

# Appendix 4D: Half Year Report for the Period Ended 31 December 2016



## RESULTS FOR ANNOUNCEMENT TO THE MARKET

**Current Reporting Period:** Half-year ended 31 December 2016  
**Previous Corresponding Reporting Period:** Half-year ended 31 December 2015

### CONSOLIDATED

				<b>\$'000</b>
Revenues from ordinary activities*	Down	2.0%	to	415,485
Profit from ordinary activities after tax attributable to members*	Up	61.0%	to	104,624
Net profit for the period attributable to members*	Up	61.0%	to	104,624

\* From continuing and discontinued operations

### DISTRIBUTIONS

<b>Dividends</b>	<b>Amount per security</b>	<b>Franked amount per security</b>
Interim dividend (per share)	3 cents	3 cents

Record date of interim dividend 23 March 2017

Payment date of interim dividend 6 April 2017

Franking 100% franked

The financial effect of the current reporting period interim dividend has not been brought to account in the financial statements for the period ended 31 December 2016 and will be recognised in subsequent financial reports.

	<b>31 December 2016 \$</b>	<b>31 December 2015 \$</b>
Net tangible asset per security	0.86	0.63

### EXPLANATION OF RESULTS

<b>Requirement</b>	<b>Title</b>	<b>Reference</b>
Review of results	Operating and Financial Overview	Page 2
A statement of comprehensive income	Condensed Consolidated Statement of Profit or Loss & Other Comprehensive Income	Page 9
A statement of financial position	Condensed Consolidated Statement of Financial Position	Page 10
A statement of retained earnings	Condensed Consolidated Statement of Changes In Equity	Page 11
A statement of cash flows	Condensed Consolidated Statement of Cash Flows	Page 12
Earnings per share	Condensed Consolidated Statement of Profit or Loss & Other Comprehensive Income	Page 9

### CHANGES IN CONTROLLED ENTITIES

During the current reporting period, the Group did not gain or lose control over any entities.

### ASSOCIATE AND JOINT VENTURE ENTITIES

<b>Joint Ventures</b>	<b>Principal Activities</b>	<b>31 December 2016</b>	<b>31 December 2015</b>
FMG JV	Exploration	65.08%	63.24%
Mt Clement JV	Exploration	20.00%	20.00%
East Kundana Production JV	Exploration & Development	51.00%	51.00%
Kanowna West JV	Exploration	79.19%	75.17%
Kalbarra JV	Exploration	62.77%	62.50%
West Kundana JV	Exploration	75.50%	75.50%
Zebina JV	Exploration	80.00%	80.00%
Bryah Basin JV	Exploration	0.00%	0.00%
Acra JV	Exploration	20.00%	0.00%

The joint arrangements listed above are classified as joint operations and are not separate legal entities. They are contractual arrangements between participants for the sharing of costs and outputs and do not themselves generate revenue and profit. The joint operations are of the type where initially one party contributes tenements with the other party earning a specified percentage by funding exploration activities; thereafter the parties often share exploration and development costs and output in proportion to their ownership of joint venture assets. The joint operations are accounted for in accordance with the Group's accounting policy set out in the notes to the consolidated annual financial report as at 30 June 2016.

### AUDIT

This report is based on financial statements which have been subject to a review by Deloitte.

**NORTHERN STAR RESOURCES LIMITED**

ABN: 43 092 832 892

**Half Year Report  
for the period ended 31 December 2016**

**ASX Code: NST**

Dated 17 February 2017

<b>TABLE OF CONTENTS</b>	<b>PAGE</b>
Corporate Directory	1
Review of Operations and Activities	2
Directors' Report	5
Auditor's Independence Declaration	7
Interim Financial Statements	8
Independent Auditor's Review Report	24

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2016 and any public announcements made by Northern Star Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

## CORPORATE DIRECTORY

### DIRECTORS

Bill Beament (Executive Chairman)  
Christopher Rowe (Non-Executive Director)  
John Fitzgerald (Non-Executive Director)  
Peter O'Connor (Non-Executive Director)  
Shirley Int'Veld (Non-Executive Director)  
(appointed 1 September 2016)  
David Flanagan (Non-Executive Director)  
(appointed 1 September 2016)

### COMPANY SECRETARY

Liza Carpene

### REGISTERED OFFICE/ PRINCIPAL PLACE OF BUSINESS

Level 1  
388 Hay Street  
Subiaco, WA, 6008  
Australia  
Telephone: +61 8 6188 2100  
Facsimile: +61 8 6188 2111  
Website: [www.nsr ltd.com](http://www.nsr ltd.com)  
Email: [info@nsr ltd.com](mailto:info@nsr ltd.com)

