balances resulting from transactions with or between controlled entities are eliminated in full on consolidation.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief financial decision maker. The chief financial decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors that makes strategic decisions.

Jointly arrangements

The proportionate interests in the assets, liabilities and expenses of a joint arrangement have been incorporated in the financial statements under the appropriate headings. Details of the joint arrangements are set out in Note 30.

Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The Group measures goodwill at the acquisition date as:

- The fair value of the consideration transferred; less
- The net recognised amount (generally fair value) of the identifiable assets and liabilities assumed.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Goodwill that arises on the acquisition of subsidiaries is included in intangible assets.

Goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and any impairment loss is allocated to the carrying amount of the equity-accounted investee as a whole.

Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Trade and other receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost, less allowance for doubtful debts. Current receivables for GST are due for settlement within 30 days and other current receivables within 12 months. Cash on deposit is not due for settlement until rights of tenure are forfeited or performance obligations are met.

Inventories

Gold in circuit and ore stockpiles are physically measured or estimated and valued at the lower of cost or net realisable value. The stockpile amount is determined by reference to mining cost, including amortisation at the relevant stage of production.

Consumables and spares are valued at the lower of cost and net realisable value. Any provision for obsolescence is determined by reference to specific stock items identified.

Plant and equipment

Items of plant and equipment are stated at their cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of material and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Depreciation is calculated on a straight line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their estimated expected useful lives as follows:

Buildings	1-15 years
Plant and equipment	1-10 years
Motor vehicles	1-5 years
Office furniture and equipment	1-5 years

Mine specific items of property, plant and equipment are depreciated over the life of mine. The life of mine expectation is reviewed periodically.

Exploration and Evaluation Expenditure

Costs related to the acquisition of properties that contain resources are allocated separately to specific areas of interest. These costs are capitalised until the viability of the area of interest is determined.

Exploration and evaluation expenditure is stated at cost and is accumulated in respect of each identifiable area of interest. Such costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area of interest (or alternatively by its sale), or where activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations are continuing. Accumulated costs in relation to an abandoned area are written off to the statement of comprehensive income in the period in which the decision to abandon the area is made.

The company reviews the carrying value of each area of interest at each reporting date and any exploration expenditure which no longer satisfies the above policy is written off.

Restoration costs expected to be incurred are provided for as part of exploration, evaluation, development or production phases that give rise to the need for restoration.

Development expenditure

When the technical and commercial feasibility of extracting a mineral resource has been demonstrated the resource enters its development phase. The costs of the assets are transferred from exploration and evaluation expenditure and reclassified into development expenditure and include past exploration and evaluation costs and development costs. Although development expenditure is not amortised, it is tested annually for impairment.

Mine Development expenses

Capitalised development costs are amortised on a unit-of-production basis over the economically recoverable resources of the mine. The unit of account will be ounces produced.

Capitalised development costs include exploration and evaluation expenditure previously deferred relating to that ore body. Separate calculations are undertaken for each ore body.

Impairment of assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Derecognition of financial assets and liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party; or
- the Company has transferred its rights to receive cash flows from the asset and either
- has transferred substantially all the risks and rewards of the asset, or
- has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

Restoration, rehabilitation, and environmental costs

The Group recognises any legal restoration obligation as a liability at the time a legal liability exists. The carrying amount of the long lived assets to which the legal obligation relates is increased by the restoration obligation costs and amortised over the producing life of the asset. A provision is raised for the restoration and rehabilitation of each mine site. Restoration and rehabilitation works can include facility decommissioning and dismantling; removal or treatment of waste materials; land rehabilitation; and site restoration. The extent of the work required and the associated costs are dependent on the relevant regulatory requirements and the group's environmental policies.

Financial Instruments

Non-Derivative Financial instruments

Available-for-Sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the other categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the cumulative gain or loss in equity is reclassified to profit or loss.

Available-for-sale financial assets comprise equity securities.

Financial Assets at Fair Value Through Profit or Loss

A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated at such on initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Attributable transactions costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein are recognised in profit or loss.

Financial asset designated at fair value through profit or loss comprise investments in equity securities that otherwise would have been classified as available-for-sale.

Other Non-Derivative Financial Instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit and loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured at amortised costs.

Derivative Financial Instruments

The Group occasionally uses derivative financial instruments such as gold options and gold forward contracts to manage the risks associated with commodity price.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured to their fair value. Changes in the fair value of derivatives are recorded in the statement of comprehensive income.

The fair value of derivative financial instruments that are traded on an active market is based on quoted market prices at the statement of financial position date. The fair value of financial instruments not traded on an active market is determined using appropriate valuation techniques.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

All borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the borrowings.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Trade and other payables

Trade payables and other payables are recognised initially at fair value and subsequently at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and usually paid within 30 days of recognition.

Borrowings

All borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the borrowings.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave, and any other employee entitlements expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. Long service leave liabilities are measured at current cost for those employees with greater than 5 years' service up to the reporting date. Consideration is given to future wage and salary levels, experience of employee departures and period of service. Employee entitlements expenses and revenues arising in respect of wages and salaries, non-monetary benefits, annual leave, long service leave, sick leave and other entitlements are charged against profits on a net basis. Contributions are made to employee superannuation plans and are charged as expenses when incurred.

Share-based payment transactions

The Group may provide benefits to employees (including directors) of the Group in the form of share based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted.

Share-based payments – options and performance rights with an exercise price:

The fair value of these payments is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The fair value of the options granted is adjusted to reflect market conditions, but excludes the impact of any non-market vesting conditions. Non-market vesting conditions, if any, are included in assumptions about the number of options likely to be exercisable.

Share-based payments – Employee Shares.

The fair value of these payments is determined based on the share price at the date the rights have been accepted by employees.

Revenue recognition

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable. Revenue is recognised when the significant risk and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

Interest revenue

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Borrowing costs

Borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred except borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset that necessarily takes a substantial period to get ready for its intended use or sale. In this case, borrowing costs are capitalised as part of the cost of such a qualifying asset.

Tax consolidations

Northern Star Resources Limited is the head entity in the tax-consolidated group comprising its wholly-owned subsidiary. The effective date of implementation was 9 March 2011 for the tax-consolidated group. Northern Star Resources Limited accounts for the consolidated group's current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a standalone taxpayer in its own right. In addition to its own current and deferred tax amounts, Northern Star Resources Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the statement of financial position date.

Deferred income tax is provided on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences, except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised, except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Other taxes

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense as applicable.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Cash flows are included in statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities that are recoverable from, or payable to, the taxation authority are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Contributed equity

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects. Dividends on ordinary shares are recognised as a liability in the period in which they are declared.

