



**NORTHERN STAR**  
RESOURCES LIMITED

ASX Code: NST



# Northern Star Resources

An Australian gold miner – for global investors

June 2015

## Competent Persons Statements

- \* The information in this announcement that relates to mineral resource and reserve estimations, exploration results, data quality, geological interpretations and potential for eventual economic extraction, is based on information compiled by Brook Ekers (Member Australian Institute of Geoscientists), who is a full-time employee of Northern Star Resources Limited. Mr Ekers has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" for the Group reporting. Mr Ekers consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.
- \* The information in this announcement that relates to mineral resource estimations, exploration results, data quality, geological interpretations and potential for eventual economic extraction, is based on information compiled by Darren Cooke, (Member Australian Institute of Geoscientists), who is a full-time employee of Northern Star Resources Limited. Mr Cooke has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" for the Pegasus, Rubicon and Hornet Deposit and the Ambition prospect. Mr Cooke consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

## Forward Looking Statements

- \* Northern Star Resources Limited has prepared this announcement based on information available to it. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this announcement. To the maximum extent permitted by law, none of Northern Star Resources Limited, its directors, employees or agents, advisers, nor any other person accepts any liability, including, without limitation, any liability arising from fault or negligence on the part of any of them or any other person, for any loss arising from the use of this announcement or its contents or otherwise arising in connection with it. This announcement is not an offer, invitation, solicitation or other recommendation with respect to the subscription for, purchase or sale of any security, and neither this announcement nor anything in it shall form the basis of any contract or commitment whatsoever. This announcement may contain forward looking statements that are subject to risk factors associated with gold exploration, mining and production businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimations, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory changes, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.
- \* AUD/USD Currency conversions in this presentation have been converted at an \$0.77 AUD/USD spot basis as at 10/06/2015

# Team with a track record

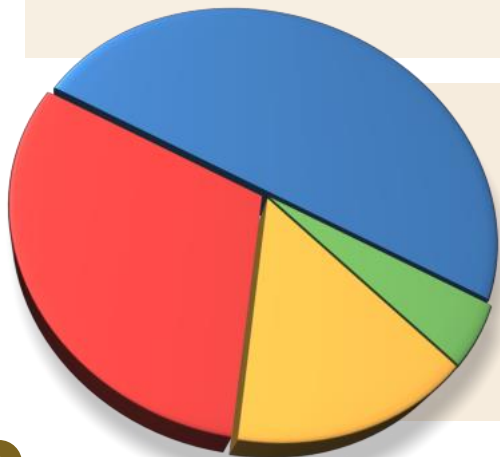
	Shares	Options
<b>Total</b>	<b>593M</b>	<b>2.9M</b>
<i>* As at 10 June 2015</i>		

<b>Share price:</b>	<b>A\$2.16</b>
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## Market Capitalisation (ASX: NST) ASX 200

<i>Undiluted</i>	<b>~A\$1.3B</b>
<i>Cash, Bullion &amp; Investments (31 Mar 2015)</i>	<b>A\$111.7M</b>
<i>Debt</i>	<b>Nil</b>

Substantial Shareholders		
	<b>BlackRock</b>	<b>11.2%</b>
	<b>Van Eck</b>	<b>13.9%</b>



<b>Institutions</b>	<b>67%</b>
<b>Board &amp; Management</b>	<b>5%</b>
<b>High Net Worth Individuals</b>	<b>10%</b>
<b>Retail</b>	<b>18%</b>

## Board – Successful record in discovering and developing mines

<b>BILL BEAMENT</b>	<i>Managing Director (Mining Engineer)</i>
<b>CHRIS ROWE</b>	<i>Non-Executive Chairman – Independent (Barrister and Solicitor)</i>
<b>PETER O’CONNOR</b>	<i>Non-Executive Director – Independent (Investment Fund Management)</i>
<b>JOHN FITZGERALD</b>	<i>Non-Executive Director – Independent (Resources Finance and Banking)</i>

## DISCIPLINES TO OPERATE A MINING BUSINESS ARE COVERED

## Senior Management

<b>STUART TONKIN</b>	<i>Chief Operating Officer</i>
<b>SHAUN DAY</b>	<i>Chief Financial Officer</i>
<b>LIZA CARPENE</b>	<i>Company Secretary</i>
<b>DARREN STRALOW</b>	<i>General Manager Business Development</i>
<b>MICHAEL MULRONEY</b>	<i>Chief Geological Officer</i>

## MANAGEMENT CAPACITY TO CATER FOR COMPANY GROWTH

# A global mid-cap gold miner



- ✦ Production of 550,000-600,000ozpa; Market cap A\$1.3B (593M shares at A\$2.16)
- ✦ FY2015 AISC ~A\$1,050-A\$1,100/oz; (US\$810-US\$850/oz)
- ✦ Five operating mines, all in Western Australia
- ✦ Recently announced Central Tanami JV will add to production profile
- ✦ A\$131M of underlying company free cash flow in the first 3 qtrs of 2015
- ✦ A\$50M exploration/drilling budget over the coming twelve months to grow mineral inventory
- ✦ Total JORC Resources-Reserves of 6.7Moz
- ✦ Discovery cost averaged A\$30/oz; (US\$23/oz) in 1H 2015
- ✦ Cash & cash equivalents as at 31<sup>st</sup> March 2015 A\$111M
- ✦ Debt free, outstanding balance was fully repaid on the 13<sup>th</sup> April



# 550-600koz production from six world-class gold camps



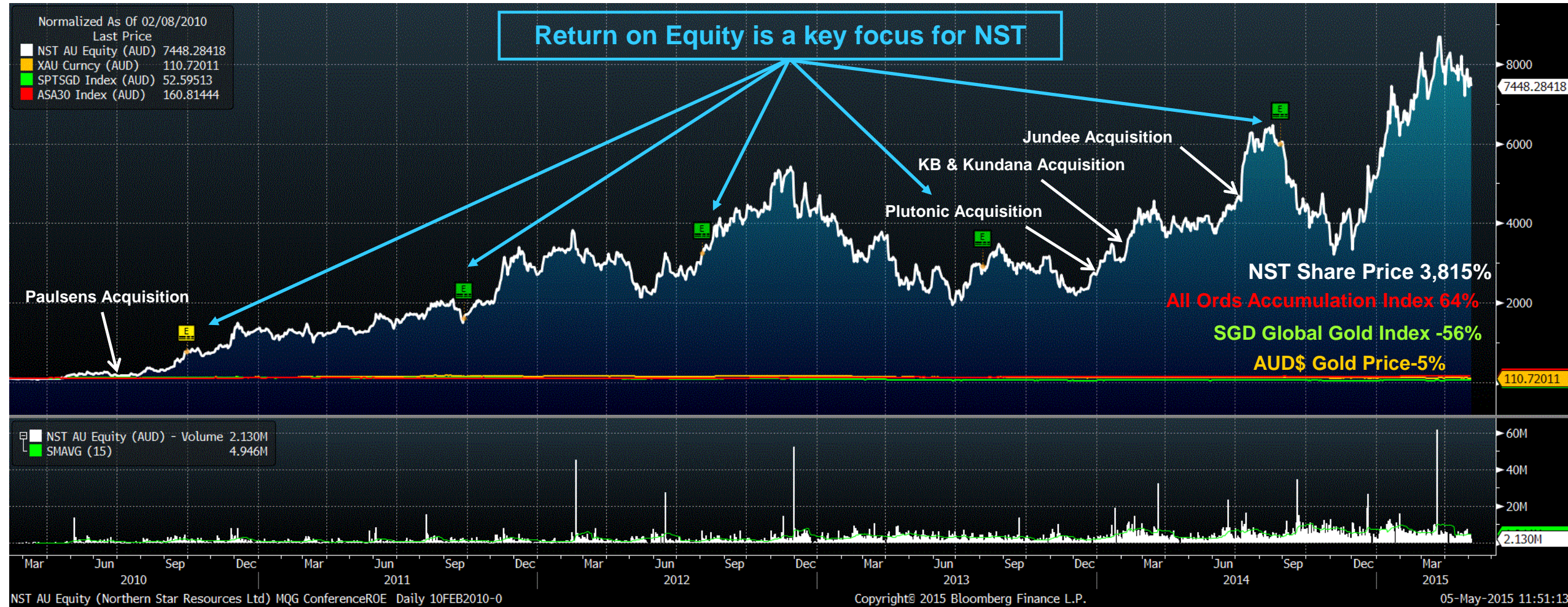
- ✦ NST has six world-class production centres that have produced cumulatively over +22Mozs to date
- ✦ The goal in 2015 is to realise the potential of these deposits by greatly extending mine lives
- ✦ NST stands poised to reap the rewards from the past investment in world-class infrastructure
- ✦ NST aims to achieve critical mass, low costs, diversified asset base and significant mine lives (5 years-plus) demanded by global investors
- ✦ The newly acquired Tanami Project will add to production in coming years