### SHARE REGISTRY

Link Market Services  
Level 4, 152 St Georges Terrace  
Perth WA 6000, Australia  
Telephone: +61 1300 554 474  
Website: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

### HOME STOCK EXCHANGE

ASX Limited  
2 The Esplanade  
Perth WA 6000  
Australia  
ASX Code: NST

### AUDITORS

Deloitte Touche Tohmastu  
Brookfield Place, Tower 2  
123 St Georges Terrace  
Perth WA 6000  
Australia  
+61 8 9635 7000



## OVERVIEW

Northern Star Resources Limited (Northern Star) is an ASX 100 gold (Au) production and exploration company with a Mineral Resource base of 7.55 million ounces and Ore Reserves of 1.8 million ounces<sup>1</sup>, located in highly prospective regions of Western Australia and the Northern Territory.

As the third largest Australian listed gold producer, Northern Star is on track to deliver on its strategy to produce 485,000 to 515,000 ounces in FY2017 from its three concentrated centres, following the disposal of the Plutonic Operations in October 2016. The Company operates three West Australian centres being the Jundee, Kalgoorlie (encompassing Kundana<sup>2</sup>, Kanowna Belle and Millennium) and Paulsens Mines.

The Company continues to advance activities at the Central Tanami Project in the Northern Territory.

Northern Star has been rapidly progressing its exploration activities through significant investment expenditure with the goal of extending mine life at all of our operating centres, and further creating a strong organic pipeline of future gold production for the business.



## OUR PEOPLE, HEALTH AND SAFETY, ENVIRONMENT AND COMMUNITY

Over the first half of the financial year, the Company continued to focus on its organic growth strategy led by our dedicated and skilled workforce.

Northern Star values the health and safety of its employees and contractors and continues to demand a strong safety performance in every aspect of our business as safety is the first key core value of the organisation and is fundamental to our success.

As at 31 December 2016, Northern Star's 12 month moving average Lost Time Injury frequency rate (LTIFR) was 3.7 and its Total Recordable Injury frequency rate (TRIFR) was 21.6. Any injury is unacceptable and Northern Star remains focussed on proactively reducing these lagging indicators.

Northern Star is committed to managing its activities in an environmentally responsible manner through best-practice action. Northern Star's effective management practices and the commitment of its employees and contractors, will ensure its activities have a minimum impact on the environment. The Company respects its relevant environmental licences and the conditions within related Acts and Regulations, which are used to shape the Company-wide environmental management system.

Creating both respectful and trust-based relationships with all stakeholders is how Northern Star conducts its business activities. The Company operates on the belief that as an organisation, it must be guided by a purpose beyond profit and that the support and trust of its activities by the communities in which it operates is fundamental to the Company's long-term success and the creation of a strong Social License to Operate. Stakeholder trust and respect is only gained through the acknowledgement of the organisation's impacts on the environmental, economic and social landscapes: both positive and negative. With this in mind, Northern Star seeks to identify opportunities for the creation of shared-value for stakeholders, in return for the opportunity to extract mineral wealth.

<sup>1</sup> Mineral Resource and Ore Reserve numbers as at 30 June 2016 excluding the Plutonic Operations – see ASX Release dated 28 July 2016.

<sup>2</sup> 51% interest in the East Kundana Joint Venture.

## MINE OPERATIONS REVIEW

All ore has been sourced from the Paulsens, Plutonic\*, Kalgoorlie and Jundee gold mines. During the period, a total of 246,229 ounces of gold was sold at an average of \$1,683 per ounce, with an all-in sustaining cost for the period of \$1,111 per ounce including allowance for rehabilitation (non-cash) of \$5 per ounce.

	Measure	6 months Pulsens	3 months Plutonic*	6 months Kalgoorlie Operations	6 months Jundee	Total
Total Material Mined	tonnes	171,222	191,187	662,499	711,605	1,736,513
Total Material Milled	tonnes	206,420	352,199	703,325	692,078	1,954,022
Gold Grade	grams/tonne	5.2	2.0	5.1	4.8	4.4
Gold Recovery	%	89	82	94	91	91
Gold Produced	ounces	30,704	18,662	107,385	96,776	253,527
Gold Sold	ounces	30,141	19,621	102,719	93,748	246,229
Revenue	A\$'000	50,822	33,812	172,897	157,954	415,485
Cost of Sales	A\$'000	43,062	27,174	100,140	104,273	274,649
Depreciation & amortisation	A\$'000	12,891	-	23,570	33,557	70,018
EBITDA	A\$'000	20,651	6,656	96,327	87,237	210,871
All-in Sustaining Cost	A\$/ounce sold	1,434	1,520	989	1,057	1,111

\* The sale of the Plutonic operations completed effective 30 September 2016.

