



NORTHERN STAR
RESOURCES LIMITED

ASX Code: NST



Resources
Rising Stars

Northern Star Resources – Resources Rising Stars
An Australian gold miner – for global investors

May 2016



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, a Competent Person who is a Member of the Australian Institute of Geoscientists and a full-time employee of Northern Star Resources Limited. Mr Cooke has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" for the Company's Kanowna, EKJV, Kundana and Carbine Project areas. Mr Cooke consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.
- The information in this announcement that relates to mineral resource estimations, exploration results, data quality, geological interpretations and potential for eventual economic extraction, is based on information compiled by Brook Ekers, a Competent Person who is a Member of the Australian Institute of Geoscientists and a full-time employee of Northern Star Resources Limited. Mr Ekers has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" for the Company's Paulsens, Plutonic and Jundee Project areas. 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 ore reserve estimations is based on information compiled by Jeff Brown, a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy and a full-time employee of Northern Star Resources Limited. Mr Brown has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" for the Company's Project areas. Mr Brown consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.
- The information in this announcement that relates to mineral resource estimations for the Central Tanami Project is extracted from the Tanami Gold NL ASX announcement entitled "Quarterly Report for the Period Ending 31 March 2014" released on 1 May 2014 and is available to view on www.tanami.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.
- The information in this announcement that relates to mineral resource estimations for the Groundrush Project is extracted from the Tanami Gold NL ASX announcement entitled "Groundrush Deposit Update - Significant Growth In Measured and Indicated Mineral Resource and Increase In Resource Grade At Groundrush" created on 7 January 2013 and is available to view on www.tanami.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.
- The information in this announcement that relates to exploration results, data quality, geological interpretations and potential for eventual economic extraction, is based on information compiled by Simon Lawson, a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy and a full-time employee of Northern Star Resources Limited. Mr Lawson has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" for the Groundrush Deposit. Mr Lawson 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

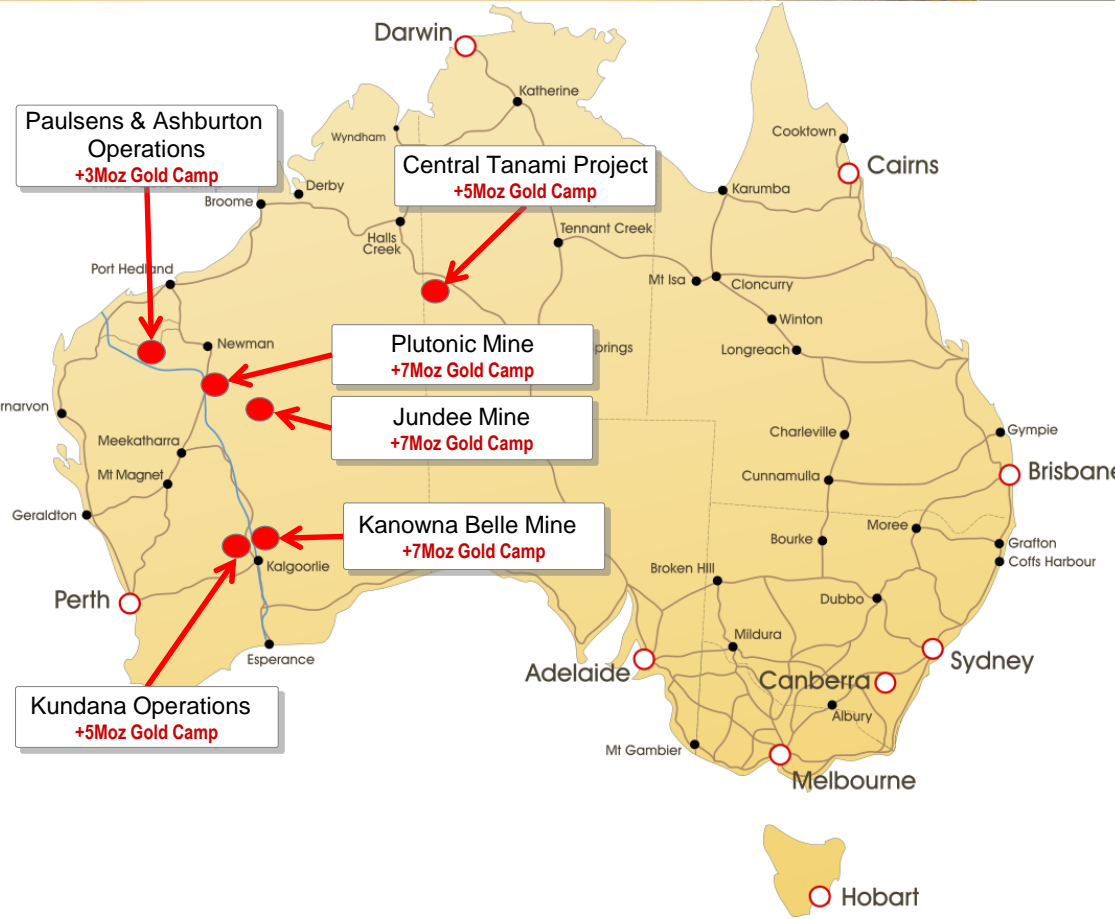
- Northern Star Resources Limited has prepared this announcement based on information available to it. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this announcement. To the 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.
- All currency conversions in this presentation have been converted at a currency of AUD/USD conversion rate of A\$0.71c

¹ Global gold mining peers producing over 400koz's pa including: ACA, NCM, DGC, NEM, RRS, EVN, ABX, KGC, GG, AEM, FRES, ELD, OGC, BTO, IAG

Introduction - Third Biggest Australian Listed Gold Miner



- ✦ We are the third-biggest gold miner on the Australian stock exchange by both market cap and production
- ✦ Strong balance sheet; no debt; A\$286M in cash, bullion & investments 31 Mar 2016
- ✦ Market cap is A\$2.6B and we are on track to produce 570koz at an AISC of A\$1,050/oz
- ✦ Strong organic growth outlook; Production set to reach 700,000ozpa in 2018
- ✦ Margins insulated by flat cost environment in Australia due to commodity downturn
- ✦ Consensus forecast for rising AUD gold price with substantial production growth, flat cost environment & no debt delivers significant increases in free cashflow
- ✦ Track record of fully-franked dividends
- ✦ We are governed by the adage “a business first and a mining company second”

