

# NORTHERN STAR POSTS SOLID QUARTER AS IT LAYS FOUNDATIONS FOR STRONG ORGANIC GROWTH

ALMOST \$200M CASH BALANCE, NO DEBT;  
PRODUCTION SET TO HIT 700,000OZPA IN FY18

## KEY POINTS

- ▶ 141,556oz sold in the September Quarter, upper end of FY16 guidance
- ▶ All-in sustaining costs (AISC) for the September Quarter of A\$1,083/oz, in line with FY16 guidance
- ▶ Normalised free cash flow of A\$46 million for the quarter as a result of A\$76M cash flow from operations
- ▶ A\$196m in cash, bullion and investments on hand at 30 September 2015, up from A\$178 million at 30 June 2015
- ▶ Increase in cash comes despite spending A\$11m on Central Tanami Project acquisition and A\$14m on improving working capital
- ▶ Strong progress made on mine development as part of strategy to grow production to 600,000ozpa in FY17, and 700,000ozpa by FY18 from organic sources
- ▶ Organic growth strategy reflects Northern Star's ongoing commitment to maximising financial returns for its Shareholders, including an industry-leading return on equity
- ▶ Sharp turnaround at Paulsens, grade up 34% from June Quarter
- ▶ September Quarter production:
  - Jundee Gold Operations:
    - 54,442oz mined and 54,162oz sold at AISC A\$1,097/oz
  - Kundana Gold Operations:
    - 19,820oz mined and 21,219oz sold at AISC A\$962/oz
  - Kanowna Belle Gold Operations:
    - 28,597oz mined and 27,074oz sold at AISC A\$763/oz
  - Paulsens Gold Operations:
    - 26,892oz mined and 22,736oz sold at AISC A\$1,007/oz
  - Plutonic Gold Operations:
    - 20,651oz mined and 16,365oz sold at AISC A\$1,832/oz
- ▶ Record underlying FY15 net profit of A\$108.9m was announced in the quarter with the Company achieving a 315% increase in underlying Company free cash flow of A\$185.6m in FY15
- ▶ This outstanding financial outcome saw the final year dividend increased to 3¢ from 2.5¢ previously; taking the full year payout to 5¢ in FY15 up 43% from FY14
- ▶ The success of the FY15 A\$50 million exploration campaign saw Resources increase by 44% to 8.9Moz generating substantial increases to mine lives across all operations at a discovery cost of A\$19/oz<sup>1</sup>
- ▶ Settled deal with Tanami Gold to acquire up to 60% of 2.7Moz Central Tanami project<sup>2</sup>
- ▶ Northern Star will host a Quarterly conference call today at 8.30am AWST (11.30am AEDT), Monday, 26 October. The call can be accessed at <http://www.brrmedia.com/event/140556>

### ASX ANNOUNCEMENT 26 October 2015

Australian Securities  
Exchange Code: NST

### Board of Directors

Mr Chris Rowe  
Non-Executive Chairman

Mr Bill Beament  
Managing Director

Mr Peter O'Connor  
Non-Executive Director

Mr John Fitzgerald  
Non-Executive Director

Ms Liza Carpene  
Company Secretary

### Issued Capital

Shares 600 million  
Options 4.3 million

Current Share Price A\$3.13

Market Capitalisation  
\$1.87 billion

Cash, Bullion & Investments  
30 Sep 2015 - A\$196 million

### Projects

Paulsens Mine  
Plutonic Mine  
Kanowna Belle Mine  
Kundana Mines (51% of EKJV)  
Jundee Mine  
Ashburton  
Central Tanami (25% of JV)

### Listed Investments

VXR, DAU, RND, TBR, ALY

<sup>1</sup> Refer ASX announcement dated the 4 August 2015.

<sup>2</sup> Refer ASX announcement dated the 3 August 2015.

# QUARTERLY ACTIVITIES REPORT

## For the Quarter ended 30 September 2015



Northern Star Resources Limited (ASX: NST) is pleased to advise that its strategy to maximise Shareholder returns by growing production to 700,000 ounces a year from organic sources is well on track, with results for the September Quarter firmly in line with guidance.

Northern Star sold 141,556oz in the quarter at an average price of A\$1,509/oz, with AISC of A\$1,083/oz. This generated normalised free cash flow of A\$46 million.

Cash, bullion and investments on hand at 30 September 2015 stood at A\$196 million, up from A\$178 million at 30 June 2015. The increase came after spending \$11 million on settlement of the Central Tanami Project acquisition and A\$14 million towards improved working capital. The Company has no bank debt.

Northern Star has budgeted to spend A\$74 million this financial year on targeted exploration and investing/expansory capital. This underpins its strategy to grow production to 600,000ozpa next financial year and to 700,000ozpa in FY18.

Northern Star Managing Director Bill Beament said the foundations were being laid to grow both production and mine lives at the Company's existing assets.

"The results we are generating continue to demonstrate that this organic growth will continue to deliver far superior financial returns," Mr Beament said.

"We recently added 2.7Moz to our Resource base at a cost of just A\$19/oz. Now we are investing in targeted exploration and investing/expansory capital to continue advancing that inventory in our pipeline of organic growth.

"This strategy will result in increased production and mine lives with low capital and operating costs, ensuring we continue to generate substantial free cash flow, consistent dividends and outstanding returns on equity.

"The fact that we continue to grow our cash position significantly while implementing this exploration program and organic production growth, reflects the quality of our people and our assets."

At the Paulsens Operations mined head grade increased 34% from the June Quarter to 7.9gpt. This sharp increase in head grade has resulted from the transition between the Voyager 1 and Voyager 2 lodes.

Drill rigs were also mobilised on the 24 September 2015 at the 25% Northern Star owned Central Tanami JV. Post quarter end, drilling commenced on 1 October 2015.