Treasury shares

The Company operates the Northern Star Employee Share Trust (Trust). The main purpose of the Trust is to hold unvested employee incentive shares as part of Northern Star's Employee Share Scheme. Under AASBs, the Trust qualifies as an equity compensation plan special purpose entity and its results are included in those for the Consolidated Entity. Any shares held by the Trust are accounted for as treasury shares and treated as a reduction in the number of publicly held shares of the Company and the Consolidated Entity.

Earnings per share (EPS)

Basic EPS is calculated as net profit attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element. Diluted earnings per share are determined when the Company has on issue potential ordinary shares which are dilutive. It is calculated by dividing net profit attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and any expenses associated with dividends and interest of dilutive potential ordinary shares, by the weighted average number of ordinary shares (both issued and potentially dilutive) adjusted for any bonus element.

2. REVENUE

	Group	
	30 June 2014	30 June 2013
	$'000	$'000
(a) Revenue from operations		
Sale of gold	296,263	144,057
Sale of silver	713	179
	296,976	**144,236**
(b) Other Income		
Interest Income	1,727	2,200
Other	2,061	53
	3,778	**2,253**
Total Revenue	**300,764**	**146,489**

3. EXPENSES

	Group	
	30 June 2014	30 June 2013
	$'000	$'000
(a) Mine operating costs		
Mining Expenses	98,062	32,575
Processing Expenses	44,284	19,311
Site Administration Expenses	36,821	9,073
	179,166	**60,960**
(b) Operating costs		
Exploration expenses	5,544	5,854
Administration	5,302	5,818
Personnel expenses	3,712	-
Acquisition Cost	7,382	-
Redundancy Cost	7,245	-
Shares based payments	1,179	972
Net loss on financial assets held at fair value through profit or loss	592	5,747
Finance costs	1,800	783
Government Royalty expense	7,328	3,353
(Gain)/Loss on derivatives	(1,726)	-
Depreciation	15,252	7,486
Amortisation	32,352	18,740
	85,961	**48,753**
Total Expenses	**265,127**	**109,713**

4. EARNINGS PER SHARE

	Group	
	30 June 2014	30 June 2013
	$'000	$'000
Basic profit/(loss) per share (cents)	5.0	6.7
Diluted profit/(loss) per share (cents)	5.0	6.6
Profit/(loss) used to calculate earnings per share ($'000)	24,007	28,328
Weighted average number of ordinary shares during the period used in calculation of basic profit/(loss) per share	481,545,715	421,050,679
Weighted average number of ordinary shares during the period used in calculation of diluted profit/(loss) per share	483,337,381	429,279,762

5. INCOME TAX

	Group	
	30 June 2014	30 June 2013
	$'000	$'000
(a) Income tax expense		
Current tax	9,591	8,007
Deferred tax	(652)	2,172
	8,939	10,179
Adjustment for current tax of prior periods	2,690	(1,730)
Income tax expense	**11,629**	**8,449**

(b) Numerical reconciliation of income tax expense to prima facie tax payable

Profit (Loss) before income tax	**35,637**	**36,777**
Tax at the Australian tax rate of 30%	10,691	11,033
Tax effect of amounts which are not deductible/ (taxable) in calculating taxable income:		
Share-based payments	56	(475)
Tax offset - Research and development	260	(298)
Trading stock	(1,803)	-
Sundry items	81	(81)
Subtotal	**9,285**	**10,179**
Research and development tax credit	(346)	-
Adjustments for current tax of prior periods	2,690	(1,730)
Subtotal	**2,344**	**(1,730)**
Income tax reported in the statement of profit or loss	**11,629**	**8,449**

6. DEFERRED INCOME TAX

	Provisions	Investments	Employee Benefits	Other	Total
(a) Deferred tax assets	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
At 1 July 2012	-	-	308	705	1013
(Charged)/credited to Profit or loss	-	1,724	116	224	2,064
At 30 June 2013	-	1,724	424	929	3,077
Adjustments for prior years		(1,743)			(1,743)
(Charged)/credited to Profit or loss	16,630	-	5,624	5,074	27,328
At 30 June 2014	16,630	(19)	6,048	6,003	28,662

The balance comprises temporary differences attributable to:

Employee benefits	6,048
Provisions	16,630
Accruals	5,986
Investments	(19)
Other	17
Gross deferred tax assets at 30 June 2014	**28,662**

6. DEFERRED INCOME TAX (continued)

(b) Deferred tax liabilities	Mine Properties	Inventories	Other	Total
	$'000	$'000	$'000	$'000
At 1 July 2012	7,296	371	-	7,667
Charged/(credited) to Profit or loss	4,101	136	-	4,237
At 30 June 2013	11,397	507	-	11,904
Adjustments for prior years			887	887
Charged/(credited) to Profit or loss	4,886	6,335	15,455	26,675
At 30 June 2014	16,283	6,841	16,342	39,466

The balance comprises temporary differences attributable to:	
Exploration and evaluation expenditure	15,284
Mine Properties	15,785
Property Plant and Equipment	975
Inventories	6,841
Accrued Income	549
Other	32
Gross deferred tax liabilities at 30 June 2014	**39,466**
Set off deferred tax assets	(28,662)
Net deferred tax liabilities	**10,804**

(c) Income tax liability	Group	
	30 June 2014	30 June 2013
	$'000	$'000
Opening Balance	4,620	3,633
Tax paid	(9,044)	(8,321)
Current Tax	8,939	10,179
Adjustments for current tax of prior periods	60	1,301
Current charges deferred tax assets	652	(2,172)
Total income tax liability	**5,228**	**4,620**

The Deferred Tax Asset brought to account for the period will only be obtained if:

(i) the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit to be realised;
(ii) the Company continues to comply with the conditions for deductibility imposed by tax legislation; and
(iii) the Company is able to meet the continuity of ownership and/or continuity of business tests under tax legislation

Tax Consolidation

The head entity, in conjunction with other members of the tax-consolidation group, have entered into a tax funding arrangement which sets out the funding obligations of members of the tax-consolidation group in respect of tax amounts. The tax funding arrangements require payments to/from the head entity equal to the current tax liability/ (asset) assumed by the head entity and any tax-loss deferred tax asset assumed by the head entity, resulting in the head entity recognising an inter-company receivable/(payable) equal in amount to the tax liability/ (asset) assumed. The inter-entity receivables/ (payable) will be at call.