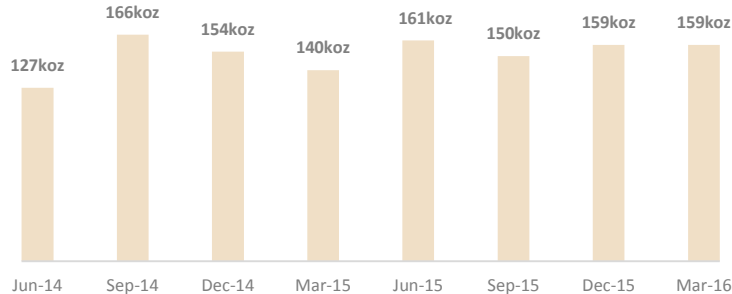


A business first, mining is how we deliver value



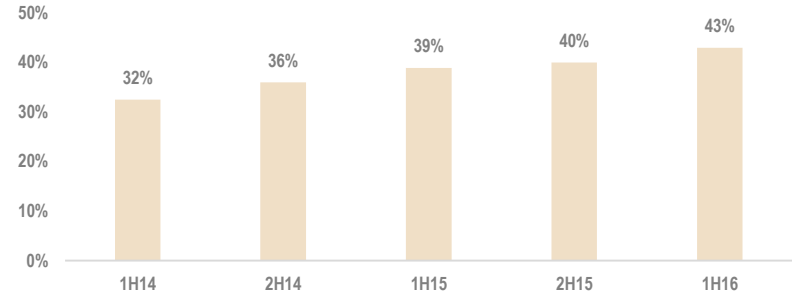
✦ Why NST has been in the top ten ASX 200 listed companies four of the last five years

Ounce Mined – Group Production



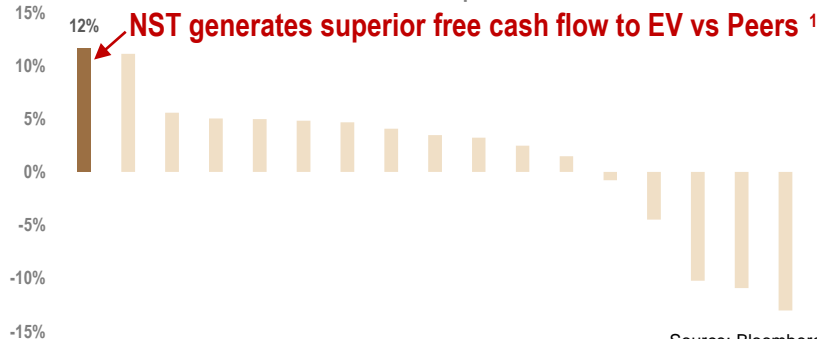
NST delivers consistent Quarterly production ✓

Underlying EBITDA Margin



NST is achieving consistent EBITDA Margin growth ✓

Free Cash Flow to Enterprise Value



Source: Bloomberg

The highest FCF to EV in the gold sector globally ✓

NST vs ASX 200 & ASX 300 Metals & Mining

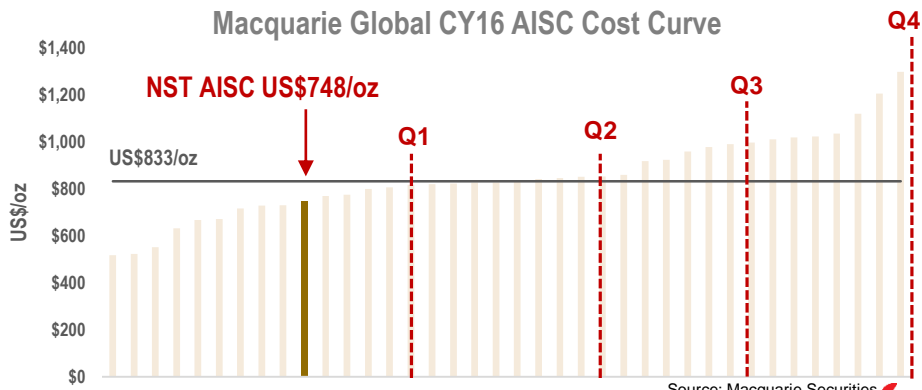


NST has delivered consistent returns to Shareholders ✓

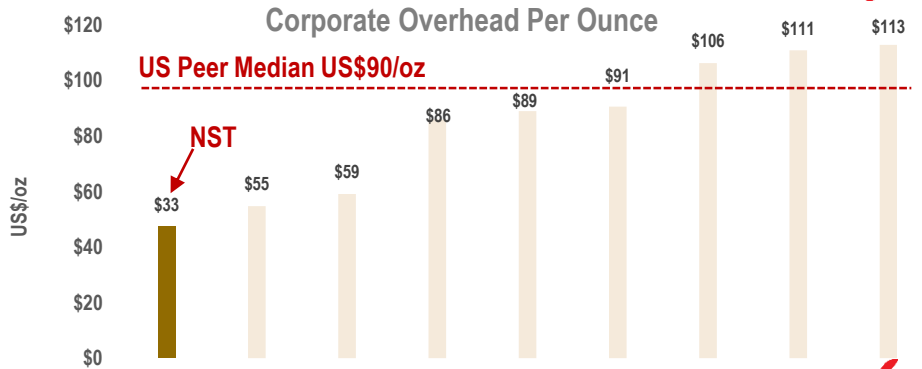
A business positioned for further outperformance