Northern Star	Units	Dec-14 Qtr	Mar-15 Qtr	Jun-15 Qtr	Sept-15 Qtr	FYTD
Ore Hoisted	Tonnes	870,850	824,328	901,515	821,070	821,070
Mined Grade	gpt Au	5.5	5.3	5.6	5.7	5.7
Gold in Ore Hoisted	Oz	153,706	140,051	161,808	150,402	150,402
Milled Tonnes	Tonnes	899,796	883,969	959,999	911,818	911,818
Head Grade	gpt Au	5.3	5.1	5.5	5.3	5.3
Ounces Produced	Oz	153,517	144,044	168,767	154,445	154,445
Recovery	%	92	91	91	91	91
Gold Recovered	Oz	<b>141,052</b>	<b>131,169</b>	<b>153,360</b>	<b>140,242</b>	<b>140,242</b>
<b>Ounces Sold</b>	<b>Oz</b>	<b>142,556</b>	<b>135,498</b>	<b>152,446</b>	<b>141,556</b>	<b>141,556</b>
Average Gold Price	A\$/oz	1,417	1,500	1,497	1,509	1,509
<b>Revenue</b>	<b>A\$M</b>	<b>202.0</b>	<b>203.3</b>	<b>228.3</b>	<b>213.6</b>	<b>213.6</b>
<b>Cash Operating Cost<sup>(1)</sup></b>	<b>A\$/oz</b>	<b>829</b>	<b>876</b>	<b>900</b>	<b>836</b>	<b>836</b>
<b>All in Sustaining Cost<sup>(1)</sup></b>	<b>A\$/oz</b>	<b>1,072</b>	<b>1,172</b>	<b>983</b>	<b>1,083</b>	<b>1,083</b>
Total Stockpiles Contained Gold	Oz	85,253	80,124	73,339	70,061	70,061
Gold in Circuit (GIC)	Oz	21,243	18,333	19,016	17,505	17,505
Gold in Transit (GIT)	Oz	633	-	-	-	-

Table 1: Key Group Performance Figures (Quarterly)

Northern Star	Units	Dec-14 Qtr	Mar-15 Qtr	Jun-15 Qtr	Sept-15 Qtr	FYTD
Mining	\$/oz	538	546	510	551	551
Processing	\$/oz	176	195	180	189	189
Site Services	\$/oz	59	57	55	67	67
Ore Stock & GIC Movements	\$/oz	24	43	120	(3)	(3)
Royalties	\$/oz	35	38	38	35	35
By Product Credits	\$/oz	(3)	(3)	(3)	(3)	(3)
Rehabilitation-Accretion & Amortisation	\$/oz	47	50	(149)	8	8
Corporate Overheads	\$/oz	31	23	27	44	44
Mine Development/Sustaining CAPEX	\$/oz	132	184	179	177	177
Mine Exploration	\$/oz	34	39	26	18	18
<b>All in Sustaining Costs</b>	<b>\$/oz</b>	<b>1,072</b>	<b>1,172</b>	<b>983</b>	<b>1,083</b>	<b>1,083</b>

Table 2: Key Group Cost per Ounce Measures

Note:

1. Prior cost per ounce measures have been reported on a recovered ounce produced basis, all the above cost per ounce metrics are now on an ounce sold basis.
2. AISC does not include acquisition costs and any redundancy payments made.

# QUARTERLY ACTIVITIES REPORT

## For the Quarter ended 30 September 2015

Production KPIs Sept Quarter	Units	Paulsens	Plutonic	Kanowna Belle	Kundana	Jundee	Total
Total Ore Hoisted	Tonnes	105,832	159,172	183,668	92,660	279,738	821,070
Mine Grade	gpt Au	7.9	4.0	4.8	6.7	6.1	5.7
Gold in Ore Hoisted	Oz	26,892	20,651	28,597	19,820	54,442	150,402
Milled Tonnes	Tonnes	101,311	175,640	195,650	91,658	347,559	911,818
Head Grade	gpt Au	7.8	3.7	4.3	7.5	5.3	5.3
Recovery	%	92	77	94	96	92	91
Gold Recovered	Oz	23,259	16,147	25,524	21,219	54,093	140,242
Gold Sold	Oz	22,736	16,365	27,074	21,219	54,162	141,556
<b>Cash Operating Costs</b>	<b>A\$/oz</b>	<b>639</b>	<b>1,691</b>	<b>692</b>	<b>698</b>	<b>786</b>	<b>836</b>
<b>All In Sustaining Costs</b>	<b>A\$/oz</b>	<b>1,007</b>	<b>1,832</b>	<b>763</b>	<b>962</b>	<b>1,097</b>	<b>1,083</b>

Table 3: Key Quarterly Mine Production Performance

## FINANCE

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

	Units	Dec-14 Qtr	Mar-15 Qtr	Jun-15 Qtr	Sep-15 Qtr
Cash at bank	A\$m	\$76.3	\$77.4	\$167.5	\$163.4
Bullion awaiting settlement	A\$m	\$39.8	\$29.1	\$2.7	\$26.1
Investments	A\$m	\$3.0	\$5.2	\$7.5	\$6.5
<b>Total</b>	<b>A\$m</b>	<b>\$119.1</b>	<b>\$111.7</b>	<b>\$177.7</b>	<b>\$196.0</b>

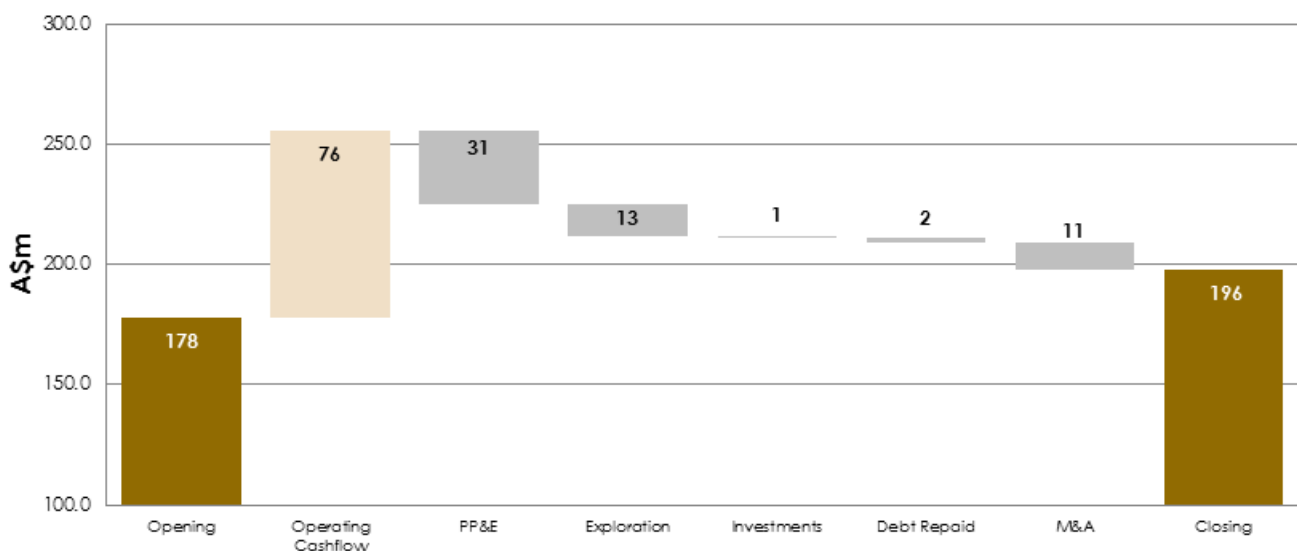
Table 4: Cash, Bullion and ASX equity investments

Bullion awaiting settlement is done which has been received by the refiner in the quarter and is awaiting settlement.