# A global mid-cap gold miner



✦ NST has a proud history of outperformance through value adding M&A, operational performance, exploration success and paying dividends to Shareholders



# A business first and a mining company second



**Consistent fully-franked dividend payer since June-12 with over A\$57M returned to shareholders. Recently doubled the interim dividend from A\$1cps to A\$2cps**

## Financial Discipline

**A\$131m of underlying company free cash flow in the first 9 months of FY 2015. Debt free.**

## Organic Growth

**NST has consistently delivered mine life extensions to all of its acquired projects**

## Value Adding M&A

**Executed transactions only when it adds substantial shareholder value and aligns with strategy**

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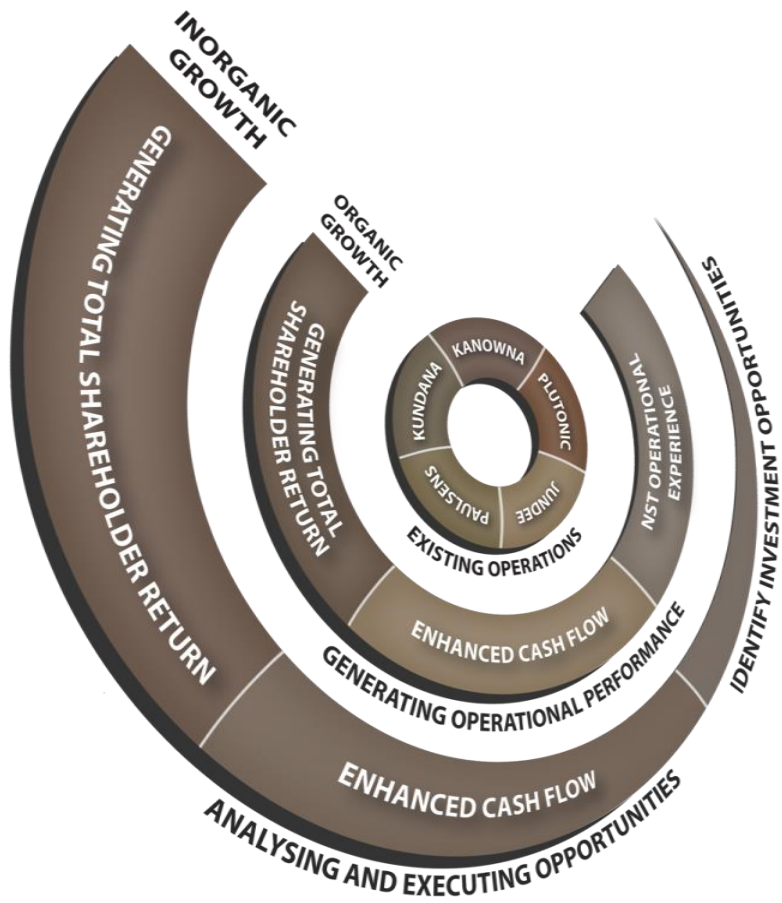
## Operational Excellence

**NST has a proven track record of increasing productivities and integrating new assets**

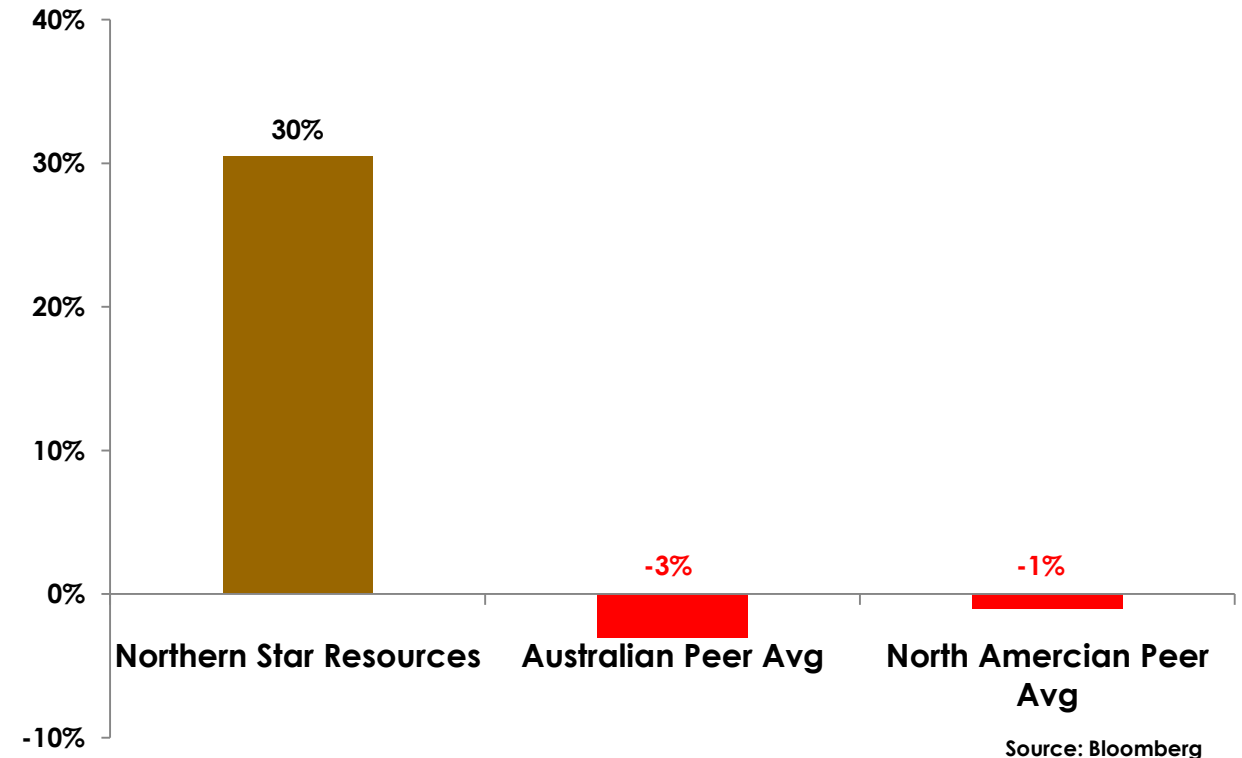
# A business first and a mining company second



- \* NST has averaged a Return on Equity of over 30% for the last five years, NST is debt free with cash & equivalents of A\$111M and has a history of paying dividends to shareholders
- \* NST has delivered underlying Company free cash flow of over A\$131M in the first three quarters of FY2015