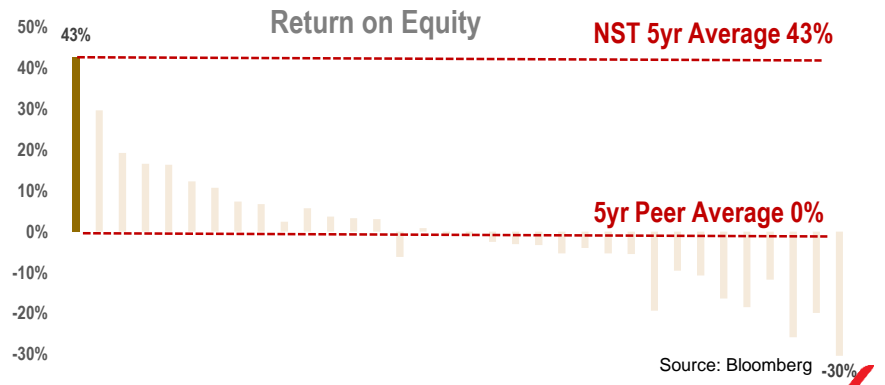
* NST is uniquely positioned to continue to deliver above average returns to its Shareholders



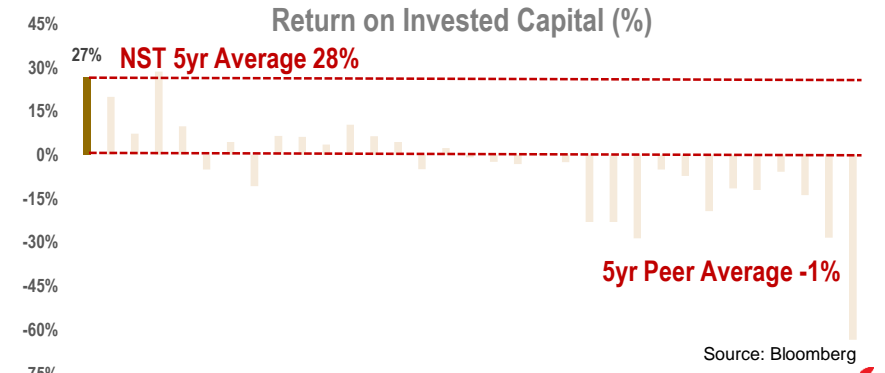
First quartile cost producer ✓



Low Corporate overheads vs US Peers ✓



Consistently generating returns to Shareholders ✓



Efficiently allocating Shareholders' capital ✓

FY16: Production and Cost Guidance



- ❑ Total gold production of 535,000-570,000oz; Tracking at the top end of guidance
- ❑ AISC of A\$1,050-A\$1,100/oz; Costs tracking towards lower end of guidance at A\$1,036/oz
- ❑ A\$74M to be spent on Investing Capital following on from the great successes in FY15, including;
 - ❑ A\$35M for targeted drilling to bring more Resources into mine plans and convert discoveries into Resources
 - ❑ A\$39M for Investing/Expansion capital expenditure to bring future deposits on line and lift group production
- ❑ This investing capital has the potential to unlock over 1.5Moz of Resources for future mining
- ❑ NST is now benefiting from procurement savings of A\$33M per annum negotiated last year
- ❑ Record operating cashflow of A\$103M delivered in the Mar-16 Qtr; 143koz sold at AISC of A\$985/oz



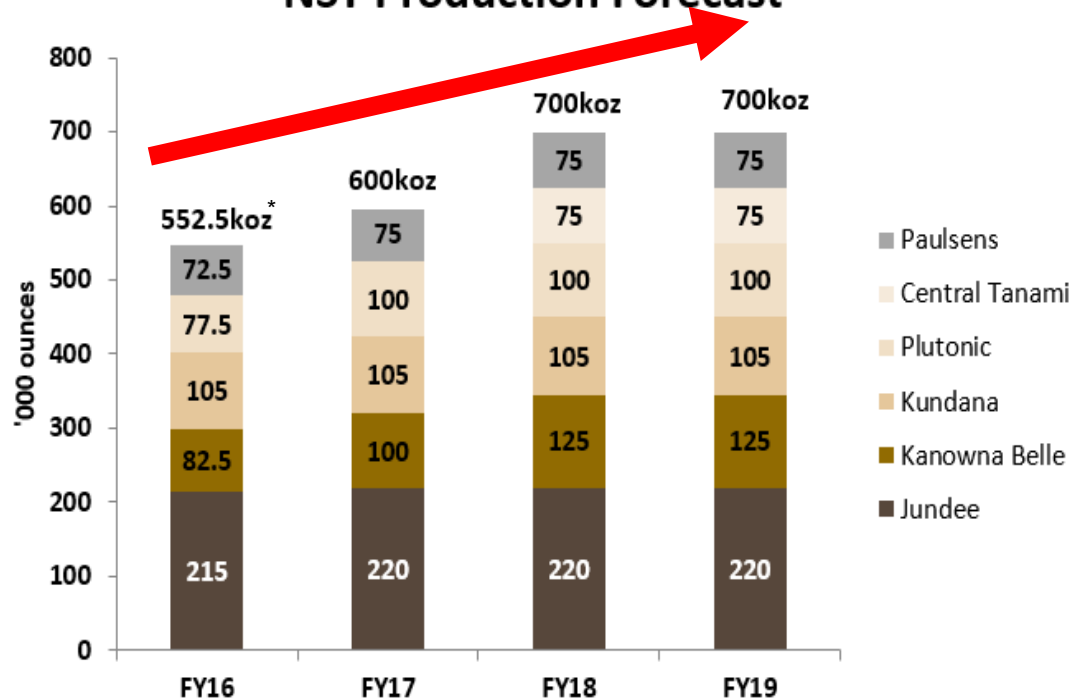
Group Production Growing Next Financial Year



* Cashflow set to lift to another level with group production growing organically next year, heading to a 700koz per annum producer in 2018 with low capital intensity, subject to the following assumptions:

- ❑ *Central Tanami Project commencing production in CY17 and ramping up to +75kozpa by FY19*
- ❑ *Kanowna production growing to 125kozpa with the inclusion of 100% Kundana tenements, satellite deposits and the Velvet discovery replaces the Kanowna underground feed at the end of CY16*
- ❑ *Hermes open pit starts in FY17 providing additional feed to the Plutonic mill*
- ❑ *Further updates to come on Jundee and Kanowna*

