



PROFIT (EX-PLUTONIC) UP 80% TO A\$165M AS COSTS FALL TO A\$951/OZ (US\$693/OZ)

Return on equity hits 39%

KEY POINTS

- ▶ Northern Star confirms a 65% rise in audited full-year net profit to A\$151.4m for FY16
- ▶ Net profit from continuing operations (ie. excluding Plutonic) up 80% to A\$165.3m
- ▶ All-in sustaining costs of A\$1,041/oz (US\$758/oz) and A\$951/oz (US\$693/oz) from continuing operations; A\$1,065/oz in FY15
- ▶ Underlying free cash flow of A\$224.3m, a 21% increase
- ▶ Return on equity of 39% and return on invested capital of 28%
- ▶ EBITDA of A\$401.3m, an increase of 27% on prior year
- ▶ Final dividend increased to 4¢ from 3¢ previously. The full-year payout is up 40% from 5¢ to 7¢; Plus 3¢ fully-franked special dividend from proceeds of Plutonic sale
- ▶ Total Reserves of 2Moz (all revised estimates are after mining 611,000oz in FY16) with ~0.5Moz added to Reserves at a cost of just A\$50/oz
- ▶ Total Resources in FY16 increased to 9.25Moz; Measured and Indicated Resources increased to 4.9Moz, underpinning significant growth in mine lives
- ▶ Northern Star will be hosting a conference call on its FY16 results on Monday 22 August 2016 at 11:30am AEST (9.30am AWST). The call can be accessed at <http://boardroom.media/broadcast/?refid=&eid=57b664e944b6663253dd1f4e>

Northern Star Resources Limited (ASX: NST) is pleased to announce its full-year audited results, which highlight the Company's significant financial strength following its announced sale of Plutonic gold mine.

The results confirm Northern Star made a record net profit of A\$151.4 million for the year to 30 June 2016, up 65 per cent from the previous year.

Excluding the Plutonic gold mine, which was the subject of a signed Sale and Purchase Agreement earlier this month (see ASX release dated 15 August 2016), net profit from continuing operations was up 80 per cent to A\$165.3 million.

All-in sustaining costs were A\$1,041/oz and A\$951/oz from continuing operations. This entrenches Northern Star's status as one of the lowest-cost producers among the league of Top-25 global gold miners.

It also equates to a profit margin of A\$800/oz based on the current gold price of A\$1,750/oz.

At the time of announcing the sale, Northern Star emphasised its commitment to maximising financial returns rather than headline production figures.

This is evidenced by the fact that the Company's return on equity, which was already an industry-leading 39 per cent in the past financial year. Return on invested capital was 28%.

ASX ANNOUNCEMENT 22 August 2016

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 3.2 million
Current Share Price A\$4.71
Market Capitalisation
A\$2.83 billion
Cash and Equivalents
30 June 2016 - A\$326 million

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Northern Star's approach to asset and capital management is also demonstrated by its decision to pay a 3¢ fully-franked special dividend from the proceeds of the Plutonic sale.

This is in addition to the final dividend of 4¢, up from 3¢ previously. As a result, the full-year payout rose 40 per cent from 5¢ to 7¢. All dividends are fully-franked.

The final dividend will be paid to all Shareholders on the register at 28 September 2016 and is expected to be paid on 13 October 2016.

Northern Star ended the year with no bank debt, cash and cash equivalents of A\$326 million, up from A\$178 million a year earlier, after spending A\$11m acquiring the Central Tanami Project, paying A\$36m in dividends and investing A\$50m in exploration.

The Plutonic sale reflects Northern Star's strategy of focusing on its four concentrated centres of production: Kalgoorlie, Jundee, Paulsens and Central Tanami.

As part of this, the Company intends to invest A\$60 million this financial year on targeted drilling campaigns to progress the recent exploration successes and A\$70m on expansion/investing capital to grow production.

Northern Star Managing Director Bill Beament said the outlook for Northern Star was outstanding on every front.

"We have one of the lowest cost bases of any major gold producer in the world, we are generating some of the best financial returns on the ASX and we are set to grow production organically to 600,000oz a year by 2018," Mr Beament said.

"We have a pipeline of growth, no debt and substantial cash flow underpinned by some of the best margins in the gold mining industry."

Yours faithfully



BILL BEAMENT
Managing Director
Northern Star Resources Limited

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Competent Persons Statements

The information in this announcement that relates to exploration results, data quality, geological interpretations and Mineral Resources estimations for the Company's Jundee, Plutonic, Paulsens and Ashburton Project areas, 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 exploration results, data quality, geological interpretations and Mineral Resource estimations for the Company's Kanowna, EKJV, Kundana and Carbine Project areas is based on information compiled by Darren Cooke and fairly represents this information. Mr Cooke is a Member of the Australian Institute of Geoscientists who is a full-time employee of Northern Star Resources Limited who has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr 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 Ore Reserve estimations for the Company's Project areas is based on information compiled by Jeff Brown and fairly represents this information. Mr Brown is a Member of the Australian Institute of Mining and Metallurgy who is a full-time employee of Northern Star Resources Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr 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 the Central Tanami Gold 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.

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.

*Assumes an AUD/USD exchange rate of 0.7285c, averaged rate across FY16