5 Year Avg ROE (%)

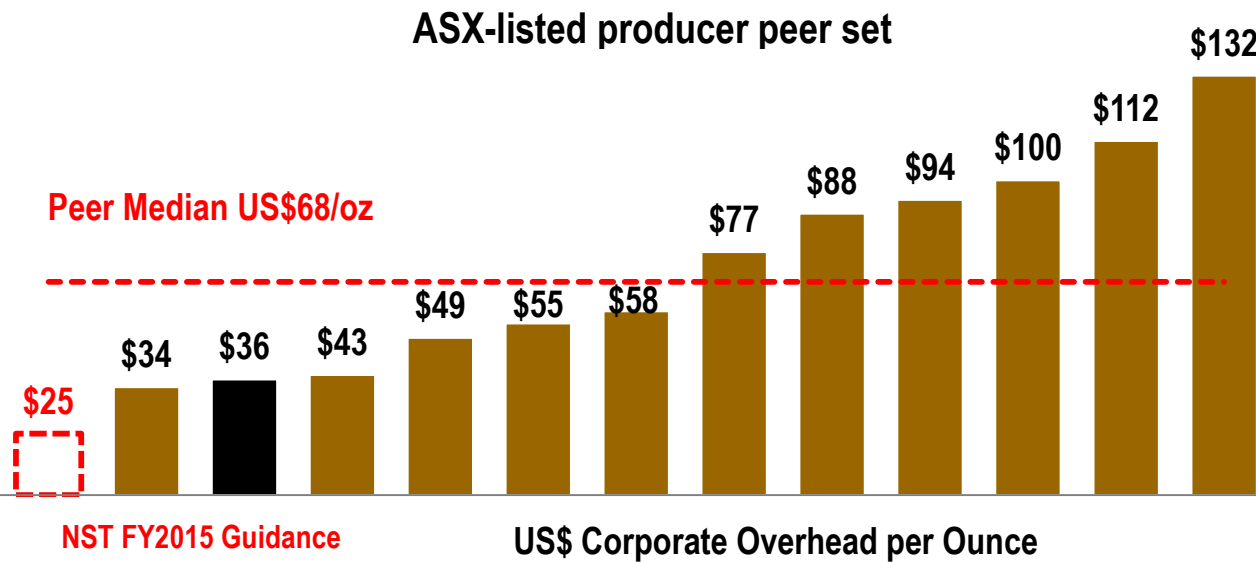




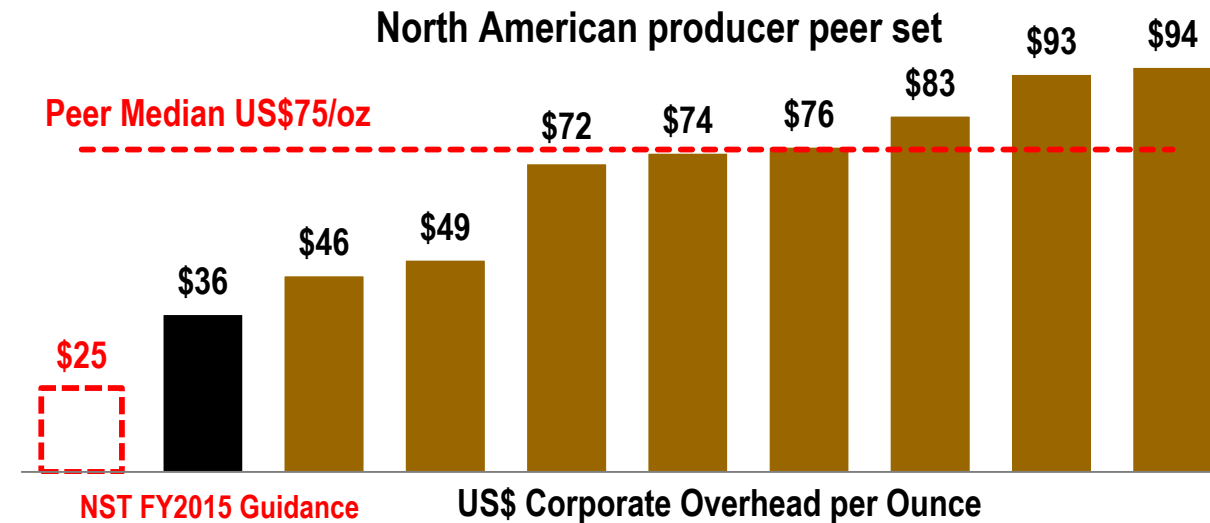
# Growth within the right corporate structure



- ✦ NST has been able to grow production whilst maintaining a low level of corporate overheads when compared to its ASX and North American peer group
- ✦ NST has paid out over A\$57M (US\$44.5M) to Shareholders since establishing dividends in Aug-2012
- ✦ Recently doubled the interim dividend from A\$1cps to A\$2cps



\*Based on Forecast Corporate overheads and the midpoint 575koz of NST FY2015 Guidance