NST Production Forecast

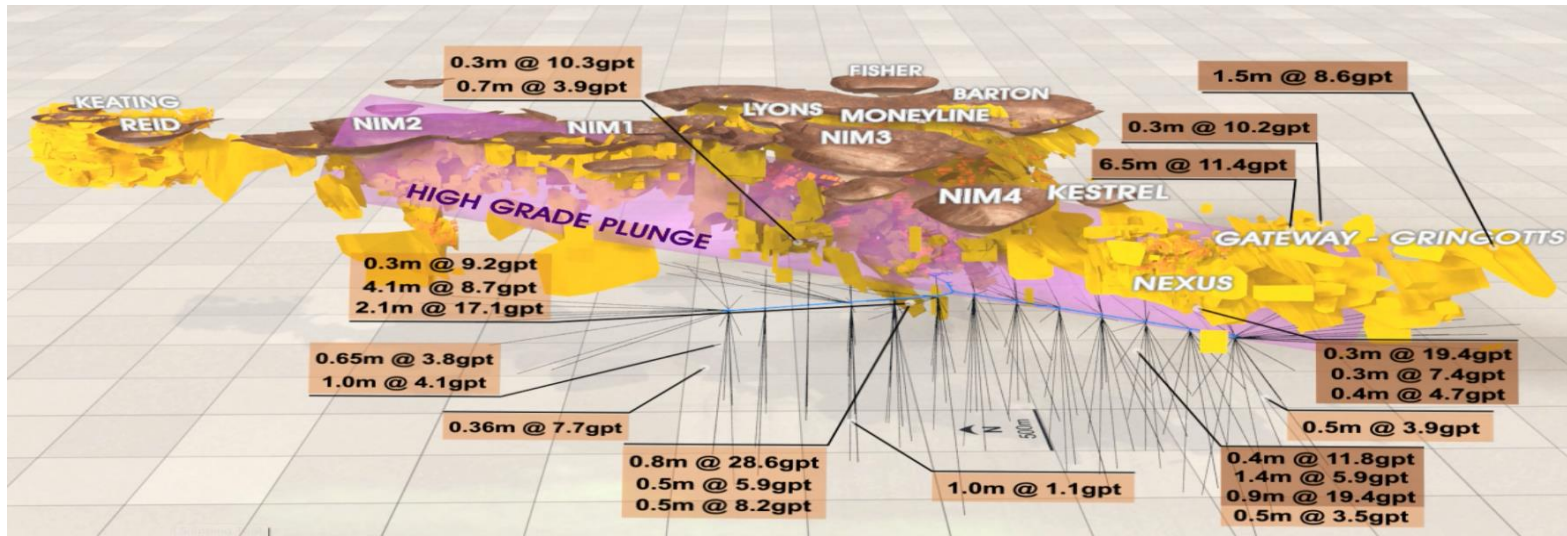


*Midpoint of FY16 guidance

Jundee: Still One of Australia's Best Mines



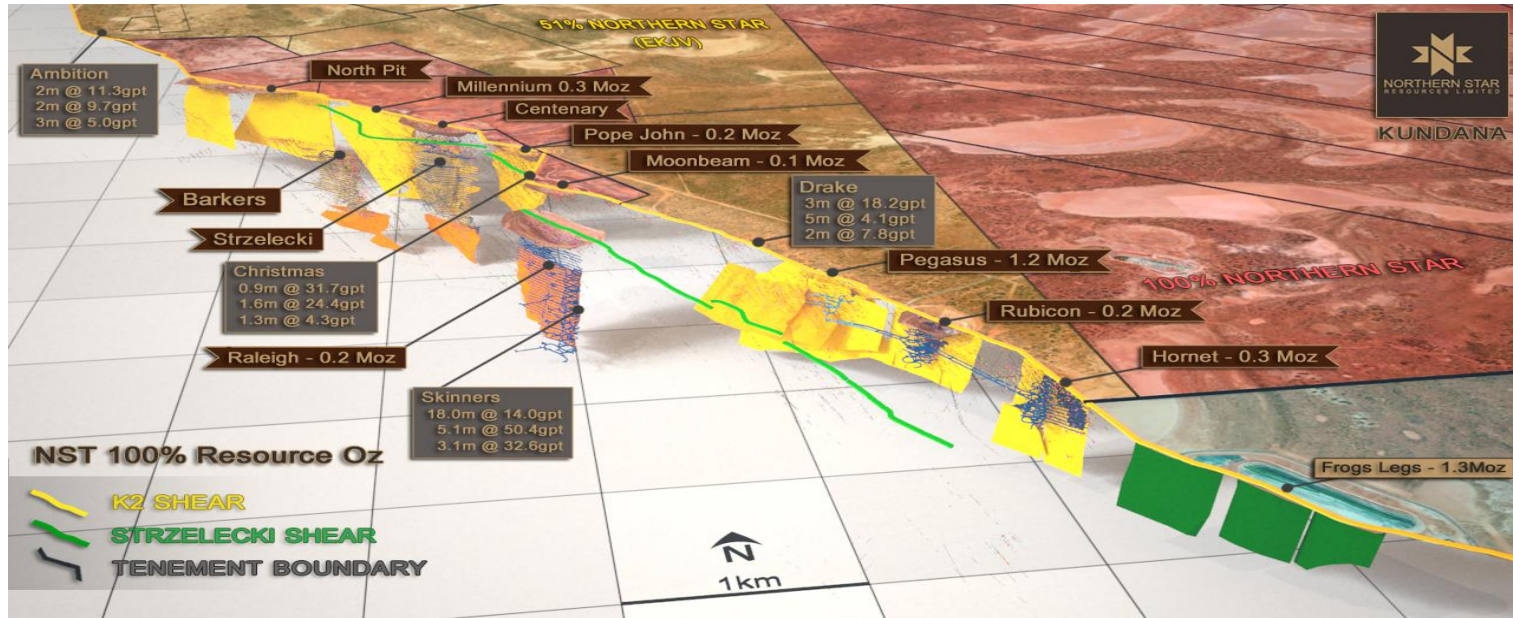
- * FY16 guidance 210,000-220,000oz at AISC of A\$1,000-A\$1,050/oz, tracking great on both metrics
- * Mar Qtr 60.1koz mined and 54.7koz sold at an AISC of A\$914/oz; benefitting greatly from cost reductions
- * Resources: 1.35Moz, up 166% and Reserves 0.6Moz, up 45% even after mining 238koz in FY15
- * Investing A\$17M in a 2.4km drill drive that will give drill coverage to test the same volume of rock that has yielded the last +5Moz of production
- * Pipeline of additional feed; multiple open pit potential with 410koz in Resources and underground extensions