Gold Inventories	Dec-14 Qtr	Mar-15 Qtr	Jun-15 Qtr	Sep-15 Qtr
Stockpiles contained gold (oz)	85,253	80,124	73,339	70,061
Gold in circuit (oz)	21,243	18,333	19,016	17,505
Gold in transit (oz)	633	-	-	-
<b>Total Gold Inventories (oz)</b>	<b>107,129</b>	<b>98,456</b>	<b>92,355</b>	<b>87,566</b>

Table 5: Gold Inventories

The below waterfall chart highlights the September Quarter cash and bullion movements and operating cash flow.



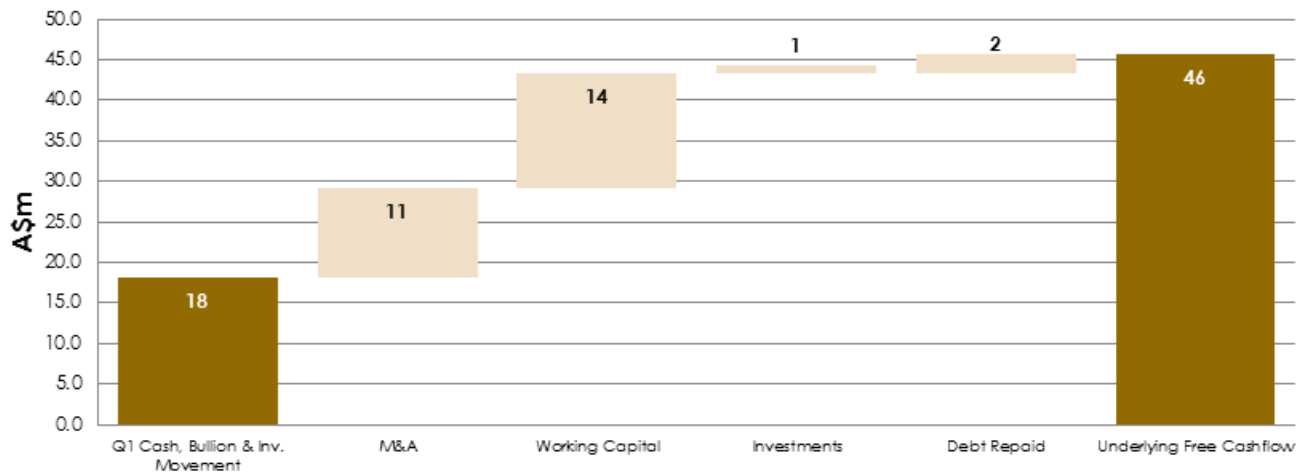
The opening balance of \$178m has been changed to reflect the removal of investments from the waterfall chart from 30 June 2015, refer table 4.

# QUARTERLY ACTIVITIES REPORT

## For the Quarter ended 30 September 2015



The below waterfall chart highlights the underlying free cash flow for the September Quarter.



The working capital credit of \$14m in part offsets the \$43m working capital debit made to the NST cash flow waterfall chart for 30 June 2015.

### Banking Facilities

The A\$100 million revolver facility remains in place and available to Northern Star.

### Hedging

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

Term	Dec -15 Qtr	Mar -16 Qtr	Jun -16 Qtr	Sep -16 Qtr	Dec - 16 Qtr	Total
Ounces	45,000	15,000	15,000	7,500	7,500	90,000
Gold Price	A\$1,441	A\$1,579	A\$1,583	A\$1,628	A\$1,632	A\$1,519

Table 6: Hedging commitments

During the quarter 45,000oz were added for delivery across CY16 at an average of A\$1,598/oz.

## OPERATIONS

### Paulsens Gold Operations

Production Summary Paulsens		Dec-14 Qtr	Mar-15 Qtr	Jun-15 Qtr	Sep-15 Qtr	FYTD
Ore Mined	Tonnes	111,996	94,124	115,723	105,832	105,832
Mined Grade	gpt Au	4.5	5.2	5.9	7.9	7.9
Ounces Mined	Oz	16,179	15,671	21,918	26,892	26,892
Milled Tonnes	Tonnes	127,407	124,003	110,551	101,311	101,311
Head Grade	gpt Au	4.7	5.1	6.1	7.8	7.8
Recovery	%	89	90	89	92	92
Gold Recovered	Oz	17,225	18,177	19,260	23,259	23,259
<b>Gold Sold</b>	<b>Oz</b>	<b>17,127</b>	<b>18,868</b>	<b>19,848</b>	<b>22,736</b>	<b>22,736</b>
<b>Cost per Ounce</b>						
Mining	A\$/oz	585	444	431	377	377
Processing	A\$/oz	286	244	274	189	189
Site Services	A\$/oz	91	55	74	62	62
Ore Stock Movements	A\$/oz	110	226	36	(23)	(23)
Royalties	A\$/oz	35	39	37	36	36
By Product Credits	A\$/oz	(2)	(2)	(3)	(2)	(2)
<b>Cash Operating Costs</b>	<b>A\$/oz</b>	<b>1,105</b>	<b>1,005</b>	<b>849</b>	<b>639</b>	<b>639</b>
Rehabilitation - Accretion & Amortisation	A\$/oz	3	3	10	6	6
Corporate Overheads	A\$/oz	31	23	28	45	45
Mine Development / Sustaining CAPEX	A\$/oz	242	199	236	292	292
Paulsens Mine Exploration	A\$/oz	71	44	42	25	25
<b>All in Sustaining Costs</b>	<b>A\$/oz</b>	<b>1,453</b>	<b>1,275</b>	<b>1,165</b>	<b>1,007</b>	<b>1,007</b>