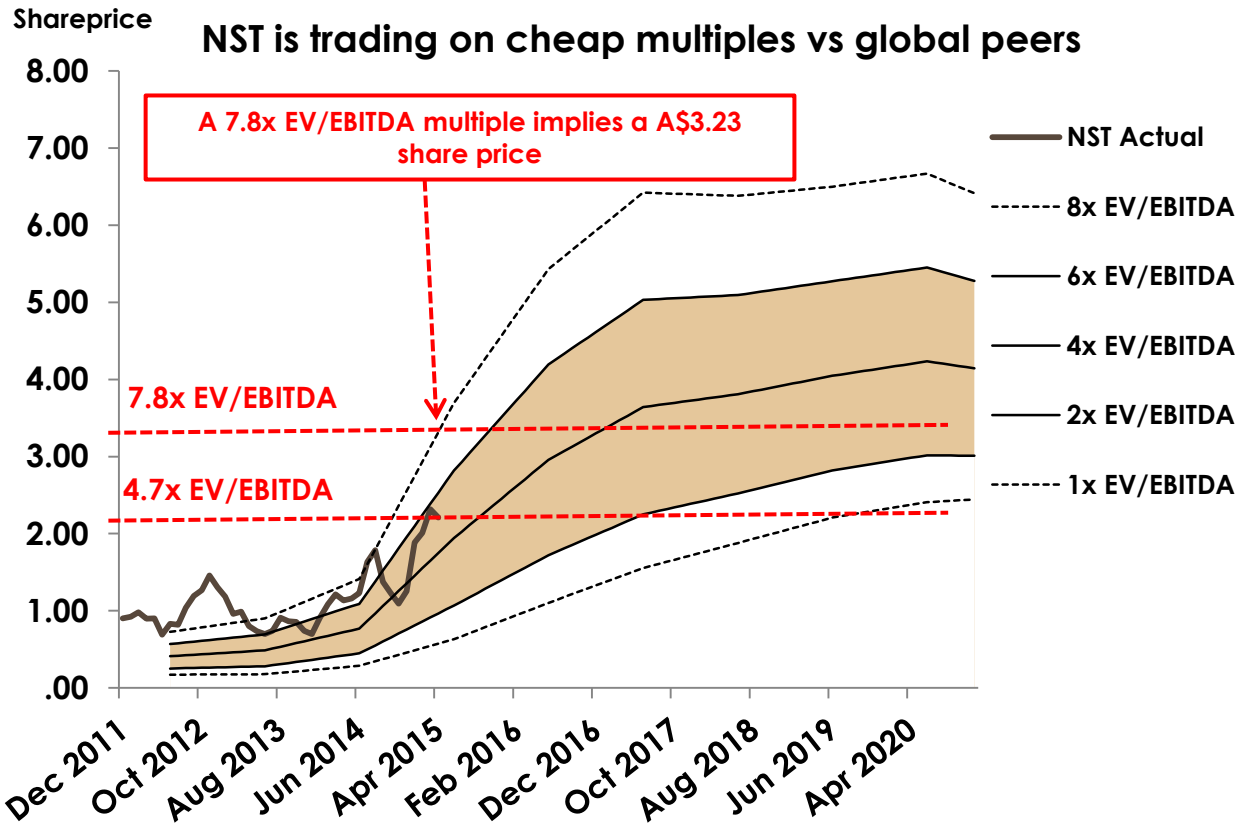


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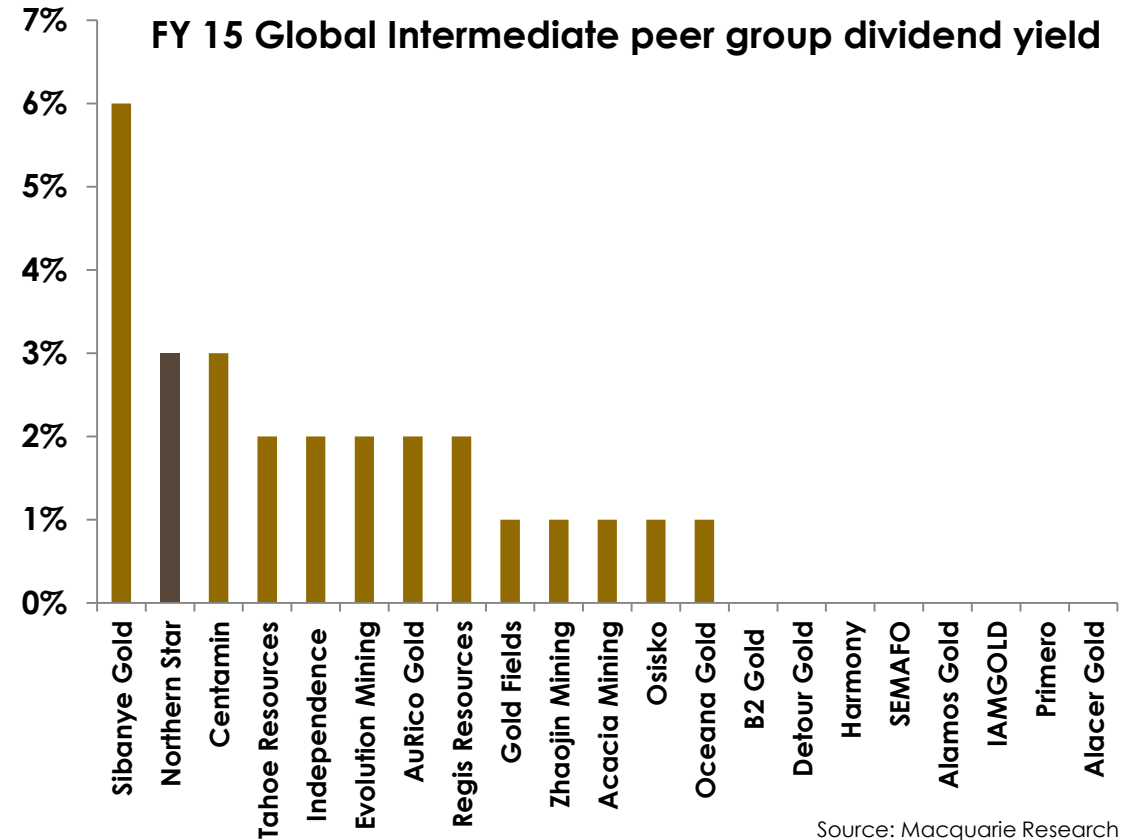
# A business first and a mining company second



- ✦ NST is trading on EV/EBITDA multiples (4.7x EV/EBITDA\*) compared to the Macquarie research global gold Intermediary producer average of 7.8x
- ✦ NST dividend yield is at the upper end of its peer group



Source: \*Hartleys & Macquarie Research



# Well on the way to replicating the success of Paulsens



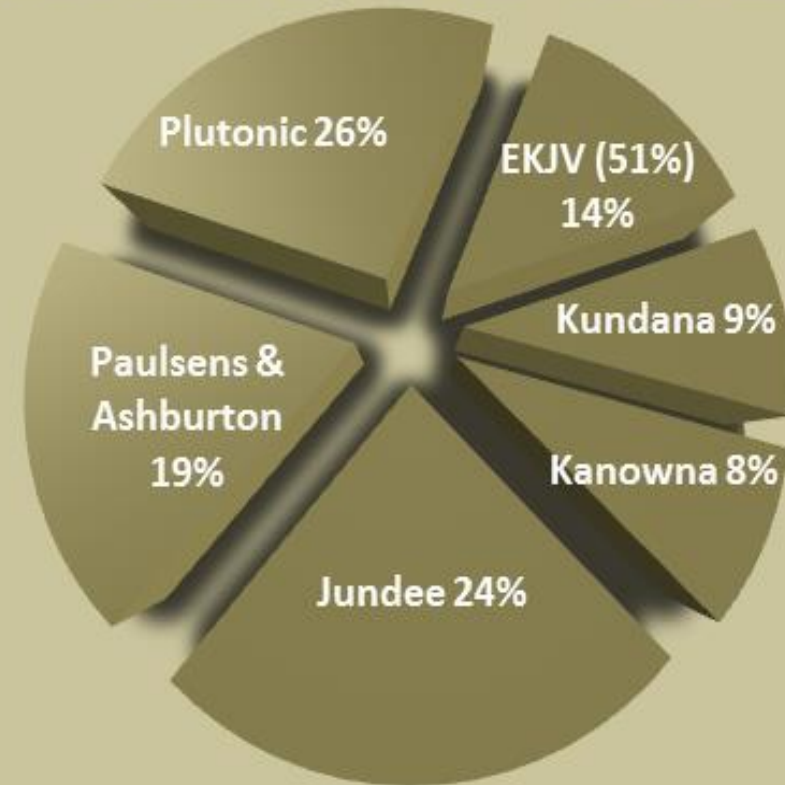
- ✦ NST is well positioned to replicate the success achieved at Paulsens in coming quarters
- ✦ Paulsens
  - ✦ *Purchased the mine in July 2010 and paid back in seven months*
  - ✦ *In the first two years of ownership, NST has taken a six month mine life to now 5 years*
- ✦ Jundee
  - ✦ *Purchased the mine in July 2014 and paid back in seven months, February 2015*
  - ✦ *Grown resources and reserves twice in first six months more than replenishing mine production of 250,000oz*
- ✦ Kundana
  - ✦ *Purchased the mine in March 2014 and paid back in seven months*
  - ✦ *Grown resources twice since ownership, Pegasus deposit now over 1.1Mozs at 11.6gpt*
- ✦ Kanowna Belle
  - ✦ *Purchased the mine in March 2014 and paid back in eight months*
  - ✦ *Numerous incremental processing feed opportunities exist inside our portfolio*
- ✦ Plutonic
  - ✦ *NST is heavily investing into the mine, Plutonic is going through a “construct and re-build” phase for a new future*