Kundana: A Corridor of Riches



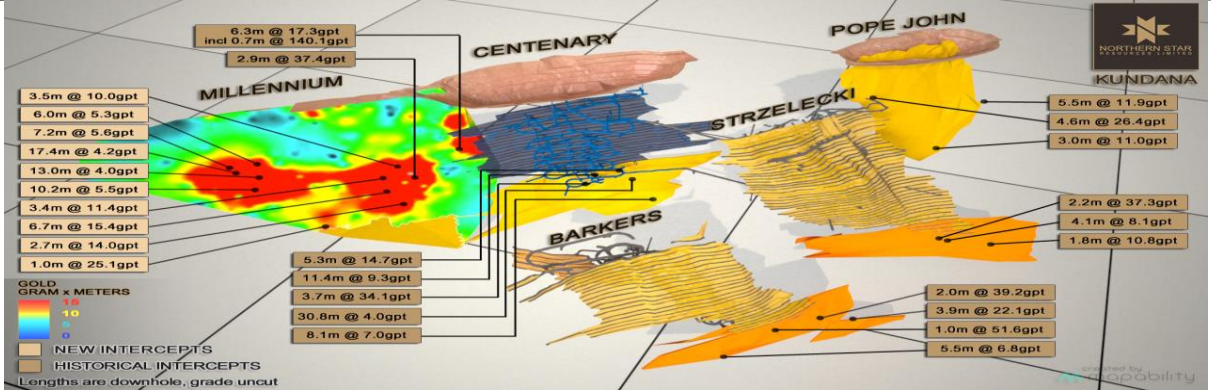
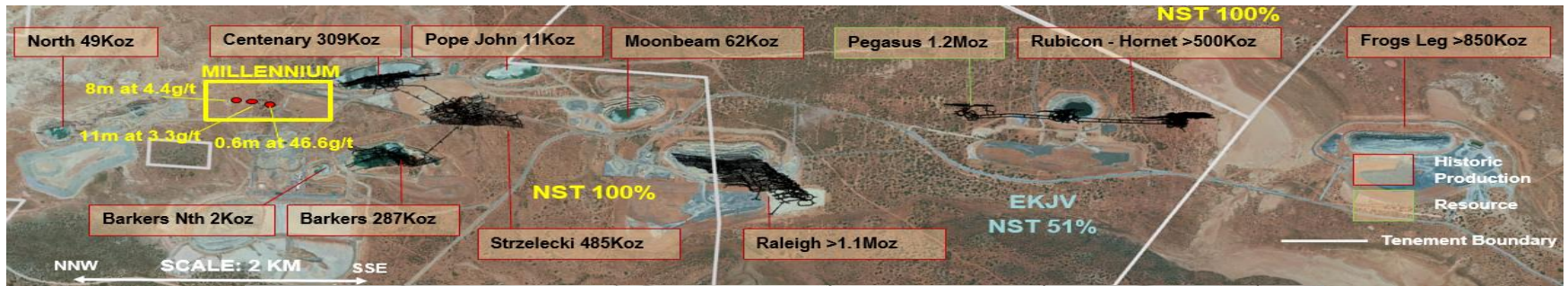
- ✦ FY16 guidance 100,000-110,000oz at AISC of A\$850-A\$900/oz, tracking well on both metrics
- ✦ Mar Qtr 32.7koz mined and 28.8koz sold at an AISC of A\$828/oz; ore stockpiles increased substantially
- ✦ Resources: 1.6Moz, up 134% and Reserves 0.45Moz, up 61% even after mining 111koz in FY15
- ✦ Three main lodes linking up at depth for a 2km strike orebody, Raleigh has had substantial exploration success
- ✦ Pipeline of additional feed; Millennium, Skinners, Pope John, Moonbeam, Centenary, Strzelecki & Barkers



Kundana 100% NST: Millennium Update



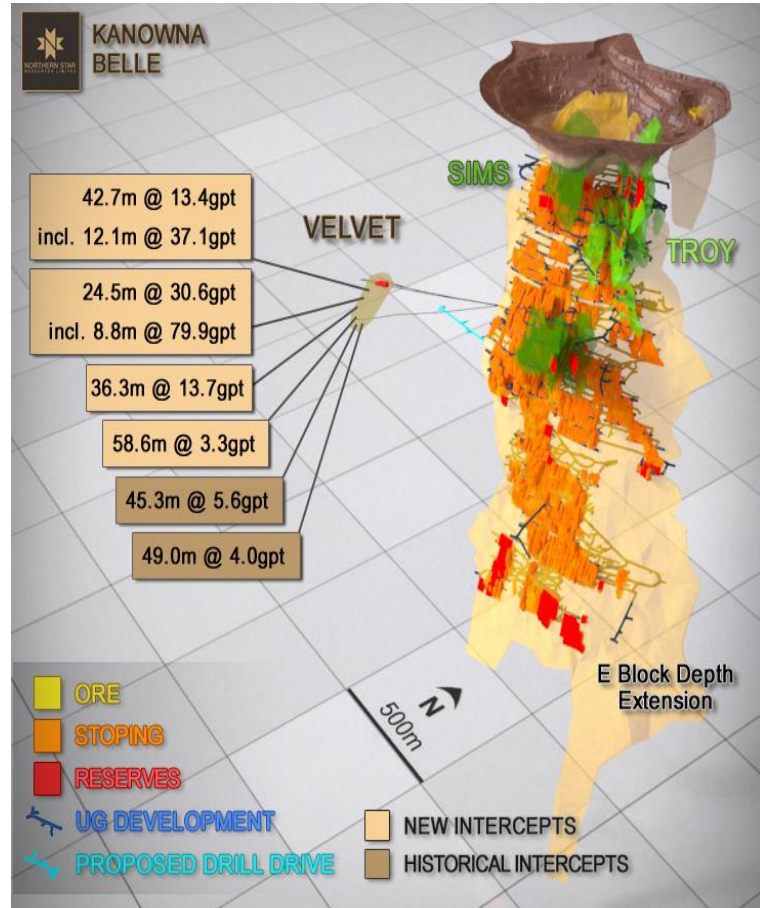
- ✦ Millennium remains open at depth and down plunge, mine design/reserve drill complete mid-year
- ✦ Millennium underground scoping study highlights a 40k-50kozpa mine for at least 4 years
- ✦ Dewatering underway with underground access commencing in Dec Qtr-16, this new access opens up all the historical mines where 1.25Moz at 6gpt was produced between 1990-2004