Table 7: Summary Details – Paulsens

# QUARTERLY ACTIVITIES REPORT

## For the Quarter ended 30 September 2015



### Plutonic Gold Operations

Production Summary Plutonic		Dec-14 Qtr	Mar-15 Qtr	Jun-15 Qtr	Sep-15 Qtr	FYTD
Ore Mined	Tonnes	195,414	190,537	200,549	159,172	159,172
Mined Grade	gpt Au	3.3	3.7	3.7	4.0	4.0
Ounces Mined	Oz	20,494	22,757	24,068	20,651	20,651
Milled Tonnes	Tonnes	197,219	192,054	214,359	175,640	175,640
Head Grade	gpt Au	3.3	3.6	3.6	3.7	3.7
Recovery	%	84	83	79	77	77
Gold Recovered	Oz	17,381	18,712	19,570	16,147	16,147
<b>Gold Sold</b>	<b>Oz</b>	<b>18,638</b>	<b>19,675</b>	<b>19,287</b>	<b>16,365</b>	<b>16,365</b>
<b>Cost per Ounce</b>						
Mining	A\$/oz	962	966	1,052	1,274	1,274
Processing	A\$/oz	267	266	308	270	270
Site Services	A\$/oz	79	89	95	113	113
Ore Stock Movements	A\$/oz	73	26	20	5	5
Royalties	A\$/oz	35	39	38	31	31
By Product Credits	A\$/oz	(3)	(2)	(2)	(2)	(2)
<b>Cash Operating Costs</b>	<b>A\$/oz</b>	<b>1,414</b>	<b>1,383</b>	<b>1,511</b>	<b>1,691</b>	<b>1,691</b>
Rehabilitation - Accretion & Amortisation	A\$/oz	97	99	(449)	14	14
Corporate Overheads	A\$/oz	34	24	27	46	46
Mine Development / Sustaining CAPEX	A\$/oz	167	209	20	81	81
Plutonic Mine Exploration	A\$/oz	74	68	51	-	-
<b>All in Sustaining Costs</b>	<b>A\$/oz</b>	<b>1,787</b>	<b>1,784</b>	<b>1,160</b>	<b>1,832</b>	<b>1,832</b>

Table 8: Summary Details – Plutonic

### Kanowna Belle Gold Operations

Production Summary Kanowna Belle		Dec-14 Qtr	Mar-15 Qtr	Jun-15 Qtr	Sep-15 Qtr	FYTD
Ore Mined	Tonnes	137,799	157,653	186,208	183,668	183,668
Mined Grade	gpt Au	4.9	4.5	4.9	4.8	4.8
Ounces Mined	Oz	21,892	22,701	29,379	28,597	28,597
Milled Tonnes	Tonnes	181,278	178,234	198,129	195,650	195,650
Head Grade	gpt Au	4.1	4.1	4.9	4.3	4.3
Recovery	%	92	92	93	94	94
Gold Recovered	Oz	21,820	21,411	28,956	25,524	25,524
<b>Gold Sold</b>	<b>Oz</b>	<b>17,895</b>	<b>23,601</b>	<b>27,276</b>	<b>27,074</b>	<b>27,074</b>
<b>Cost per Ounce</b>						
Mining	A\$/oz	636	532	424	443	443
Processing	A\$/oz	168	189	99	166	166
Site Services	A\$/oz	91	37	39	80	80
Ore Stock Movements	A\$/oz	(49)	49	192	(26)	(26)
Royalties	A\$/oz	42	38	39	35	35
By Product Credits	A\$/oz	(10)	(4)	(6)	(6)	(6)
<b>Cash Operating Costs</b>	<b>A\$/oz</b>	<b>878</b>	<b>841</b>	<b>787</b>	<b>692</b>	<b>692</b>
Rehabilitation - Accretion & Amortisation	A\$/oz	68	50	(166)	11	11
Corporate Overheads	A\$/oz	24	21	27	45	45
Mine Development / Sustaining CAPEX	A\$/oz	122	70	152	3	3
Kanowna Belle Mine Exploration	A\$/oz	-	-	-	12	12
<b>All in Sustaining Costs</b>	<b>A\$/oz</b>	<b>1,092</b>	<b>982</b>	<b>800</b>	<b>763</b>	<b>763</b>

Table 9: Summary Details – Kanowna Belle

# QUARTERLY ACTIVITIES REPORT

## For the Quarter ended 30 September 2015



### Kundana Gold Operations

Production Summary Kundana		Dec-14 Qtr	Mar-15 Qtr	Jun-15 Qtr	Sep-15 Qtr	FYTD
Ore Mined	Tonnes	84,927	89,025	108,313	92,660	92,660
Mined Grade	gpt Au	10.8	8.4	8.6	6.7	6.7
Ounces Mined	Oz	29,538	23,988	29,898	19,820	19,820
Milled Tonnes	Tonnes	83,204	74,283	99,053	91,658	91,658
Head Grade	gpt Au	11.3	8.4	8.8	7.5	7.5
Recovery	%	98	96	96	96	96
Gold Recovered	Oz	29,566	19,284	27,024	21,219	21,219
<b>Gold Sold</b>	<b>Oz</b>	<b>29,566</b>	<b>19,285</b>	<b>27,022</b>	<b>21,219</b>	<b>21,219</b>
<b>Cost per Ounce</b>						
Mining	A\$/oz	306	438	365	464	464
Processing	A\$/oz	120	162	154	186	186
Site Services	A\$/oz	21	46	35	50	50
Ore Stock Movements	A\$/oz	4	(51)	(6)	(29)	(29)
Royalties	A\$/oz	28	36	35	31	31
By Product Credits	A\$/oz	(2)	(4)	(5)	(4)	(4)
<b>Cash Operating Costs</b>	<b>A\$/oz</b>	<b>477</b>	<b>627</b>	<b>578</b>	<b>698</b>	<b>698</b>
Rehabilitation - Accretion & Amortisation	A\$/oz	4	3	(13)	-	-
Corporate Overheads	A\$/oz	33	25	27	42	42
Mine Development / Sustaining CAPEX	A\$/oz	98	245	172	191	191
Kundana Mine Exploration	A\$/oz	20	40	24	31	31
<b>All in Sustaining Costs</b>	<b>A\$/oz</b>	<b>632</b>	<b>940</b>	<b>788</b>	<b>962</b>	<b>962</b>