# The core focus for NST is mine life extension

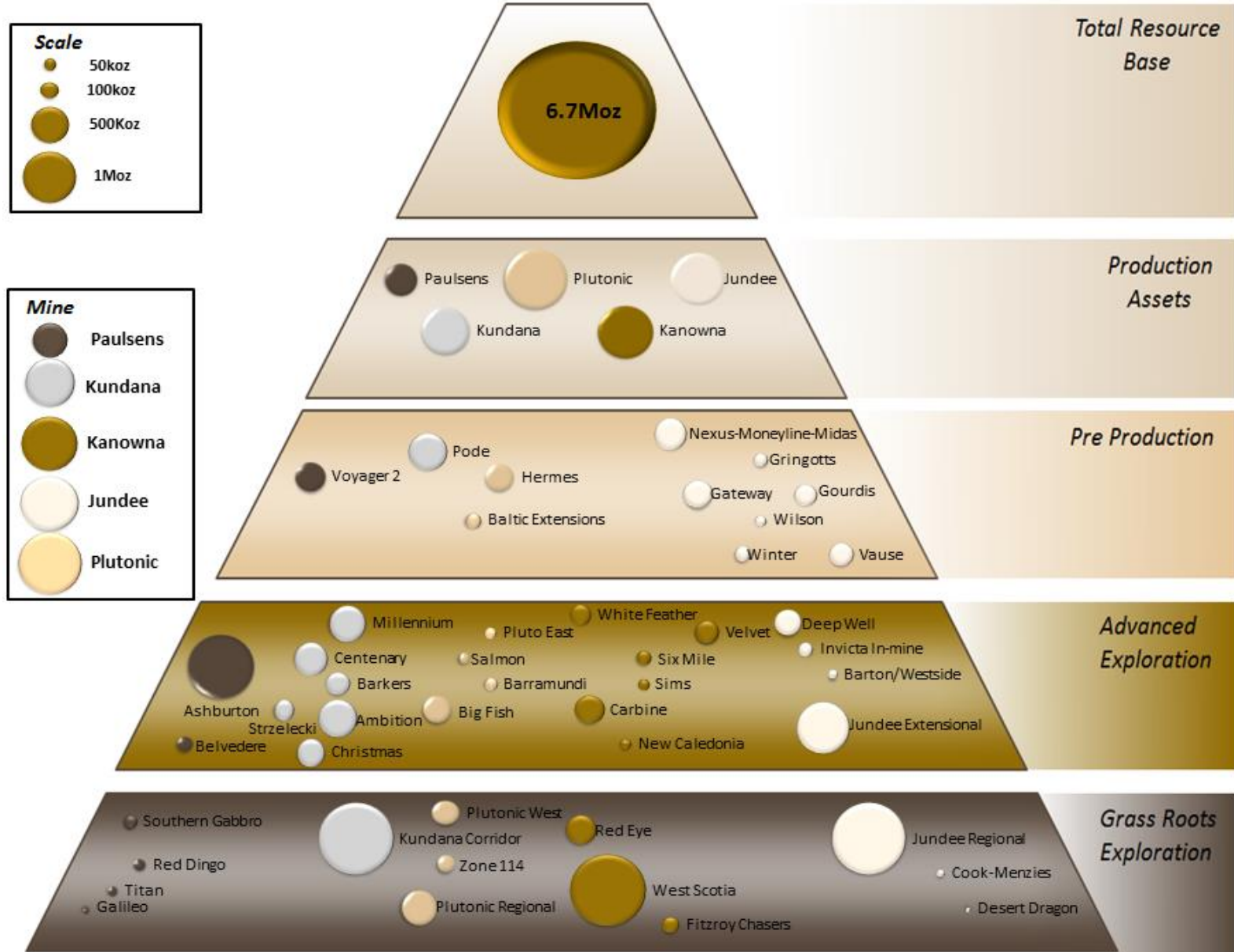


- ✦ Our six assets have produced +22M ounces to date and at current production levels of 600kozpa it is the equivalent of a 3% reserve depletion
- ✦ 1H15 discovery cost of A\$30/oz; (US\$23/oz)
- ✦ This reflects our strong belief that there is an enormous amount of high-grade, highly profitable gold to be found in and around our projects
- ✦ Broker polled mid-range consensus estimates: every extra year of mine life adds A\$0.30ps to our valuation (A\$0.24ps to A\$0.38ps)