Contributions to fund the current tax liabilities are payable as per the tax funding arrangement and reflect the timing of the head entity's obligation to make payments for the liabilities to the relevant tax authorities. The head entity in conjunction with other members of the tax-consolidated group has also entered into a tax sharing arrangement. The tax sharing agreement will provide for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

7. CASH AND CASH EQUIVALENTS

	Group	
	30 June 2014	30 June 2013
	$'000	$'000
(a) Cash and Cash Equivalents		
Cash at bank	80,887	19,163
Cash on Deposit	1,500	36,612
Total Cash and Cash Equivalents	**82,387**	**55,775**

The Group's exposure to interest rate risk is discussed in Note 31. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

	30 June 2014	30 June 2013
(b) Reconciliation of Net Profit/(Loss) after Tax to Net Cash From Operations		
Profit/(Loss) after income tax for the year	**24,007**	**28,328**
Non-Cash Items:	-	-
Depreciation and amortisation	47,882	26,233
Acquisition Royalty Payments	-	-
Net loss on financial assets held at fair value through profit or loss	589	
Gain on Derivatives	(1,726)	
Net (gain)/loss on sale of non-current assets	(23)	(8)
Net (gain)/loss on sale of Exploration Tenements	-	-
Interest Income	(103)	(53)
Share-based payments	1,179	972
Movements in Provisions	4,664	7120
Exploration expenditure written off	5,770	4,303
(Increase)/Decrease in Assets:		
Trade and other receivables	9,495	53
Inventories	6,307	(3,328)
Deferred taxes	1,978	(2,064)
Prepaid expenses	-	158
Increase/(Decrease) in Liabilities:	-	
Trade and other payables	(1,949)	(58)
Income tax liability	608	4,236
Net Cash From Operating Activities	**98,679**	**65,892**

8. TRADE AND OTHER RECEIVABLES

	Group	
	30 June 2014	30 June 2013
	$'000	$'000
Amounts receivable from:		
Trade Debtors	2,945	107
Sundry debtors	7,874	40
Goods and services tax recoverable	2,406	906
Fuel Rebates	440	195
Other receivables	-	465
Total Trade and other receivables	**13,665**	**1,713**

Fair Value and Risk Exposure

(a) Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value.
(b) The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security.
(c) Details regarding interest risk exposure are disclosed in Note 31.
(d) Other receivables generally have repayments between 30 and 90 days.
(e) Transactions between Northern Star Resources Limited and its subsidiaries consist of intercompany loans, upon which no interest is charged and no repayment schedule exists. The intercompany loans have no set repayment date and the fair value approximates the carrying value of the receivable.

9. INVENTORY

	Group 30 June 2014 $'000	Group 30 June 2013 $'000
Consumables and spares	22,802	1,688
Ore Stockpiles	17,240	5,680
Gold In Circuit	23,061	5,037
Total Inventory at cost	**63,104**	**12,405**

10. PREPAYMENTS

	Group 30 June 2014 $'000	Group 30 June 2013 $'000
Prepayments	2,225	-
Newmont – Jundee Acquisition Deposit	9,000	-
	11,225	**-**

11. DERIVATIVE FINANCIAL INSTRUMENTS

	Group 30 June 2014 $'000	Group 30 June 2013 $'000
Financial Derivative Assets		
Current: Cash flow hedge asset	3,024	-
Non-current: Cash flow hedge asset	-	-
Financial Derivative Liabilities		
Current: Cash flow hedge liability	333	-
Non-current: Cash flow hedge liability	965	-

From time to time, the Group is party to derivative financial instruments, in the normal course of business, in order to hedge exposure to fluctuations in commodity prices. During the year, the company entered into two gold hedging contracts with Investec Bank, in which 100,000 ounces and 50,000 ounces were hedged at prices of $1,462 and $1,415 respectively, over a period of 2 years. As at 30 June 2014, the Group had 110,200 ounces outstanding at an average price of A$1,434 to be delivered into over the period from 20 July 2014 to 31 December 2015. The Groups gold revenues and cash flows are affected by commodity product prices, which are volatile and cannot be accurately predicted. The objective for holding these commodity derivatives is to protect the operating revenues and cash flows related to a portion of the future gold sales from the risk of significant declines in commodity prices, which helps ensure the Company's ability to fund the capital budget. The net fair value of commodity hedges at 30 June 2014 was an asset of $1.72m (2013: Nil)

12. OTHER CURRENT ASSETS

	Group 30 June 2014 $'000	Group 30 June 2013 $'000
Dampier Gold Royalty	400	-
Other assets	-	4
	400	**4**

13. INVESTMENTS

	Group 30 June 2014 $'000	Group 30 June 2013 $'000
Investment in listed entities – at fair value	2,906	2,224
Reconciliation of Other Financial Assets		
Balance bought forward	2,224	6,653
Investment acquired for cash as part of business combination	1,195	-
Shares acquired for cash	100	1,318
Shares disposed for cash	(24)	-
Realised gain on sale of available for sales securities	3	-
Fair value loss at year end	(592)	(5,747)
Investment in listed entities – at fair value	**2,906**	**2,224**

14. PROPERTY, PLANT AND EQUIPMENT

	Group 30 June 2014 $'000	Group 30 June 2013 $'000
Plant and equipment at cost	96,986	53,586
Accumulated depreciation	(41,060)	(14,603)
	55,926	**38,983**
Motor Vehicles at Cost	2,701	1,722
Accumulated depreciation	(1,715)	(689)
	986	**1,033**
Buildings at cost	10,138	3,904
Accumulated depreciation	(7,074)	(1,604)
	3,064	**2,300**
Office equipment at cost	1,276	824
Accumulated depreciation	(612)	(264)
	664	**560**
	60,639	**42,876**

	Plant and equipment $'000	Motor Vehicles $'000	Office equipment $'000	Buildings $'000	Total $'000
2014 Reconciliation of property, plant and equipment					
Carrying amount at beginning of the year	38,983	1,033	560	2,301	42,876
Additions	34,715	-	312	50	35,077
Acquired as part of Asset acquisition (a)	6,548	98	-	636	7,282
Acquired as part of Business combination (b)	13,383	308	-	959	14,650
Disposals	(528)	-	-	-	(528)
Transfer from Construction in Progress	(23,467)	-	-	-	(23,467)
Depreciation charge	(13,708)	(453)	(209)	(882)	(15,252)
Carrying amount at end of the year	**55,926**	**986**	**664**	**3,064**	**60,639**

(a) Refer to Note 33 - Asset Acquisition for more information

(b) Refer to Note 34 - Business combination for more information

	Plant and equipment $'000	Motor Vehicles $'000	Office equipment $'000	Buildings $'000	Total $'000
2013 Reconciliation of property, plant and equipment					
Carrying amount at beginning of the year	18,143	772	572	396	19,883
Additions	27,306	548	2,301	333	30,488
Disposals	(421)	(212)	-	(6)	(639)
Depreciation charge	(6,045)	(75)	(573)	(163)	(6,856)
Carrying amount at end of the year	**38,983**	**1,033**	**2,300**	**560**	**42,876**