Table 10: Summary Details – Kundana

### Jundee Gold Operations

Production Summary Jundee		Dec-14 Qtr	Mar-15 Qtr	Jun-15 Qtr	Sep-15 Qtr	FYTD
Ore Mined	Tonnes	340,714	292,989	290,722	279,738	279,738
Mined Grade	gpt Au	6.0	5.8	6.1	6.1	6.1
Ounces Mined	Oz	65,603	54,933	56,545	54,442	54,442
Milled Tonnes	Tonnes	310,687	315,395	337,907	347,559	347,559
Head Grade	gpt Au	6.0	5.7	5.8	5.3	5.3
Recovery	%	92	93	93	92	92
Gold Recovered	Oz	55,060	53,584	58,550	54,094	54,094
<b>Gold Sold</b>	<b>Oz</b>	<b>59,330</b>	<b>54,070</b>	<b>59,014</b>	<b>54,163</b>	<b>54,163</b>
<b>Cost per Ounce</b>						
Mining	A\$/oz	480	474	467	494	494
Processing	A\$/oz	145	168	158	178	178
Site Services	A\$/oz	54	59	51	56	56
Ore Stock Movements	A\$/oz	15	16	205	24	24
Royalties	A\$/oz	35	39	38	37	37
By Product Credits	A\$/oz	(3)	(3)	(3)	(3)	(3)
<b>Cash Operating Costs</b>	<b>A\$/oz</b>	<b>727</b>	<b>752</b>	<b>916</b>	<b>786</b>	<b>786</b>
Rehabilitation - Accretion & Amortisation	A\$/oz	60	64	(158)	8	8
Corporate Overheads	A\$/oz	30	23	27	45	45
Mine Development / Sustaining CAPEX	A\$/oz	109	196	227	238	238
Jundee Mine Exploration	A\$/oz	28	44	25	20	20
<b>All in Sustaining Costs</b>	<b>A\$/oz</b>	<b>953</b>	<b>1,079</b>	<b>1,037</b>	<b>1,097</b>	<b>1,097</b>

Table 11: Summary Details – Jundee

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



## EXPLORATION AND DEVELOPMENT - OPERATIONS

### Kanowna Belle

Underground diamond drilling of the Velvet target (located 600m west of the Lowes underground orebody) recommenced late in the quarter. With the completion of the drill drive development, drilling next quarter will test the target from a closer and more favourable position.

Underground drilling was undertaken at the SIMS Upper Project, located between the SIMS deposit and the West Troy high grade lode. Two mineralised structures of a strike length greater than 100m have been identified within 100m of current development.

Drilling East from the D and E blocks' targeted xenoliths of conglomerate found within the hangingwall porphyry in proximity to the unconformable contact with the Grave Dam grit, located mineralisation closely related to this lithological contact.

### Kundana (NST 51% EKJV)

During the quarter, underground Resource definition and exploration drilling continued at Raleigh, Hornet, and Rubicon.

At Raleigh, the Skinners Vein in the Raleigh hangingwall has continued to return significant intersections and remains open at depth and along strike. In addition, drilling in the zone between Skinners and the main Raleigh structure continues to return excellent results with further drilling planned. On the Raleigh Main Vein, drilling below existing development highlighted the potential for extensions of the main structure.

At Hornet, underground drilling primarily targeted new mineralisation in the hangingwall of the K2 Structure with several drill holes continuing into the main K2 target at depth. A drill program targeting the southern high grade shoot at Rubicon is in progress. Results are expected next quarter.

Ongoing surface exploration drilling programs at the Drake, Falcon, Lunar Duck and Ambition Prospects were in progress during the quarter.

RC and diamond drilling programs were completed at the Drake and Lunar Duck Prospects targeting the K2 structure north from Pegasus. At the Falcon Prospect, located in the hangingwall to the west of Pegasus, RC and diamond drilling targeted the K2 and associated structures. Diamond drilling recommenced at Ambition targeting down plunge extensions of gold mineralisation with three holes completed at the end of the quarter. Assays results are pending.

### Kundana (100% NST)

Following the release of the maiden Resource at Millennium, underground drilling recommenced late in the quarter targeting further extensions where additional shearing has broadened and increased the grade on the K2 structure at the northern end of the deposit.

Surface exploration continued with drilling programs at the geologically distinct, but adjacent prospects of Christmas (Strzelecki Structure) and Pope John (K2 Structure) during the quarter.

At Christmas, initial results have confirmed the geologic interpretation of the Strzelecki structure effectively connecting the mined-out Strzelecki underground mine with the Christmas Prospect. Three drill holes completed at Pope John all achieved narrow intersections on the K2 structure, one with significant visible gold. Assays are pending.

### Jundee

During the quarter, the development of expansion projects and targets progressed in conjunction with the existing mining operations.

Seven underground diamond drilling rigs focussed on Resource conversion and Resource growth programs completing approximately 41,800m. Surface diamond drilling commenced in the mine area on targets at the Stirling South area identified from previous underground drilling.

Areas of key activity included:

- Access development into the Nexus mining area has been completed with ore drive development to commence on the completion of Reserve definition drilling. Access development into Moneyline/Midas mining area is in progress.
- Two drill drives have been completed at Gateway and drilling has commenced to test for potential new extensions to the Gateway ore system.

- Development of the 2.4km long deep drill drive from the base of the Barton Mine commenced during the quarter to provide a platform to test possible down-dip extensions to all major lode systems below the existing underground operations. Development is on schedule (31% complete) with diamond drilling, using two dedicated rigs, commencing early next quarter.
- At the Stirling area, south of Gateway, where three ~1,500m drill holes were completed from underground locations to test possible strike extensions of the Westside and Gateway mineralised systems. Results from this program identified the new "Revelation" trend that is being explored with surface diamond drilling with the first two surface diamond drill holes completed during the quarter. Both holes intersected strong mineralisation (with visible gold) within the target zone. Further exploration drilling of the Revelation trend and surrounding area to the south of the Gateway mine from both surface and underground positions is planned.