Kanowna Belle: A Great Goldfields Address



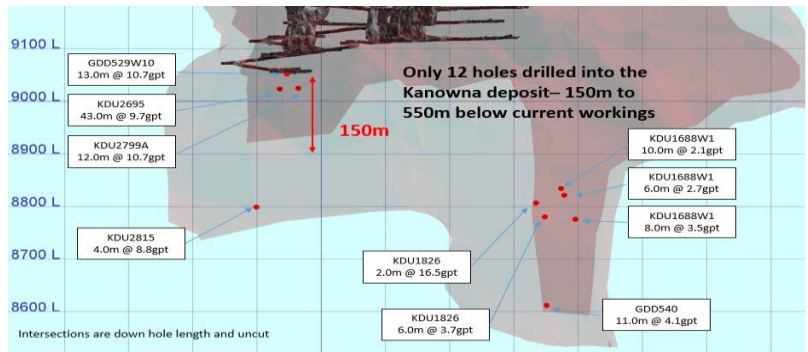
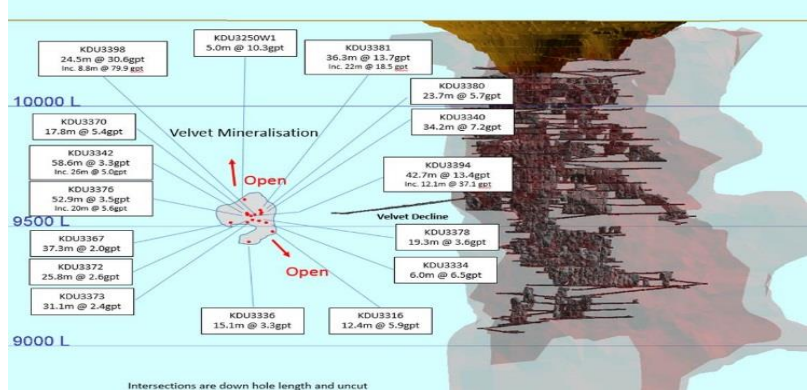
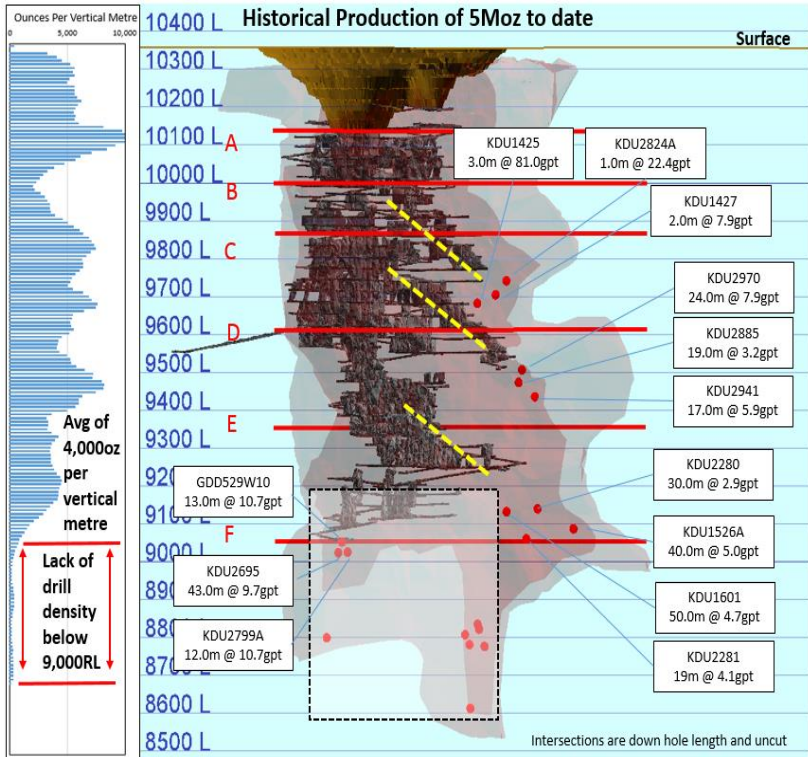
- * FY16 guidance 80,000-85,000oz at AISC of A\$1,050-A\$1,100/oz
- * Mar Qtr 24koz mined and 23.2koz sold at an AISC of A\$752/oz; substantially outperforming guidance
- * Resources 1.2Moz, up 8% and Reserves 0.2Moz, after mining 101koz in FY15
- * Pipeline of additional feed: Velvet, Paradigm, Carbine, Six Mile, Kanowna pit extension and White Feather
- * Currently reviewing the underground depth potential in light of current gold price and substantially lower cost base which could materially increase mine life
- * Velvet development has intersected ore with widths and grades higher than anticipated, latest significant drill results include:
 - * 24.5m at 30.6gpt (est true width 18.1m); inc 8.8m at 79.9gpt
 - * 42.7m at 13.4gpt (est true width 26.9m); inc 12.1m at 37.1gpt
 - * 36.3m at 13.7gpt (est true width 26.0m); inc 22.0m at 18.5gpt
 - * 58.6m at 3.3gpt (est true width 37.8m); inc 26.0m at 5.0gpt