## FY15 Total Exploration Breakdown

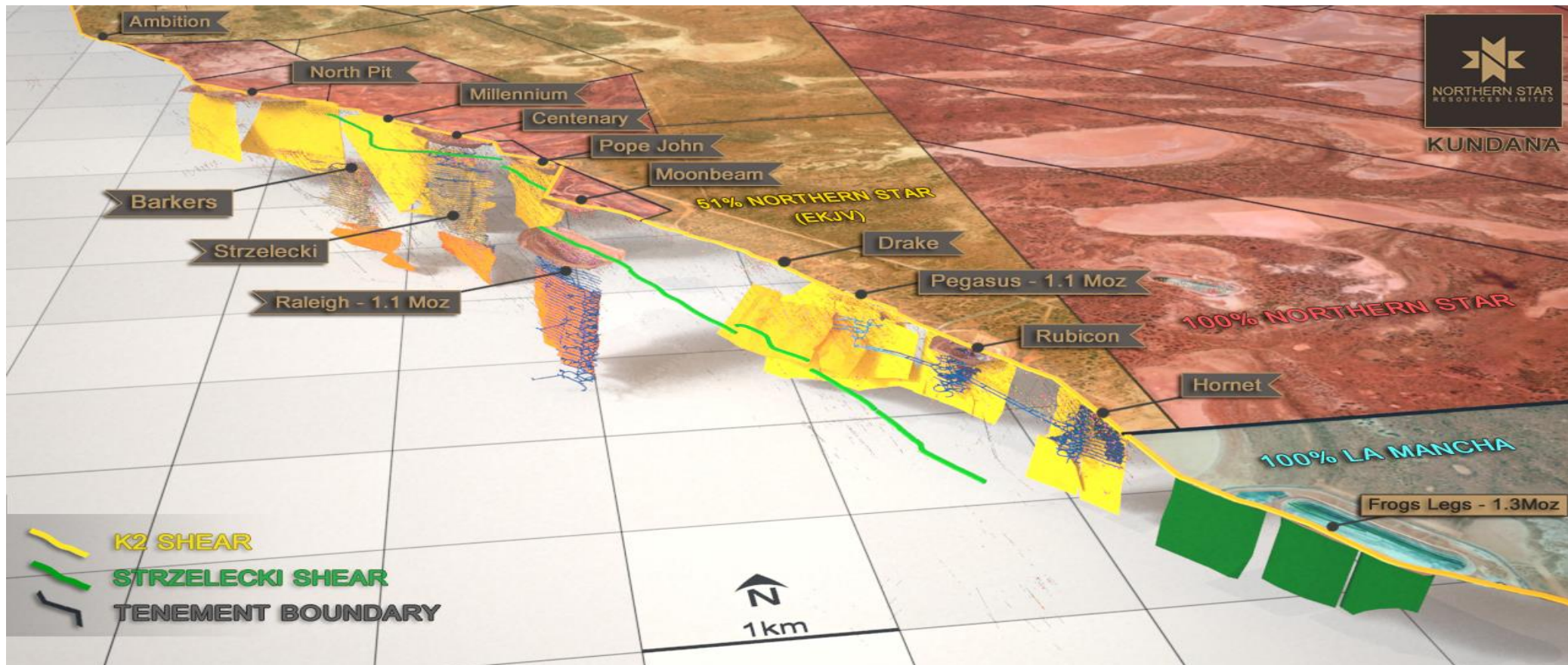


# A\$50M exploration plan already paying dividends



# Kundana: a corridor of riches

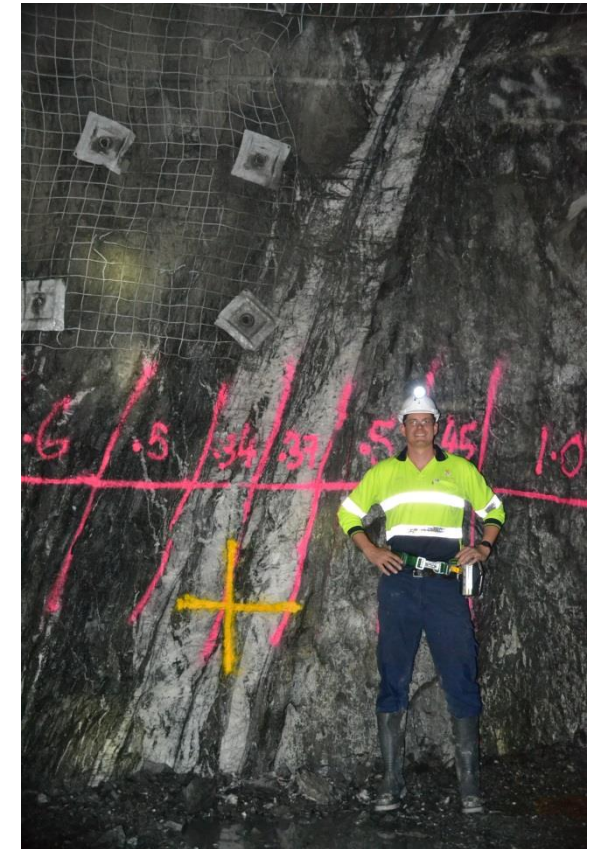
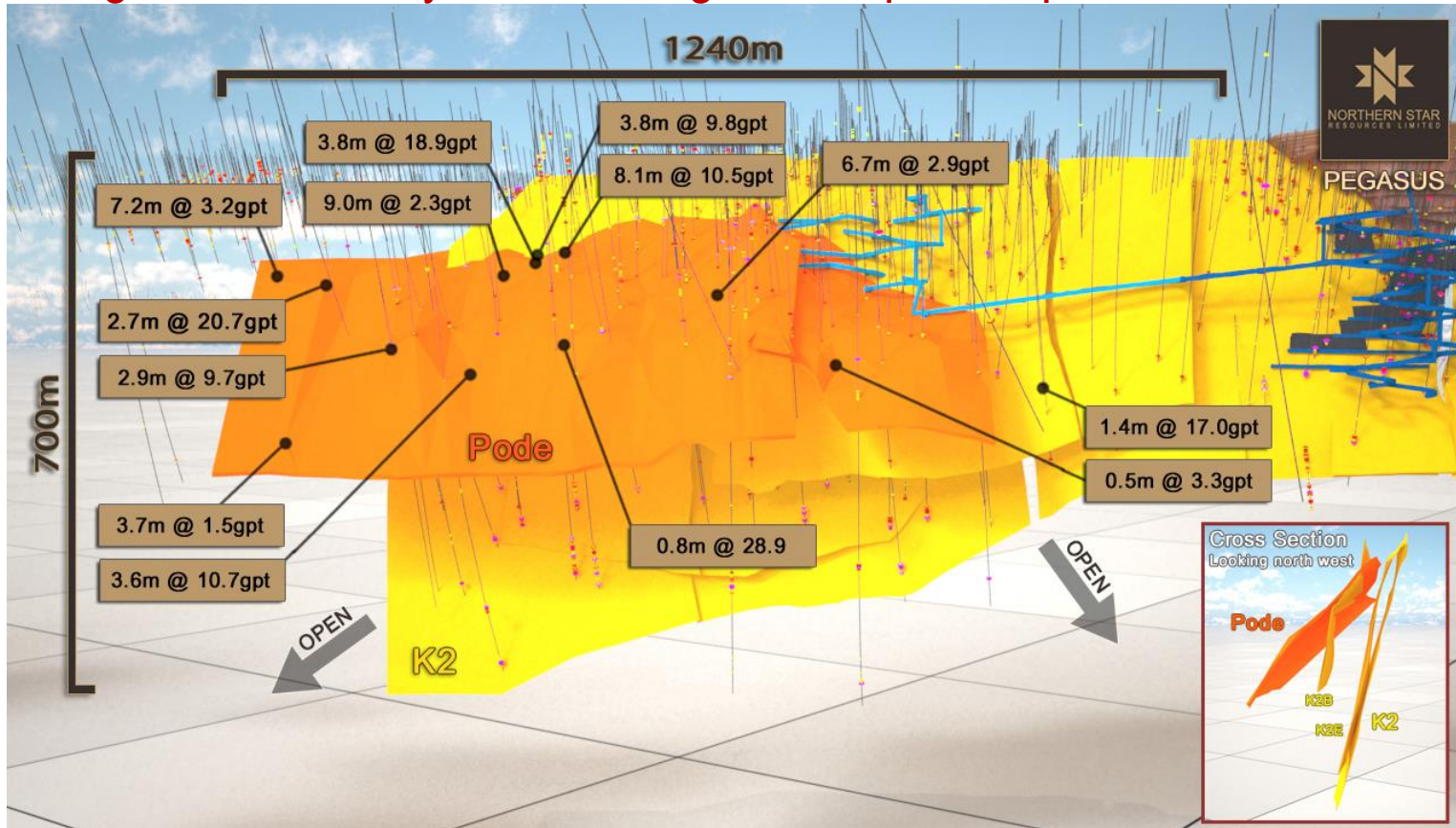
- ✦ FY2015 guidance 100,000-110,000oz at AISC of A\$800 - A\$850/oz; (US\$615- US\$655/oz) YTD 76koz at an AISC of A\$675/oz ;(US\$520/oz)
- ✦ Comprises 4 producing deposits: Raleigh, Rubicon, Hornet and the rich Pegasus discovery now in production
- ✦ Seven analogous targets to the 1.1Moz at 11.6gpt Pegasus deposit identified and currently being drill tested



# Pegasus: A case study in Return on Invested Capital



Stage 1 mining of the recently defined Pegasus deposit represents a return of invested capital of 500% to NST



- ✦ Pegasus offers significant growth potential, resource of 1.1Moz @ 11.6gpt, discovered 24 months ago
- ✦ Pegasus set for long mine life, with Kundana's historical conversion rate from resource to reserve running at ~80%
- ✦ Pegasus remains open at depth and along strike, highlighting significant potential for further resource increase
- ✦ Drilling is still ongoing at Pegasus and the flat-lying Podé structure

# Jundee: still one of Australia's best mines



- ✦ Purchased from Newmont for A\$82.5M; (US\$63.5M)
- ✦ First production in 1995; consistent production with 6.1Moz to date
- ✦ Free cash flow generation of A\$1.3B in past five years
- ✦ Two resource updates in the past six months, now 1.15Moz supporting at least 4 year mine-life
- ✦ Maintained reserves over the past 12 months even though 250,000oz has been mined
- ✦ FY2015 guidance 190,000-205,000oz at an AISC of A\$1,000-A\$1,050/oz; (US\$770-US\$810/oz)
- ✦ YTD Production of 164koz at an AISC of A\$998/oz; (US\$770/oz)
- ✦ Extensive “unclassified” mineralisation remains throughout the mine