Surface exploration activities included:

- A 9-hole RC drilling program at the Cannibal Prospect at Area 7 which intersected zones of low grade gold mineralisation outlining a prospective strike length of at least 200m with further drilling planned.
- A 4,000m aircore drilling program has commenced at Gourdis-Vause to expand the defined open pit Resources along existing mineralised trend. Drilling is expected to be in October 2015 with assay results pending.
- Regional geological and regolith mapping and soil sampling programs are continuing as part of a regional exploration initiative to assist in defining future drill targets.

### Paulsens

Underground diamond drilling for the quarter consisted of Resource extension drilling targeting the Voyager 2 zone down plunge from the lower level drill platform. Grade control drilling continued at Voyager 2, Titan and Paulsens lower zone ore bodies at various levels in the mine.

Underground development continued with the majority occurring within the high grade Voyager 2 ore zone with additional development within the Gemini, Cassini, Titan and Paulsens lodes.

Surface exploration included geophysical surveys over the Southern Gabbro offset, Belvedere, Tombstone and Paulsens East prospect areas. Early field results indicate a subtle chargeability anomaly over a 600m strike length at the South Gabbro offset target. Detailed data processing, modelling and interpretation is underway prior to designing a further surface drilling program.

An RC drilling program was completed at Belvedere to upgrade the existing Resource model and test targets approximately 150m north of the planned Belvedere open pit. Mineralisation was intersected in the majority of the holes drilled, assay results are pending.

### Plutonic

Initial production from the Caribbean orebody occurred in the quarter with grade and continuity in line with modelling. Decline and access development continued as priority in the Caribbean.

Four underground diamond drill rigs continued with drilling focused on the Caribbean and Pacific East mining areas. Modelling commenced for the Baltic extension orebody.

Surface exploration at Plutonic during the quarter included surface RC and diamond drilling programs completed at the Pacific East, Trout and MMR target areas. An RC drill program at the Trout pit targeting potential down-plunge extensions below the existing pit returned scattered low-grade gold intersections in six holes.

At the MMR Fault, drilling targeted repetitions of the Mine Mafic sequence across the MMR Fault adjacent to the Area 4 pit. The diamond drilling successfully intersected prospective mafic rocks containing intervals of alteration and anomalous gold mineralisation (<0.5gpt Au). The results and structural data are being integrated with the existing 3D seismic interpretation.

## REGIONAL EXPLORATION

### Paulsens

Regional geochemical programs continued over the Belvedere North, Tombstone, Red Dingo and Melrose Argillite areas. Results for the Belvedere North and Red Dingo areas yielded coherent gold anomalies for future drilling.



## Fortescue Joint Venture

Prospectivity analysis based on regional geochemical data has identified a number of discrete gold and pathfinder element anomalies which will prioritise future exploration programs.

## Kalgoorlie

Regional exploration in the Kalgoorlie district continued with both RC and diamond drilling programs completed at a several prospects during the quarter.

Further infill diamond drilling completed at the White Feather Project returned variable results with the extremely nuggetty nature of the gold mineralisation making continuity and repeatability challenging.

Drilling will commence at the Six Mile and Golden Eye Prospects, both in close proximity to the Kanowna processing facility, during the next quarter.

## Carbine

Exploration in the Carbine region included RC and diamond drilling programs at Paradigm North and Don Quixote.

Diamond drilling continued at Paradigm North, located 65km from the Kalgoorlie processing centre, to extend the initial encouraging drill results (refer ASX announcement released on 4 August 2015). All holes intersected significant mineralisation, often with visible gold, within a series of stacked vein arrays.

A nine hole RC program completed at Don Quixote tested bedrock gold anomalies for mineralisation analogous to the nearby Paradigm Prospect with limited results.

## Central Tanami Project (25% NST)

At the end of the quarter, field crews and drill rigs were mobilised to Central Tanami to begin drilling at the Groundrush deposit, located approximately 50km north of the Central Tanami plant site. Post the end of the quarter drilling commenced on 1 October 2015.

## CORPORATE

- During the quarter, Northern Star participated in the Diggers and Dealers conference in Kalgoorlie that included investor site visits to the Paulsens and Kalgoorlie Operations, an Institutional roadshow in Sydney and Melbourne, the Deutsche Bank Gold Day in Sydney, the Denver Gold Forum and the Resources Rising Stars conference on the Gold Coast. The Company maintains a proactive presentation calendar to stockbroking firms, institutional and retail investors to promote the Company and its activities.
- The Company announced a fully franked final year-end dividend of \$0.03 per share, with a record date of 14 September 2015. The dividend was paid on 2 October 2015.
- The Company released its 2015 Annual Report and Corporate Governance Statement on 27 August 2015.
- Issued Capital  
During the quarter:
  - On 9 July 2015, 2,810,953 ordinary fully paid shares were issued as unvested performance shares to Senior Management in accordance with the Performance Share Plan, and 1,319,279 unlisted employee options were issued to Senior Staff expiring 31 July 2018 in accordance with the Employee Options Plan. These performance shares and options are subject to performance hurdles (as detailed in the 2015 Annual Report) with a measurement date of 30 June 2018 and are restricted with holding locks.
  - 4,290,228 ordinary shares were issued on 31 July 2015 to Tanami (NT) Pty Ltd as part of the purchase price under the Heads of Agreement between Northern Star Resources Limited, Northern Star (Tanami) Pty Ltd, Tanami Gold NL and Tanami (NT) Pty Ltd, under which the Company acquired a 25% joint venture interest in the Central Tanami Project (refer to ASX Announcement dated 26 February 2015). The Company released a Cleansing Statement on 5 August 2015.
  - 12,496 employee shares were released from voluntary escrow following cessation of employment in accordance with the Company's 2011 Employee Share Plan.

# QUARTERLY ACTIVITIES REPORT

## For the Quarter ended 30 September 2015



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

Class of Securities	Issued capital
Fully Paid Ordinary Shares	600,029,557
Unlisted Options (various expiry dates)	4,276,094

Table 12: Issued Capital

- The Company's Annual General Meeting of Shareholders will be held at 10.00am on Monday, 30 November 2015 at the Barry Cable Room, Domain Stadium, Gate 17, Level 3, Roberts Road, Subiaco WA 6008.

Yours faithfully

Handwritten signature of Bill Beament in black ink.