Kanowna Belle: A Great Goldfields Address



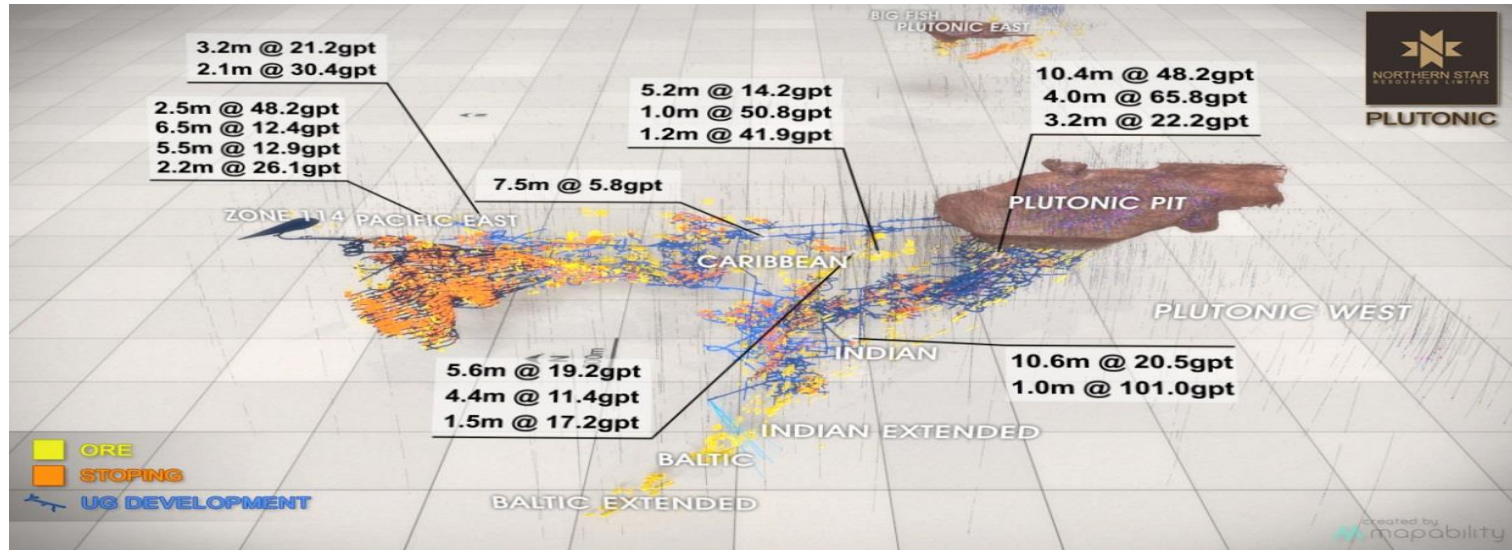
A geological review of Kanowna underground shows high-grade mineralisation continues 450m below and along strike of current workings where over 5Moz has been produced to date. These mineralised positions have the potential to materially grow mine life and will be tested later this year. Drill drive has commenced.



Plutonic: Rebuilding the Mine



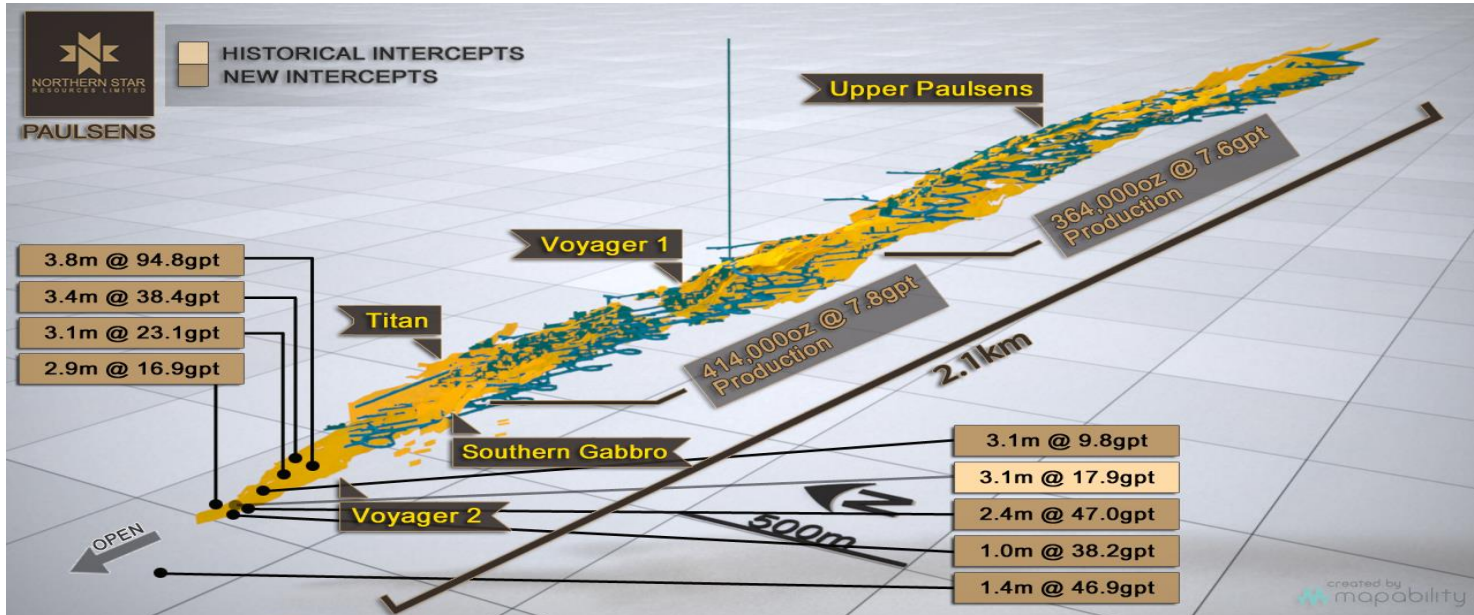
- * Divestment process underway, which may or may not result in a sale
- * FY16 guidance 75,000-80,000oz at AISC of A\$1,350-A\$1,400/oz
- * Mar Qtr 17.3koz mined and 13.7koz sold at an AISC of A\$1,975/oz (impacted by a severe rain event); returned to normal operations in March with ~7koz mined
- * Maiden Hermes Resource of 0.22Moz at 2.7gpt, increases production to 100koz per annum from FY17; drilling for waste pad sterilisation and Resource extensions is underway with very favourable results being returned