15. EXPLORATION AND EVALUATION COSTS

	Group	
	30 June 2014	30 June 2013
	$'000	$'000
Exploration costs brought forward	30,462	24,785
Exploration capitalised during the year	7,032	15,229
Exploration costs now written off	(159)	(4,303)
Transfer to development expenditure	-	(5,249)
Acquired as part of Asset Acquisition (a)	1,500	-
Acquired as part of Business Combination (b)	30,214	-
Exploration costs carried forward	**69,049**	**30,462**

(a) Refer to Note 33 - Asset Acquisition for more information

(b) Refer to Note 34 - Business combination for more information

A regular review is undertaken of each area of interest within exploration and evaluation to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine the technical feasibility and commercial viability or facts and circumstances suggest that the carrying amount exceeds the recoverable amount. During the impairment review for the year ended 30 June 2014, the recoverable amount of certain assets was assessed as lower than the carrying amount which resulted in a write off of $159,000 on exploration and evaluation assets.

16. DEVELOPMENT EXPENDITURE

	Group	
	30 June 2014	30 June 2013
	$'000	$'000
Development expenditure brought forward (acquired)	8,813	5,654
Transfer from exploration and evaluation costs	-	5,249
Acquired as part of Asset Acquisition (a)	19,879	-
Acquired as part of Business Combination (b)	48,671	-
Development expenditure this year	45,185	47,319
Accumulated amortisation	(32,352)	(49,409)
Development expenditure carried forward	**90,197**	**8,813**

(a) Refer to Note 33 - Asset Acquisition for more information

(b) Refer to Note 34 - Business combination for more information

17. TRADE AND OTHER PAYABLES

	Group	
	30 June 2014	30 June 2013
	$'000	$'000
Trade payables	11,365	14,449
Accruals	20,027	-
Other payables	6,057	610
Total Trade and other payables	**37,449**	**15,059**

Fair Value and Risk Exposures

(i) Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

(ii) Details regarding liquidity risk are disclosed in Note 31.

(iii) Trade and other payables are unsecured and usually paid within 30 days of recognition.

18. FINANCIAL LIABILITIES

	Group	
	30 June 2014	30 June 2013
	$'000	$'000
(a) Current		
Hire Purchase / Loan Agreements	2,143	6,163
Total Financial Liabilities	**2,143**	**6,163**
(b) Non-Current		
Hire Purchase / Loan Agreements	3,804	5,069
Total Financial Liabilities	**3,804**	**5,069**

Risk Exposures

Details of the group's exposure to risks arising from financial liabilities are set out in Note 31.

The Group has entered into various Hire Purchase / Loan Agreements for the Purchase of Plant and Equipment. The interest rates are fixed and are payable over a period of up to 18 months.

Financing Arrangements

The group had an undrawn borrowing facility at the end of the reporting period of $100 Million from Investec.

19. PROVISIONS

	Group	
	30 June 2014	30 June 2013
	$'000	$'000
(a) Current		
Provision for annual leave	13,201	1,297
Provision - Other	5,417	-
Total Provisions	**18,618**	**1,297**
(b) Non-Current		
Provision for long service leave	7,519	226
Provision for rehabilitation	65,523	2,676
Total Provisions	**73,041**	**2,902**
Reconciliation of provision for rehabilitation:		
Carrying amount at beginning of the year	2,676	2,676
Increase during the year	19,685	-
Acquired as part of business combination (a)	43,162	-
Accretion	-	-
Carrying amount at end of the year	**65,523**	**2,676**

(a) Refer to Note 34 - Business combination for more information.

The provision for rehabilitation represents the legal obligation for rehabilitation over tenement areas acquired and other non-current assets acquired. The timing of the provision is based on licences in existence at the end of the financial year.

20. CONTRIBUTED EQUITY

	Group	
	30 June 2014	30 June 2013
(a) Issued Capital		
Ordinary shares fully paid	579,404,804	424,279,762

(b) Movements in Ordinary Share Capital

Summary of Movements	Number of Shares	Company $'000
Closing Balance at 30 June 2012	**402,358,752**	**64,613**
Equity issue net of transaction costs	58,859	71
Exercise of Options	21,862,151	1,368
Transfer from Option Reserve	-	713
Closing Balance at 30 June 2013	**424,279,762**	**66,765**
Equity issue net of transaction costs	149,833,510	125,568
Issue of employees shares	106,932	84
Exercise of Options	1,094,600	1,391
Transfer from Options Reserve	-	-
Employee share loan*	4,090,000	-
Closing Balance at 30 June 2014	**579,404,804**	**193,808**

* Refer to Directors report for further details on the Groups LTI share scheme

(c) Unlisted Options

Northern Star had the following unlisted options on issue as at 30 June 2014:

	NUMBER	EXERCISE PRICE	EXPIRY DATE
Employee Options	250,000	$0.95	Expiring on 15 April 2015
Employee Options	250,000	$1.05	Expiring on 15 April 2016
Employee Options	125,000	$1.22	Expiring on 1 November 2015
Employee Options	250,000	$1.05	Expiring on 27 August 2014
Employee Options	250,000	$1.22	Expiring on 27 August 2015
Employee Options	333,333	$1.81	Expiring on 27 February 2016
Employee Options	333,333	$1.50	Expiring on 27 February 2015

During the financial year, nil unlisted options expired (2013: 638,801), nil unlisted options were cancelled (2013: 125,000), 3,208,334 unlisted options were exercised (2013: 23,893,526) and no further unlisted options were granted during the year (2013: 2,000,000).

(d) Terms and Conditions of Issued Capital

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

(e) Capital Management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to Shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital Management may in the future adjust the capital structure to take advantage of favourable costs of capital and issue further shares in the market. Management has no current plans to adjust the capital structure.

Total capital is equity as shown in the statement of financial position.

The Group is not subject to any externally imposed capital requirements.

21. SHARE-BASED OPTION RESERVE

	GROUP	
	30 June 2014	30 June 2013
	$'000	$'000
Balance at the beginning of the year	691	503
Option exercised	(1,391)	(665)
Option forfeited	-	(48)
Option expense	1,095	901
Balance at the end of the year	**395**	**691**

Nature and purpose of the reserve:

The Share-based option reserve is used to recognise the fair value of options issued but not exercised.