**BILL BEAMENT**  
**Managing Director**  
**Northern Star Resources Limited**

### **Investor Enquiries:**

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### **Competent Persons Statements**

*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 Hornet, Rubicon, Pegasus, Ambition and Drake. 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.*

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## APPENDIX 1 – ADDITIONAL INFORMATION - OPERATIONS

### Paulsens Gold Operations

#### ► Safety

There was one (1) Lost Time Injury (LTI) recorded during the quarter.

#### ► Underground Production

Mine Development:

	Dec -14 Qtr	Mar -15 Qtr	Jun -15 Qtr	Sep-15 Qtr
Decline	170m	195m	391m	327m
Level	459m	434m	456m	320m
Strike driving	675m	420m	712m	759m
<b>Total (metres)</b>	<b>1,303m</b>	<b>1,049m</b>	<b>1,559m</b>	<b>1406m</b>

Table 1: Underground Production – Mine Development

Capital development focused on advancing the decline towards the 273mRL level, level development on the 290mRL and 307mRL operating levels, which access the Voyager 2 Upper Zone ore body, the 285mRL return air way and the 441-500 Vent Drive as part of a primary ventilation upgrade. During the period, a 96m long, 5m diameter raise bore underground between the 441 and 285 levels was piloted, with back reaming at 80% completion as part of the primary ventilation upgrade.

Operating development saw the continued development of high grade Voyager 2 Upper Zone mining areas on the 341mRL, 324mRL, 307mRL and 290mRL in line with forecast and with grades higher than modelled. Additional operating development was completed in the Upper levels in the Cassini at the 1125mRL and 1146mRL and Gemini at the 1116mRL and 1130mRL.

Development yielded 47,460 tonnes at an average reconciled grade of 8.11gpt.

	Dec-14 Qtr	Mar-15 Qtr	Jun-15 Qtr	Sep-15 Qtr
Development ore (t)	21,976	22,553	41,357	47,460
Development grade (gpt)	4.6	4.6	9.6	8.1
Stope ore (t)	79,743	66,526	70,720	55,516
Stope grade (gpt)	4.9	5.7	4.0	8.1
Low grade ore (t)	10,277	5,045	3,646	2,856
Low grade (gpt)	1.2	1.3	1.6	1.4
Total ore (t)	111,996	94,124	115,723	105,832
Total grade (gpt)	4.5	5.2	5.9	7.9
<b>Contained gold (oz)</b>	<b>16,179</b>	<b>15,671</b>	<b>21,908</b>	<b>26,892</b>

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

Table 2: Ore Development – Mine Development

Stope production was 55,516 tonnes at 8.06gpt sourced predominately from the Voyager 2 lower zone on the 407, 424 and 441 levels and the Voyager 2 upper zone on the 324, 341, 358 and 441 levels. Additional stope tonnes were sourced from the Paulsens Upper Zone at the 1060 level, Cassini in the 1146 level and Voyager 1 Upper Zone at the 375 level. High grade airleg stope tonnes from Paulsens Lower Zone at the 803, 823, 919 and 1089mRL supplemented the mechanised production tonnes.

#### ► Gold Production

101,311 tonnes were milled during the quarter at 7.8gpt and 92% recovery for 23,259oz produced. Mill feed primarily consisted of Voyager 2 Upper Zone, additional sources included Paulsens Lower zone, Gemini, Soyuz and Cassini.

Ore stocks at the end of the quarter totalled 6,772 oz of gold.

#### ► Gold Sales

22,736oz were sold.

### Plutonic Gold Operations

#### ► Safety

There was one (1) Lost Time Injury (LTI) recorded during the quarter.

#### ► Underground Production

Mine Development:

	Dec-14 Qtr	Mar-15 Qtr	Jun-15 Qtr	Sep -15 Qtr
Decline	114m	246m	253m	256m
Level	286m	283m	325m	344m
Strike driving	2,066m	2,088m	2,189m	1,676m
<b>Total (metres)</b>	<b>2,466m</b>	<b>2,617m</b>	<b>2,766m</b>	<b>2,276m</b>

Table 3: Underground Production – Mine Development

# QUARTERLY ACTIVITIES REPORT

## For the Quarter ended 30 September 2015

Development rates reduced in the quarter in line with requirements with multiple accesses opened in the Caribbean orebody. Initial production from the Caribbean commenced in the quarter with grade and continuity in line with modelling. Decline and access development continued as priority in the Caribbean zone.

Ore development continued in the following ore zones: Caribbean, West Decline, North Decline, Baltic Decline, Pacific East and Mariner Decline areas.

	Dec-14 Qtr	Mar-15 Qtr	Jun-15 Qtr	Sep -15 Qtr
Development ore (t)	66,134	56,349	70,180	38,973
Development grade (gpt)	2.5	3.0	3.2	4.7
Stope ore (t)	129,280	134,188	130,369	120,199
Stope grade (gpt)	3.7	4.0	4.0	3.8
Low grade ore (t)				
Low grade (gpt)				
Total ore (t)	195,414	190,537	200,549	159,172
Total grade (gpt)	3.3	3.7	3.7	4.0
<b>Contained gold (oz)</b>	<b>20,494</b>	<b>22,757</b>	<b>24,068</b>	<b>20,651</b>

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

Table 4: Underground Production – Ore Tonnes

Underground stoping produced 120,199 tonnes at 3.8gpt.

### ► Gold Production

175,640 tonnes were milled during the quarter at 3.7gpt and 77% recovery for 16,147oz. Milling operations continue to operate on a campaign basis.

Ore stocks at the end of the quarter contained 160oz of gold.

### ► Gold Sales

16,365oz were sold.

## Kanowna Belle Gold Operations

### ► Safety

There was no Lost Time Injuries (LTI) during the quarter.

### ► Underground Production

Mine Development:

	Dec -14 Qtr	Mar -15 Qtr	June -15 Qtr	Sep -15 Qtr
Decline	108m	6m	83m	494m
Level	Nil	Nil	Nil	Nil
Strike driving <sup>(1)</sup>	301m	350m	731m	488m
<b>Total (metres)</b>	<b>409m</b>	<b>356m</b>	<b>814m</b>	<b>982m</b>

Note (1) includes development through paste-fill

Table 5: Underground Production – Mine Development

Development for the quarter focussed on establishing the stopes in the remnant ore zones around the underground operation and development of the Velvet exploration decline. The Velvet Stage1 drill drive will be completed in the December Quarter to accommodate exploration drilling of the Velvet target.