Paulsens: The Founding Asset



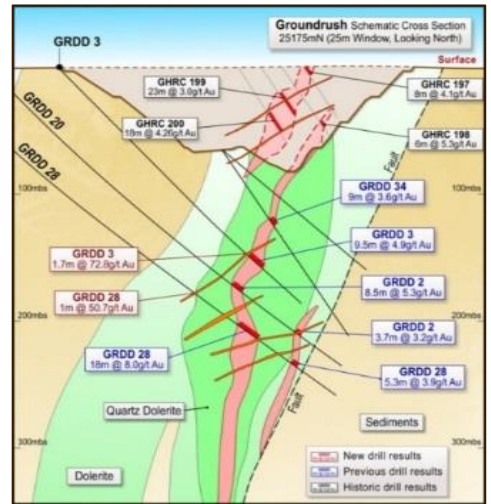
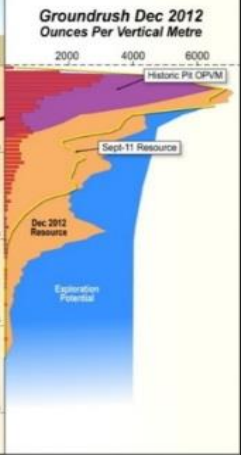
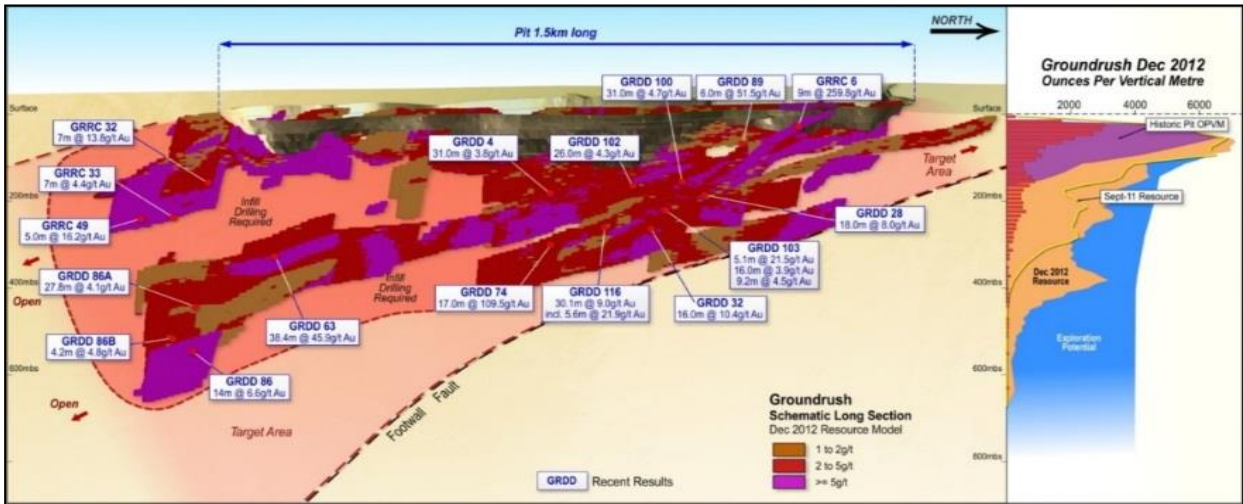
- * FY16 guidance 70,000-75,000oz at AISC of A\$1,175-A\$1,225/oz, tracking well on both metrics
- * Mar Qtr 24.3koz mined and 22.9koz sold at an AISC of A\$999/oz
- * Resources: 0.4Moz, up 7% and Reserves 0.1Moz, after mining 76koz in FY15
- * Recent hit in Voyager 2 of 1.4m at 46.9gpt is 300m vertically below the bottom production level; confirming substantial orebody extension



Central Tanami Project: Next Tier of Production Growth



- Historically produced 2.1Moz from top 125m, last major production was from Newmont in 2005 when it produced 610,000oz at 4.3gpt over a 4 year period from the main deposit; Groundrush open pit
- The past 5 years has seen A\$30M invested at Groundrush in exploration, drilling and feasibility studies
Groundrush current Resource is 1Moz @ 4.8gpt gold (at a 1gpt grade cut-off)
- A\$8M drilling program underway with numerous significant results released so far. Drilling designed to improve the Resource confidence and follow up significant historical down plunge results such as 17m at 109.5gpt
- Has the potential to be a 150koz per annum producing asset (100%) from 2018 onwards



Why Invest in Northern Star



- ✦ **Highly profitable:** Net profit after tax up 79% to A\$65.1M in 1HFY16; underlying free cash flow of A\$96.7M; total interim dividend up 50% from 1H15 to A3¢ps
- ✦ **Strong balance sheet:** no debt; A\$286M in cash, bullion & investments (31 Mar 2016)
- ✦ **Emphasis on Shareholders:** Past 5 years avg TSR +200% & Return on Equity of 43%
- ✦ One of the few ASX-listed gold miners with **critical mass and asset diversity:** 535koz-570koz in FY16 at low costs: AISC of A\$1,050-A\$1,100/oz, margin of ~A\$700/oz at the current gold price, with production rising to 700koz per annum from FY18 onwards
- ✦ **Politically and financially stable:** all mines in the resources-friendly state of WA
- ✦ **Northern Star is a demonstrated growth stock:** A5¢ to +A\$4.80 a share in five years
- ✦ **Aggressive exploration strategy** (A\$50M in FY15) delivering outstanding growth; total Resources rose 2.7Moz to 8.9Moz in FY15 (after depletion); average cost of discovery just A\$19/oz; a further seven discoveries not included in FY15 Resource statement
- ✦ Committed A\$74M to exploration and expansion capital in FY16; this will underpin **growth in production** to 700,000ozpa from 2018
- ✦ **Strong management team**, including many former contracting executives





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Rising Stars

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