22. DIVIDENDS

Dividends paid during the financial year were as follows:

	GROUP	
	30 June 2014	30 June 2013
Final dividend for the year ended 30 June 2013 of 2.5 cents per ordinary share	10,607	10,599
Interim dividend for the year ended 30 June 2014 of 1.0 cents ordinary share	5,786	4,243
	16,393	**14,842**

The directors declared a final dividend for the year ended 30 June 2014 of 2.5 cents per ordinary share to be paid on 3 October 2014, a total estimated distribution of $14.5 million based on the number of ordinary shares on issue as at 26 August 2014. As the dividend was fully franked, there are no income tax consequences for the owners of Northern Star Resources Limited relating to this dividend.

23. INTEREST IN SUBSIDIARY

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

	Country of Incorporation
Northern Star Mining Services Pty Limited	Australia
Northern Star (Kanowna) Ltd	Australia
Kundana Gold Pty Ltd	Australia
Gilt-Edged Mining NL	Australia
EKJV Management Pty Ltd	Australia
Kanowna Mines Ltd	Australia
GKL Properties Pty Ltd	Australia

24. COMMITMENTS AND CONTINGENT LIABILITIES

	Group	
	30 June 2014	30 June 2013
	$'000	$'000
(a) Operating Commitments:		
Commitments in relation to hire purchase arrangements under a master agreement with various banks and lending institutions contracted for at the reporting date.		
Within one year	2,143	5,771
Later than one year but not more than five years	3,804	4,217
	5,948	**9,988**
Future Finance Charges	(227)	(631)
	5,721	**9,357**
(b) Capital Commitments:		
Commitments in relation to purchase of Property Plant and Equipment contracted for at the reporting date, but not recognised as liabilities.		
Within one year	1,082	493
Later than one year but not more than five years	-	-
	1,082	**493**

24. COMMITMENTS AND CONTINGENT LIABILITIES (continued)

(c) Operating Lease Expenditure Commitments:

The Company leases its Head Office property located at level 1, 1 Puccini Court, Stirling W.A. under an operating lease. The lease runs for a period of 3 years commencing on the 1st of May 2012, with an option to renew the lease for a further 5 years commencing on the 1st of May 2015. Lease payments are increased every year to reflect market rentals, currently CPI plus 1%.

Within one year	298	297
Later than one year but not more than five years	-	272
	298	**569**

(d) Tenement Expenditure Commitments:

The Company and the Group are required to maintain current rights of tenure to tenements, which require outlays of expenditure in 2013/2014. Under certain circumstances these commitments are subject to the possibility of adjustment to the amount and/or timing of such obligations, however, they are expected to be fulfilled in the normal course of operations. Estimated minimum required expenditure on mining, exploration and prospecting leases as at 30 June 2014 are:

Within one year	14,922	3,806
Later than one year but not more than five years	57,245	9,159
Later than five years	81,302	897
	153,469	**13,862**

(e) Contingencies:

It is possible that native title, as defined in the Native Title Act 1993, might exist over land in which the Company has an interest. It is impossible at this stage to quantify the impact (if any) that the existence of native title may have on the operations of the Company. However, at the date of these accounts, the Directors are aware that applications for native title claims have been accepted by the Native Title Tribunal over tenements held by the Company.

25. EMPLOYEE INCENTIVE SCHEME AND OTHER SHARE-BASED PAYMENTS

An employee incentive scheme has been established by Northern Star Resources Limited to provide eligible employees with a potential ownership interest in the Company for the purpose of:

– providing them with an opportunity to share in the growth in value of the Company,
– encouraging them to improve the longer-term performance of the Company and its returns to Shareholders, and
– assisting in the attraction, reward and retention of employees of the Company and its subsidiary.

These options/shares are granted at the discretion of the Board, who may take into account skills, experience, length of service with the Company, remuneration level and such other criteria as considered appropriate. Shares and Options issued pursuant to the scheme are issued free of charge. Shares issued under the Employee Share Plan are held in voluntary escrow. Where options are issued, the option exercise price and expiry date, and the date(s) on which the rights may be exercised, is determined by the Board. Options are unlisted and not quoted on the ASX, and transfers are restricted applied.

(a) Set out below are the summaries of employee shares granted as share based payments.

Grant Date	Balance at start of the year	Granted during the year	Forfeited or Cancelled during the year	Balance at the end of the year
2014				
30/1/2014	129,579	106,932	-	236,511
2013				
10/1/2013	70,720	58,859	-	129,579

25. EMPLOYEE INCENTIVE SCHEME AND OTHER SHARE-BASED PAYMENTS (continued)

(b) Set out below are the summaries of options granted as share based payments.

Grant Date	Expiry Date	Exercise Price	Balance at start of the year	Granted during the year	Exercised during the year	Forfeited, Expired or Cancelled during the year	Balance at the end of the year	Vested and exercisable at the end of the year
2014								
15/04/2013	15/04/2016	1.05	250,000	-	-	-	250,000	-
15/04/2013	15/04/2015	0.95	250,000	-	-	-	250,000	250,000
10/01/2013	1/11/2015	1.22	125,000	-	-	-	125,000	125,000
10/01/2013	1/11/2014	1.05	125,000	-	(125,000)	-	-	-
10/01/2013	27/08/2015	1.22	250,000	-	-	-	250,000	
10/01/2013	27/08/2014	1.05	250,000	-	-	-	250,000	250,000
3/12/2012	28/06/2014	0.91	750,000	-	(750,000)	-	-	-
29/06/2012	28/06/2014	0.91	2,000,000	-	(2,000,000)	-	-	-
2/03/2012	27/02/2014	1.20	333,334	-	(333,334)	-	-	-
2/03/2012	27/02/2015	1.50	333,333	-	-	-	333,333	333,333
2/03/2012	27/02/2016	1.81	333,333	-	-	-	333,333	-