	Dec -14 Qtr	Mar -15 Qtr	Jun -15 Qtr	Sep -15 Qtr
Development ore (t)	9,451	12,336	27,031	11,524
Development grade (gpt)	5.3	5.1	3.7	3.9
Stope ore (t)	128,349	145,317	159,177	172,143
Stope grade (gpt)	4.9	4.4	5.1	4.9
Low grade ore (t)	Nil	Nil	Nil	Nil
Low grade (gpt)	Nil	Nil	Nil	Nil
Total ore (t)	137,799	157,653	186,208	183,668
Total grade (gpt)	4.9	4.5	4.9	4.8
<b>Contained gold (oz)</b>	<b>21,892</b>	<b>22,701</b>	<b>29,379</b>	<b>28,597</b>

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

Table 6: Underground Production – Ore Production

Stope production was 172,143 tonnes at 4.9gpt which is maintaining a consistent performance to plan.

### ► Gold Production

Kanowna Belle milled 195,650 tonnes in the September Quarter at 4.3gpt and 94% recovery for 25,524oz.

Ore stocks at the end of the quarter totalled 16,663oz of gold (NST ore from KB and EKJV).

### ► Gold Sales

27,074oz were sold.

## Kundana Gold Operations

### ► Introduction

The Kundana Gold Operations includes the Rubicon, Hornet, Raleigh and Pegasus deposits. These mines are part of the East Kundana Joint Venture (EKJV) with companies Rand Mining Ltd and Tribune Resources Ltd.

### ► Safety

There were zero (0) Lost Time Injuries (LTI) during the quarter.

### ► Underground Production

All mine production physicals associated with the EKJV are reported as 100% of those physicals to better represent overall mine performance.

Mine Development:

	Dec -14 Qtr	Mar -15 Qtr	Jun -15 Qtr	Sep -15 Qtr
Decline	532m	613m	485m	612m
Level	825m	685m	848m	997m
Strike driving (incl paste)	1,194m	1,446m	1,659m	1,452m
<b>Total (metres)</b>	<b>2,551m</b>	<b>2,774m</b>	<b>2,992m</b>	<b>3,061m</b>

Table 7: Underground Production – Mine Development (physicals represent 100% EKJV)

The main focus on capital development has been the Pegasus Incline, Pegasus Decline, Rubicon Decline and Hornet Decline. The Pegasus Incline is at the 6199RL and the Pegasus Decline is at the 6030mRL at the end of the September Quarter. The Hornet Decline has progressed to the 5813RL. 1,452m of strike driving was completed in September Quarter.

Development yielded 84,470 tonnes at an average reconciled grade of 5.4gpt.

	Dec -14 Qtr	Mar -14 Qtr	Jun -15 Qtr	Sep -15 Qtr
Development ore (t)	74,621	81,506	103,790	84,470
Development grade (gpt)	6.1	6.5	5.9	5.4
Stope ore (t)	92,700	93,111	109,260	97,837
Stope grade (gpt)	13.1	10.0	11.1	7.8
Low grade ore (t)	NA	NA	NA	NA
Low grade (gpt)	NA	NA	NA	NA
Total ore (t)	167,321	174,917	213,050	182,307
Total grade (gpt)	10	8.4	8.6	6.7
<b>Contained gold (oz)</b>	<b>53,648</b>	<b>47,125</b>	<b>58,827</b>	<b>39,024</b>

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

Table 8: Underground Production – Ore production (physicals represent 100% EKJV)

Stope production for the September Quarter was 97,837 tonnes at 7.8gpt with grade representative of the modelled sources and sequence of mining.

### ► Gold Production

Kundana ore milled in September Quarter (NST share) was 91,659 tonnes at 7.5gpt and 96.2% recovery for 21,219 gold ounces.

Ore stocks at the end of the quarter totalled 9,996oz of gold.

### ► Gold Sales

21,219oz were sold.

## Jundee Gold Operations

### ► Safety

There were zero (0) Lost Time Injuries (LTI) during the quarter.

### ► Underground Production

Mine Development:

	Dec -14 Qtr	Mar -15 Qtr	Jun -15 Qtr	Sep -15 Qtr
Decline	276m	545m	775m	1,243m
Level	503m	889m	970m	866m
Operating	2,472m	2,385m	2,299m	2,084m
<b>Total (metres)</b>	<b>3,251m</b>	<b>3,819m</b>	<b>4,045m</b>	<b>4,193m</b>

Table 9: Underground Production – Mine Development

Capital development was concentrated in the 39WSN Drill Drive preparing for diamond drilling to commence in December Quarter, WSN Decline, Gateway Decline and associated access drives and drill platforms. Operating development was spread across the Nim3, WSN, Wilson and GTW/GGT mines.

# QUARTERLY ACTIVITIES REPORT

## For the Quarter ended 30 September 2015

	Dec -14 Qtr	Mar -15 Qtr	Jun -15 Qtr	Sep -15 Qtr
Development ore (t)	160,987	121,884	127,830	94,843
Development grade (gpt)	4.8	4.1	5.3	3.4
Stope ore (t)	179,727	171,104	162,891	184,895
Stope grade (gpt)	7.0	7.1	6.7	7.4
Total ore (t)	340,714	292,989	290,722	279,738
Total grade (gpt)	6.0	5.8	6.0	6.1
<b>Contained gold (oz)</b>	<b>65,603</b>	<b>54,933</b>	<b>56,545</b>	<b>54,442</b>

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

Table 10: Underground Production – Ore production

Stope production came from WSS, WSN, Lyons (Nim3), Wilson and Gringotts. Stopes in Wilson and GGT performing as designed (major sources of future production). There was reduced ore development from previous quarter with a focus on capital development. Development stopped at Invicta as scheduled for higher priority mining at Barton and Gateway.

### ► Gold Production

Jundee ore milled in the September Quarter was 347,559 tonnes at 5.3gpt and 91.6% recovery for 54,094 gold ounces.

Milling throughput was 87.7% underground and 12.3% oxide feed. During the quarter, 37,684 tonnes of shale material at an estimated grade of 4.25gpt was milled.

Ore stocks at the end of the quarter totalled 34,445oz of gold.

### ► Gold Sales

54,163oz sold.