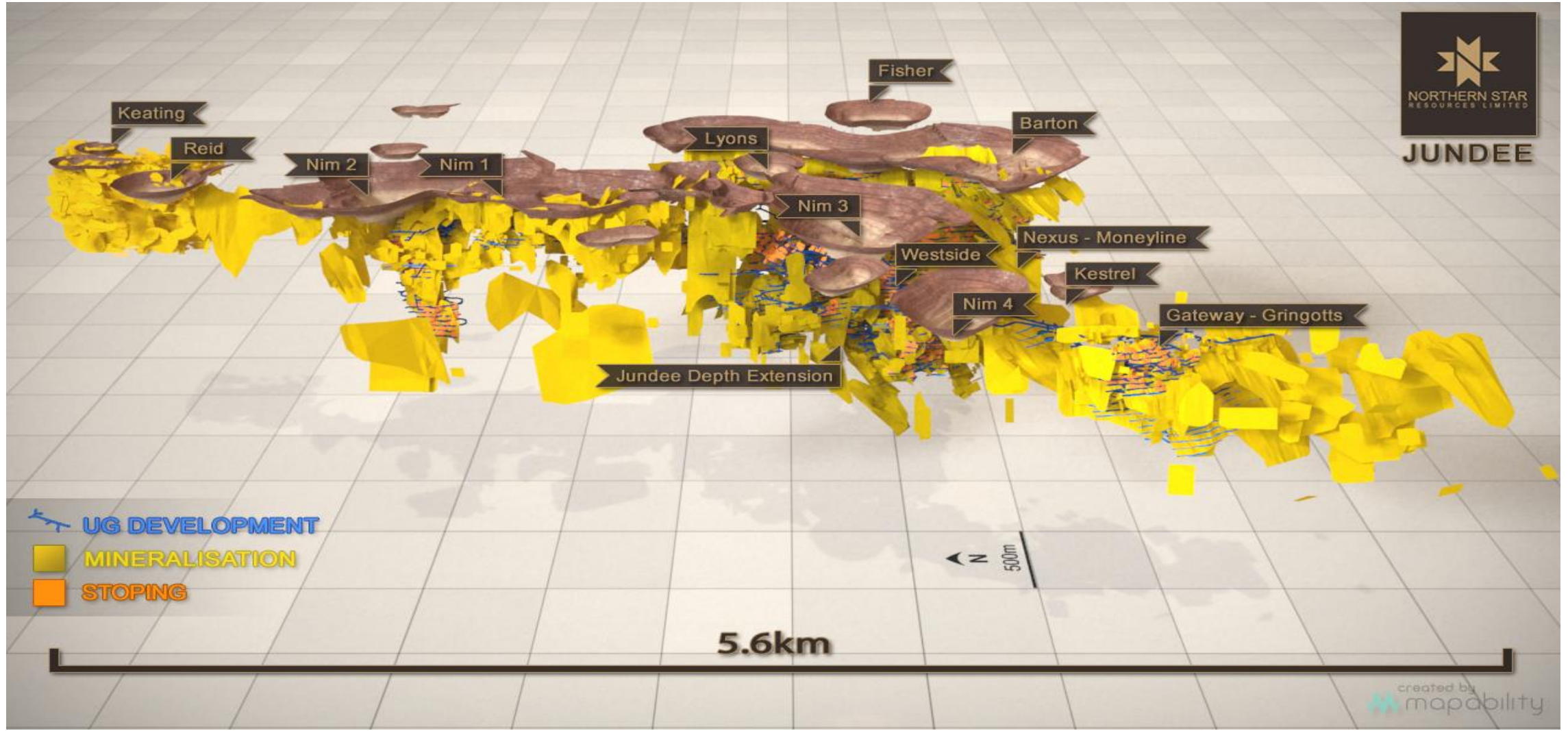




# Jundee: still one of Australia's best mines

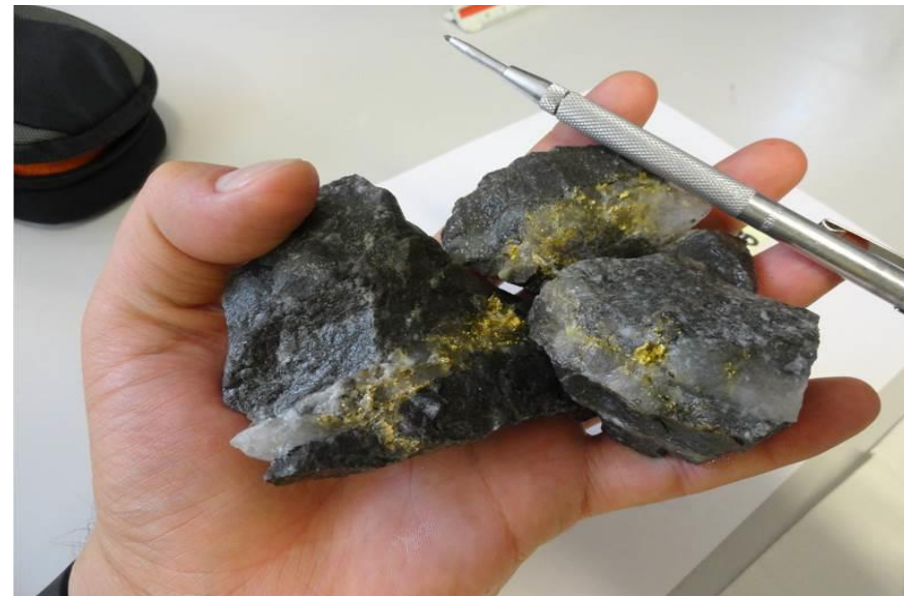


- ✦ Jundee project is now over 1.1Mozs, Feb 2015 Resource update did not include a number of lodes or drilling
- ✦ In-mine drilling is focused on known in-fill areas, unmined east-west structures and depth extensions



# Plutonic: 24 years young

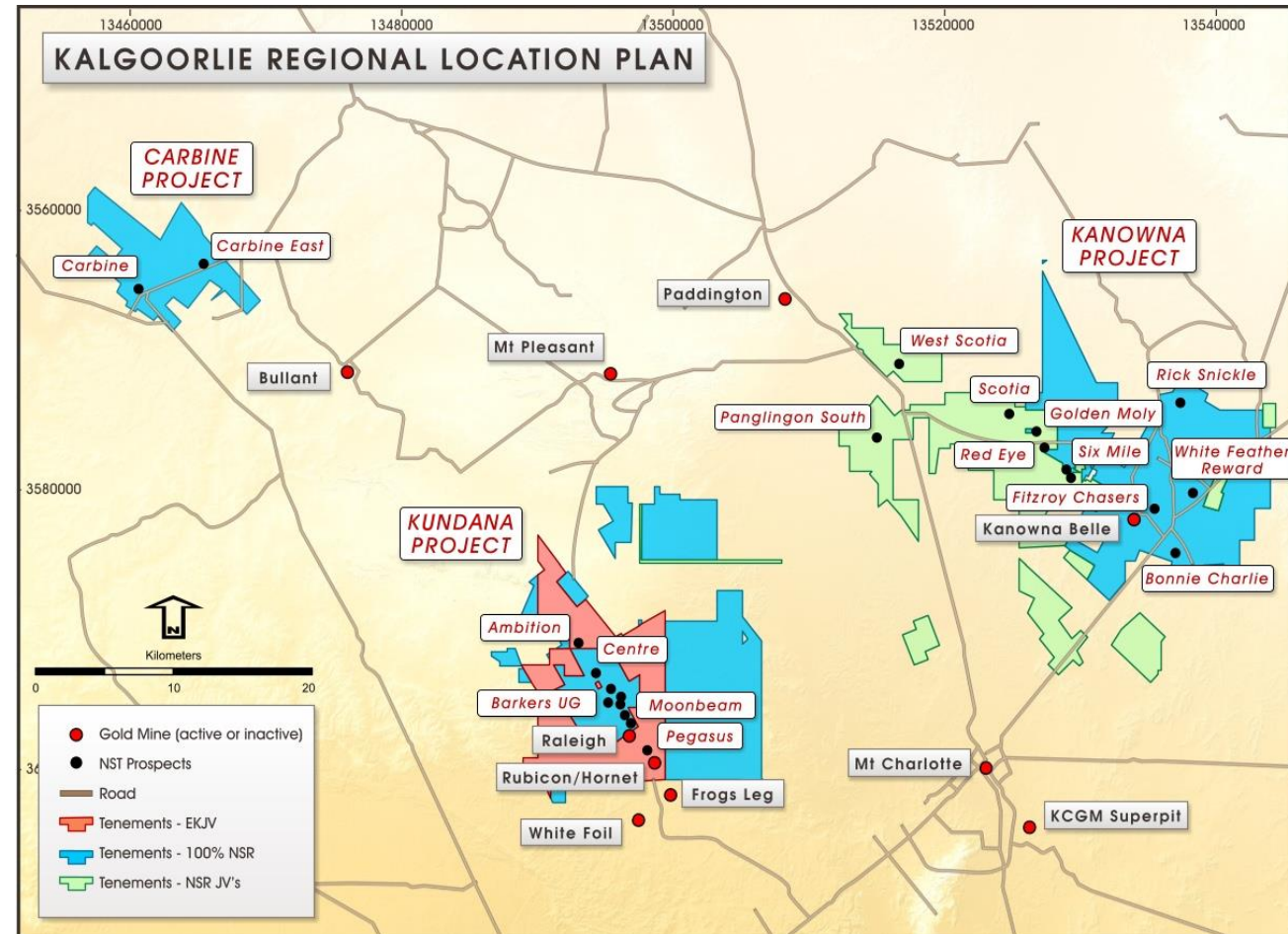
- ✦ First production in 1990; consistent results with 5.4Moz to date
- ✦ Tier One infrastructure; replacement cost A\$250M
- ✦ Resources of 1.45Moz, supporting 5-7 year mine-life
- ✦ Numerous opportunities to grow inventory through conversion of Resources to Reserves (historic conversion rate of 50%)
- ✦ Substantial productivity gains 30-40% achieved very quickly
- ✦ Currently undergoing a “construct and rebuild” phase due to lack of drilling into new mining areas
- ✦ Investing heavily to bring production back to past performance
- ✦ Recently acquired the Hermes 212,000oz project for A\$1.45M and only 70km from Plutonic
- ✦ Have 1Mtpa surplus mill capacity