Grant Date	Expiry Date	Exercise Price	Balance at start of the year	Granted during the year	Exercised during the year	Forfeited, Expired or Cancelled during the year	Balance at the end of the year	Vested and exercisable at the end of the year
2013								
15/04/2013	15/04/2016	1.05	-	250,000	-	-	250,000	-
15/04/2013	15/04/2015	0.95	-	250,000	-	-	250,000	-
10/01/2013	1/11/2015	1.22	-	125,000	-	-	125,000	-
10/01/2013	1/11/2014	1.05	-	125,000	-	-	125,000	-
10/01/2013	27/08/2015	1.22	-	250,000	-	-	250,000	-
10/01/2013	27/08/2014	1.05	-	250,000	-	-	250,000	-
3/12/2012	28/06/2014	0.91	-	750,000	-	-	750,000	-
29/06/2012	28/06/2014	0.91	2,000,000	-	-	-	2,000,000	2,000,000
15/05/2012	14/05/2013	0.80	375,000	-	(375,000)	-	-	-
15/05/2012	30/06/2013	0.80	375,000	-	(250,000)	(125,000)	-	-
2/03/2012	27/02/2014	1.20	333,334	-	-	-	333,334	-
2/03/2012	27/02/2015	1.50	333,333	-	-	-	333,333	-
2/03/2012	27/02/2016	1.81	333,333	-	-	-	333,333	-
25/08/2011	17/10/2012	0.35	333,334	-	(333,334)	-	-	-
25/08/2011	17/10/2013	0.50	333,333	-	(333,333)	-	-	-
25/08/2011	17/10/2014	0.65	333,333	-	(333,333)	-	-	-
28/10/2010	11/10/2013	0.20	333,333	-	(333,333)	-	-	-
28/10/2010	11/10/2014	0.25	333,333	-	(333,333)	-	-	-
18/11/2010	4/11/2012	0.15	333,334	-	(333,334)	-	-	-
18/11/2010	4/11/2013	0.20	333,333	-	(333,333)	-	-	-
18/11/2010	4/11/2014	0.25	333,333	-	(333,333)	-	-	-
30/07/2010	30/07/2013	0.20	250,000	-	(250,000)	-	-	-
30/07/2010	30/07/2013	0.20	250,000	-	(250,000)	-	-	-
30/07/2010	30/07/2013	0.20	250,000	-	(250,000)	-	-	-
30/07/2010	30/07/2013	0.20	250,000	-	(250,000)	-	-	-
11/09/2009	4/09/2012	0.05	500,000	-	(500,000)	-	-	-
11/09/2009	4/09/2012	0.05	333,333	-	(333,333)	-	-	-
11/09/2009	4/09/2013	0.10	500,000	-	(500,000)	-	-	-
11/09/2009	4/09/2013	0.10	6,500,000	-	(6,500,000)	-	-	-
11/09/2009	4/09/2013	0.10	5,000,000	-	(5,000,000)	-	-	-
11/09/2009	4/09/2013	0.10	333,333	-	(333,333)	-	-	-

26. COMPENSATION OF KEY MANAGEMENT PERSONNEL

	Group	
	30 June 2014	30 June 2013
	$'000	$'000
Short-term employee benefits - cash fees and bonus	1,952	1,482
Post-employment benefits - superannuation	104	62
Equity based payments	617	445

27. RELATED PARTY TRANSACTIONS

Michael Fotios (resigned on 24 October 2013) is a related party, and is:

(a) a Shareholder and Director of Delta Resource Management Pty Ltd. During the year, no amounts were paid to Delta Resources for services provided (2013: $562);
(b) a Shareholder and Director of Investmet Limited. During the year an amount of $4,840 was paid to this business for corporate advice at normal commercial rates (2013: 58,400).

Bill Beament is a related party, and:

(a) has a minor beneficial interest in a shareholding of Australian Underground Drilling Pty Ltd (a former Director who resigned in June 2014). During the year an amount of $7,397,675 was paid to this business for drilling services at normal commercial rates (2013: $6,886,439);

(b) has a minor beneficial interest in a shareholding in Premium Mining Personnel Pty Ltd. During the year, an amount of $6,202,673 was paid to this business for supplying specialist mining labour at normal commercial rates (2013: $5,327,172); and

(c) is the sole director and has a beneficial interest in a shareholding in Mining & Infrastructure Group Pty Ltd. During the year an amount of $7,100 was paid to this business for serviced vehicle expenses at normal commercial rates in relation to Mr Beament's remuneration contract (2013:$18,800).

In addition to the above, the Group had the following receivables and payables from related parties noted above:

	Group	
	2014	2013
	$000's	$000's
Assets		
Trade Receivables	57	63
Liabilities		
Trade Payables	1,193	2,210

28. AUDITOR'S REMUNERATION

	GROUP	
	30 JUNE 2014	30 JUNE 2013
	$	$
Amounts received, or due and receivable, by Rothsay Chartered Accountants for:		
An audit review of the financial report of the entity and any other entity in the consolidated group	128,000	57,800
Amounts received, or due and receivable, by entities not part of Rothsay Chartered Accountants group for:		
Audit services - component auditors	95,000	-

29. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Board that are used to make strategic decisions. The Group operates in only one geographic segment (i.e. WA, Australia) and has identified 5 operating segments as listed below.

The Group's reportable operating segments are:

1. Paulsens, WA Australia
2. Plutonic, WA Australia
3. Kundana, WA Australia
4. Kanowna, WA Australia
5. Exploration and Other

Exploration and Other mainly compromise projects in the exploration, evaluation and feasibility phase in WA, Australia. These include the Asburton gold project, Kazput coal project, Fortescue JV project and ongoing EKJV exploration.

All of the Groups operations produces primarily gold, from which its revenue is derived. Revenue derived by the Group is received from one customer, being the Perth Mint. The Registered Manager of the respective mine is responsible for budgets and expenditure of the operations, which includes exploration activities on the mine's tenure.

The Group's Exploration Manager is responsible for budgets and expenditure relating to the Group's exploration and feasibility studies. These exploration divisions do not ordinarily derive any income. Once a project generated by the exploration division enters the production phase and commences generating income, that operation would then be disaggregated from exploration and become reportable as a separate segment.

	Paulsens	Plutonic	Kanowna	Kundana	Exploration and Other	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Sales to external customers	143,040	56,963	55,852	41,120	-	**296,976**
Total Segment revenue	143,040	56,963	55,852	41,120	-	**296,976**
Segment net operating profit (loss) before income tax	35,408	584	5,030	13,690	(5,742)*	**48,970**
Segment Assets	72,539	58,427	85,393	63,607	69,049	**349,016**
Segment Liabilities	(5,426)	(23,430)	(37,941)	(25,233)	-	**(92,031)**
Depreciation and amortisation	29,715	10,577	3,800	3,511	-	**47,603**
Impairment loss before tax	-	-	-	-	159	**159**
Other non-cash expenses	(975)	(1,041)	(1,240)	-	-	**(3,256)**

*Includes redundancy cost of $198,000 in relation to the exploration division.

(i) Reconciliation of segment net profit (loss) before tax to operating profit (loss) before tax

	Group $'000
Segment net profit (loss) before tax	48,970
Finance and other income	3,785
Realised gains/(losses) on financial assets	(589)
Share-based payments expense	(1,179)
Acquisition costs	(7,382)
Other corporate costs	(9,696)
Net gain/(loss) on gold hedge financing	1,726
Total net profit/(loss) before tax	**35,637**

29. SEGMENT INFORMATION (continued)

(ii) Segment assets reconciliation to the Balance Sheet

	Group $'000
Total assets for reportable segments	349,016
Unallocated assets	
Derivative asset	3,024
Listed equity securities	2,906
Corporate cash and receivables	41,650
Total assets as per the balance sheet	**396,596**

(iii) Segment liabilities reconciliation to the Balance Sheet

	Group $'000
Total liabilities for reportable segments	(92,031)
Unallocated liabilities	
Deferred tax liabilities	(10,804)
Creditors and accruals	(9,207)
Provision for employee benefits	(23,282)
Provision for Income tax	(5,490)
Provision for Stamp Duty Payable	(4,326)
Finance leases	(5,948)
Derivative Liability	(1,298)
Total liabilities as per the balance sheet	**(152,386)**

30. JOINT VENTURES

		Group	
Joint Ventures	**Principal Activities**	**30 June 2014**	**30 June 2013**
FMG JV	Exploration	25%	25%
Hardey Junction JV	Exploration	80%	80%
Mt Clement JV	Exploration	20%	20%
East Kundana Production JV	Exploration & Development	51%	-
Kanowna West JV	Exploration	60%	-
Kalbarra JV	Exploration	60%	-
West Kundana JV	Exploration	75.5%	-
Carbine East JV	Exploration	95%	-

The joint ventures are not separate legal entities. They are contractual arrangements between participants for the sharing of costs and outputs and do not in themselves generate revenue and profit. The joint ventures are of the type where initially one party contributes tenements with the other party earning a specified percentage by funding exploration activities; thereafter the parties often share exploration and development costs and output in proportion to their ownership of joint venture assets. The joint ventures are accounted for in accordance with the Group's accounting policy set out in Note 1.

31. FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise cash, short-term deposits, borrowings and derivatives. The main purpose of these financial instruments is to provide working capital for the Group's operations and mine development. The Group has various other financial instruments such as financial assets at fair value through profit and loss, trade debtors, trade creditors and finance leases, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, foreign currency risk, commodity price risk and credit risk. The Board reviews and agrees on policies for managing each of these risks.

The Group holds the following financial instruments:	Group	
	30 June 2014	30 June 2013
	$'000	$'000
Financial assets		
Cash and cash equivalents	82,387	55,775
Trade and other receivables	25,290	1,713
Financial Derivative Asset	3,024	-
Other Financial Assets	2,906	2,224
Financial liabilities		
Trade payables	37,449	14,449
Finance Leases	5,948	11,232
Derivative Financial Liability	1,298	-

(a) Interest rate risk

At balance date the Group's exposure to market risk for changes in interest rates relates primarily to the Company's short-term cash deposits and borrowings. The Group constantly analyses its exposure to interest rates, with consideration given to potential renewal of existing positions, the mix of fixed and variable interest rates and the period to which deposits may be fixed.

The Group had the following financial instruments exposed to interest rates:	Group	
	30 June 2014	30 June 2013
	$'000	$'000
Financial assets		
Cash and cash equivalents	82,387	55,775
Financial liabilities		
Finance Leases	(5,948)	(11,232)
Net exposure	**76,439**	**44,543**

Sensitivity

At 30 June 2014, if interest rates had increased/decreased by 1% (pre-tax) from the year end variable rates with all other variables held constant, post-tax profit and equity for the Group and Parent would have been $532,000 higher/lower (2013: $334,000 higher lower).

The 0.7% (post-tax) sensitivity is based on reasonably possible changes, over a financial year, using an observed range of historical RBA movements over the last year.

(b) Liquidity risk

The Group manages liquidity risk by monitoring immediate and forecast cash requirements and ensuring adequate cash reserves are maintained. A maturity analysis of financial liabilities is disclosed in the table below.

30 June 2014	1 year or less $'000	1-2 years $'000	2 or more years $'000	Total $'000
Trade and other payables	37,449	-	-	**37,449**
Hire Purchase liabilities	2,143	2,926	879	**5,948**
Derivative liability	333	965	-	**1,298**

30 June 2013	1 year or less $'000	1-2 years $'000	2 or more years $'000	Total $'000
Trade and other payables	14,449	-	-	**14,449**
Hire Purchase liabilities	1,634	4,820	4,778	**11,232**
Derivative liability	-	-	-	**-**

31. FINANCIAL RISK MANAGEMENT (continued)

(c) Foreign Currency Risk

The group's exposure to commodity risk arises from movements in the gold price. During the year the Group entered into a hedge contract (refer Note 11) for specified quantities of gold on specific dates to partly manage the commodity risk.

(d) Commodity Price Risk

The group is exposed to the Australian Dollar currency risk on gold sales, which are denominated in US dollars. During the year the Group entered into a hedge contract (refer Note 11) for specified quantities of gold on specified dates to partly manage the commodity and currency risk.

Derivative assets and liabilities designated as cash flow hedges

The following table indicates the periods in which the cash flows associated with cash flow hedges are expected to occur and are expected to impact profit and loss.

			Expected CashFlows			
	Fair Value	Total	2 months or less	2-12 months	1-2 years	2 or more years
	000's	000's	000's	000's	000's	000's
Net Hedged Asset	1,726	155,762	25,065	89,762	40,934	-

(i) Sensitivity Analysis

Movement in Gold Price

The following table summarises the sensitivity of financial instruments held at 30 June 2014 to movements in gold price, with all other variables held constant. A 20% (2013: N/A) sensitivity rate is used to value derivative contracts held and is based on reasonable assessment of the possible changes

	Group	
	2014	2013
	000's	000's
Increase 20% (2013: N/A)	(30,807)	-
Decrease 20% (2013: N/A)	30,807	-

(e) Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. Cash is deposited only with institutions with a minimum credit rating of A (or equivalent) as determined by a reputable credit rating agency e.g. Standard & Poor. The Group has all cash deposited with one bank. The Group does not have any other significant credit risk exposure to a single counterparty or any group of counterparties having similar characteristics.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

	Group	
	30 June 2014	30 June 2013
	$'000	$'000
Cash and cash equivalents	82,387	55,775
Trade and Other Receivables	25,290	1,713

The Consolidated Entity measures credit risk on a fair value basis. The carrying amount of financial assets recorded in the financial statements, net of any provision for losses, represents the Consolidated Entity's maximum exposure to credit risk. All receivables noted above are due within 30 days. None of the above receivables are past due.

31. FINANCIAL RISK MANAGEMENT (continued)

(f) Net fair values

The net fair values of financial assets and financial liabilities at the reporting date are as follows:

	Total carrying amount as per the consolidated balance sheet		Consolidated Fair Value	
	2014	2013	2014	2013
Financial Assets	**$'000**	**$'000**	**$'000**	**$'000**
Cash and cash equivalents	82,387	55,775	82,387	55,775
Trade and Other Receivables	25,290	1,713	25,290	1,713
Investments - Listed	2,906	2,224	2,906	2,224
Financial Derivative Asset	3,024	-	3,024	-
Total Financial Assets	**113,607**	**59,713**	**113,607**	**59,713**
Financial Liabilities				
Trade Payables	37,449	14,449	37,449	14,449
Finance Leases	5,948	11,232	5,948	11,232
Derivative Financial Liability	1,298	-	1,298	-
Total Financial Liabilities	**44,695**	**25,681**	**44,695**	**25,681**

The following table provide an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable.