# Kanowna Belle: a great Goldfields address



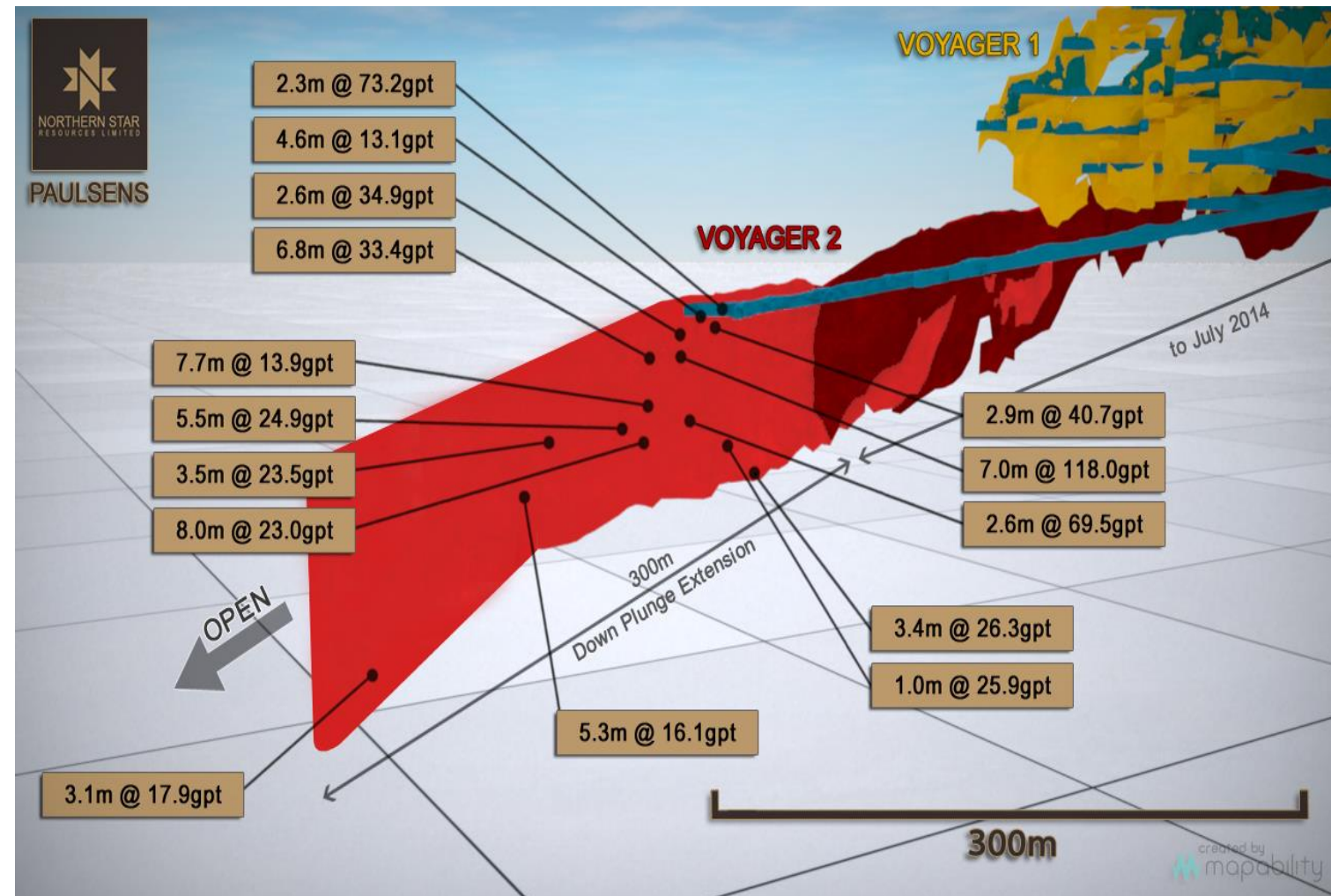
- ✦ First production in 1994; consistent results with 4.9Moz produced (Dec 2015)
- ✦ FY2015 guidance 80,000-85,000ozpa at AISC of A\$1,100-A\$1,150/oz; (US\$850-US\$885/oz)
- ✦ YTD production of 69koz at an AISC of A\$1,099/oz; (US\$845/oz)
- ✦ Key opportunities have quickly developed:
  - ✦ *1.8Mtpa processing plant with great infrastructure*
  - ✦ *204sqkm of highly prospective exploration acreage just 15km from the famed Golden Mile, White Feather*
- ✦ Inherited A\$1.3B geological database which has generated numerous discoveries in the past year
- ✦ Current gold price presents numerous opportunities; underground depth extensions and open pit extensions



# Paulsens: the cornerstone



- ✦ First production in 2005; total production to date of 770Koz at 7.7gpt
- ✦ FY2015 guidance 80,000-90,000oz at AISC of A\$1,100-A\$1,150/oz; (US\$850-US\$885/oz)
- ✦ Resources of +400,000oz, supporting 5 year mine life
- ✦ Significant results from Voyager 2 should underpin production for next 5 years
- ✦ Going back into strong cashflow
- ✦ Strong near-mine and regional exploration results to drive further life:
  - ✦ *High-grade Titan discovery in 2013*
  - ✦ *Gabbro mineralisation*
  - ✦ *Belvedere deposit 8km from Plant*



# NST & Indigenous Community engagement



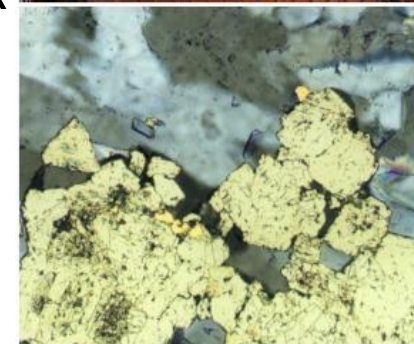
- ✦ Martu Ranger Program Initiated in 2012 to provide productive employment for local Indigenous people
- ✦ Wiluna Martu Rangers work with our Jundee mine on environmental compliance
- ✦ Program generates A\$150,000 per annum of income and employs up to six Martu people
- ✦ Received recognition from:
  - ✦ *UN Global Compact – Human Rights Best Practice in the Resource Sector 2013*
  - ✦ *Runner Up in the 2013 DMP Golden Gecko Awards for Environmental Excellence*
  - ✦ *In 2014 the Muntjiltjarra Wurr gumu Group (MWG) was runner up in the Reconciliation Australia, National Indigenous Governance Awards*
- ✦ Recently received federal funding from the Prime Minister's Department for a similar scheme at Plutonic mine
- ✦ Potential to look at expanding this model across other NST mines



# Why invest in Northern Star



- ✦ Global-scale gold miner with all assets in Australia – second biggest ASX-listed gold producer
- ✦ Critical mass from 550koz-600kozpa production; asset diversity from five high-grade, low-cost mines ASIC ~A\$1,050-\$A1,100/oz; (US\$810-US\$850/oz) with robust margins
- ✦ Focused on generating substantial Company free cash flow
- ✦ Steady and consistent dividends, financially disciplined
- ✦ Intensive A\$50M 12 month exploration program has already had substantial success at growing mine lives across all assets
- ✦ Strong balance sheet with A\$111M cash and equivalents; no bank debt, fully repaid on 13<sup>th</sup> of April
- ✦ Strong management team with a track record of maximising productivity, extending mine lives and delivering on guidance
- ✦ Completely driven by Shareholder returns, ROE 30% for 5 years





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An Australian Mid Cap gold miner – for global investors



**RBC Capital Markets**

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