Level 1: fair value measured are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities that the group can access at the measurement date.

Level 2: fair value measured are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: fair values measured are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

30 June 2014	$'000 Level 1	$'000 Level 2	$'000 Level 3	$'000 Total
Assets				
Listed shares are fair value	2,906	-	-	**2,906**
Derivative asset	-	3,024	-	**3,024**
Liabilities				
Derivative liabilities	-	1,298	-	**1,298**

30 June 2013	$'000 Level 1	$'000 Level 2	$'000 Level 3	$'000 Total
Assets				
Listed shares are fair value	2,224	-	-	**2,224**
Derivative asset	-	-	-	**-**
Liabilities				
Derivative liabilities	-	-	-	**-**

The fair value of financial instruments traded in active markets is based upon quoted market price at the end of the reporting period. The quoted market price is the quoted bid prices that are included in Level 1. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group makes a number of assumptions based upon observable market data existing at each reporting period. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
The fair values of the financial assets and financial liabilities included in the level 2 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

32. PARENT ENTITY INFORMATION

(a) Information relating to Northern Star Resources Limited:

	Parent Entity	
	30 June 2014 $'000	30 June 2013 $'000
Results of the parent entity		
Profit/(Loss) for the period	2,591	23,106
Other comprehensive income for the year	-	-
Total comprehensive income for the year	**2,591**	**23,106**
Financial position of the parent entity at year end		
Current assets	151,451	69,334
Non-current assets	130,182	77,109
Total assets	**281,633**	**146,443**
Current liabilities	29,866	23,522
Non-current liabilities	28,488	14,806
Total liabilities	**58,353**	**38,328**
Net Assets	**223,280**	**108,115**
Contributed equity	193,808	66,765
Reserves	395	691
Retained earnings	29,077	40,659
Total equity	**223,280**	**108,115**

(b) Details of any guarantees entered into by the parent entity in relation to the debts of its subsidiary

Refer to Note 24.

(c) Details of any contingent liabilities of the parent entity

Refer to Note 24.

(d) Details of any contractual commitments by the parent entity for the acquisition of plant, and equipment

There are no contractual commitments by the parent entity for the acquisition of property, plant and equipment as at reporting date.

(e) Tax Consolidation

The Company and its 100% owned controlled entities have formed a tax consolidated group. Members of the group entered into a tax sharing arrangement in order to allocate income tax expense to the wholly owned controlled entities. The head entity of the consolidated group is Northern Star Resources Limited.

33. ASSET ACQUISITION

On 21 December 2013, Northern Star Resources Limited executed a Sale and Purchase Agreement with Barrick Gold Corporation to purchase the Plutonic Gold mine assets. The total consideration paid by Northern Star Resources amounted to $42,167,461, which comprised of $25m cash consideration and the assumption by Northern Star Resources of certain liabilities (including Trade payables and Employee Entitlements) totalling $17,167,461.

The acquisition was completed on 1 February 2014. The transaction has been accounted for using the guidelines as set out in AASB 3 "Business Combination".

Details of the purchase consideration and assets acquired are as follows:

	Fair Value 000's
Pastoral Leases	1,500
Dampier Gold Royalty	400
Dampier Gold Shares	100
Plant & Equipment	7,282
Inventory Consumables	9,080
Inventory Ore	457
Gold In Circuit	3,470
Mining Development	19,879
Net Assets Acquired	**42,167**

34. BUSINESS COMBINATION

On 23 January 2014, Northern Star Resources Limited announced that it had agreed to acquire Barrick Gold Corporation's 100% owned Kanowna Belle Gold Mine, inclusive of Barrick's 51% interest in the East Kundana Joint Venture and on site production facilities for a total of $75 million cash consideration.

The $75 million cash consideration was funded through a combination of:

- existing cash reserves;

- a new $50 million debt facility; and

- $100 million capital raising via a two-tranche private placements with institutional investors

The transaction was completed and effective 1 March 2014. The net assets acquired in the business combination are as follows:

Nets Assets acquired	Fair value 000's
Cash and cash equivalent	1,627
Trade and other receivables	9,406
Inventory - trading stock	33,375
Consumables stores	10,625
Investments	1,195
Plant and equipment	14,650
Mine Development	48,671
Exploration and evaluation	30,214
Accounts Payable	(6,090)
Accruals - workforce related	(11,648)
Other accruals	(13,863)
Rehabilitation provision	(43,162)
Net Assets acquired	75,000

Total Consideration paid	$75,000

Acquisition related costs of $7.4 million have been excluded from the consideration transferred and have been recognised as an expense in profit or loss in the current year.

We note that the fair values assigned to identifiable assets and liabilities above are presented on a provisional basis. As at the date of this report, taxation and fair value allocations are not yet finalised. The group will recognise any adjustments to these provisional values as a result of completing the fair value accounting within twelve months following the acquisition date.

Impact of acquisition on the results of the Group

Included in the profit for the year is $18.7 million attributable to the additional business generated by the Kalgoorlie Operations. Revenue for the year includes $97 million in respect of these assets.

Had the business combination been effected at 1 July 2013, the revenue of the Group would have been $291 million and the profit for the year would have been $57 million on a pro-rata basis. The directors of the Group consider these 'pro-forma' numbers to represent an approximate measure of the performance of the combined group on an annualised basis and to provide a reference point for comparison in future periods.

35. EVENTS SUBSEQUENT TO YEAR END

Subsequent to the period end, the Company announced:

- a final dividend of 2.5 cents per share to Shareholders on the record date of 15 September 2014 , payable on 3 October 2014;
- an updated Resources Statement effective as at 30 June 2014 which was released on the 4 August 2014;
- the completion of the acquisition on 1 July 2014 of the Jundee Gold Mine from Newmont Mining Corporation for cash consideration of A$82.5m. As part of the acquisition, the Group drew down A$70 million from its A$100 million credit facility with Investec Bank Plc; and
- the issue of 7,854,843 fully paid ordinary shares in return for waiving the right of first refusal to buy the Jundee Gold Mine, and the issue of 170,012 fully paid ordinary shares as a result of a cashless conversion of options.

There are no other matters or circumstances that have arisen since 30 June 2014 that have or may significantly affect the operations, results, or state of affairs of the Group in future financial years.