## FINANCIAL OVERVIEW<sup>(a)</sup>

	Half Year End 31 Dec 2016	Half Year End 31 Dec 2015	\$'000 Change	% Change
Revenue	415,485	425,311	(9,826)	(2%)
EBITDA <sup>(1)</sup>	218,803	180,593	38,210	21%
Net Profit	104,624	65,099	39,525	61%
Cash flow from operating activities	111,349	173,371	(62,022)	(36%)
Cash flow from investing activities	(98,586)	(106,973)	8,387	(8%)
Sustaining capital	(54,107)	(54,581)	474	(1%)
Non sustaining capital	(30,325)	(18,000)	(12,325)	68%
Exploration	(30,968)	(34,267)	3,299	(10%)
Other investing	16,814	(125)	16,939	(13,511%)
Free cash flow <sup>(2)</sup>	12,763	66,398	(53,635)	(81%)
Underlying free cash flow <sup>(3)</sup>	56,051	96,685	(40,634)	(42%)
Average gold price per ounce (A\$)	1,683	1,497	186	12%
Gold mined (ounces)	271,536	309,018	(37,482)	(12%)
Gold sold (ounces)	246,229	283,573	(37,344)	(13%)
All-in sustaining costs (AISC) per ounce sold (A\$)	1,111	1,062	49	5%
Cash and cash equivalents (\$ million)	282,101	210,917	71,184	34%
Earnings per share (cents)	17.4	10.9	6.5	60%

[a] Key highlights presented in the table above are inclusive of Plutonic operations results for the period ended 31 December 2016 and 31 December 2015.

(1) EBITDA is earnings before interest depreciation, amortisation and impairment and is calculated as follows: Profit before Income tax plus depreciation, amortisation, impairment and finance costs less interest income.

(2) Free Cash Flow is calculated as operating cash flow minus investing cash flow.

(3) Underlying Free Cash Flow is calculated as follows: 31 Dec 2016 - free cash flow (\$12.8 million) plus bullion awaiting settlement (\$10.6 million), plus stamp duty paid on prior acquisitions (\$1.7 million), plus investments in Available for sale assets (\$0.8 million), plus FY16 tax (\$33.6 million), less working capital adjustment (\$3.4 million). 31 Dec 2015 - free cash flow (\$66.4 million) plus bullion awaiting settlement (\$9 million), plus acquisition and exploration of Central Tanami Project (\$17.3 million), plus stamp duty paid on prior period acquisitions (\$5.0 million), less working capital adjustment (\$1.0 million)

EBITDA, Underlying Free Cash Flow and All-in Sustaining Costs (AISC) are unaudited non IFRS measures

Unless stated otherwise, all references to \$ should be read as Australian dollars (A\$).



## Profit

The Group recorded a 61% increase in net profit after tax to \$104.6 million for the six months ended 31 December 2016 compared to the prior half year ended 31 December 2015. The increase in net profit after tax was largely driven by the \$19.9 million profit from discontinued operations which includes a \$15.3 million gain on the sale of the Plutonic gold operations compared to the \$7.2 million loss recorded for the discontinued operations during the prior period. The Group recorded a 2% decrease in revenue for the half year ended 31 December 2016 compared to the prior period driven by a 13% reduction in gold sold for the period, offset by a \$186 per ounce increase in average realised gold price.

## Balance Sheet

Total current assets have decreased by 7% as a result of the sale of Plutonic operations during the current period. Cash and cash equivalents decreased by 11% after paying \$42.0 million in dividends and \$33.6 million as part of finalising the FY16 tax return and receiving \$17.4 million of consideration (including working capital adjustments) as part of the sale of Plutonic operations. Trade and other receivables increased by \$44.5 million driven primarily by \$27.8 million in receivables relating to consideration on the Plutonic operations sale.

Non-current assets increased by 15% due to continued expansionary capital programs, with exploration totaling \$34.3 million for the half-year ended 31 December 2016.

Total current liabilities decreased by 29% from the prior period as a result of the sale of the Plutonic operations during the half year ended 31 December 2016.

Non-current liabilities have remained consistent with that as at 30 June 2016.

## Cash Flow

Cash flows from operating activities for the six months ended 31 December 2016 decreased by 36% as a result of \$45.5 million in income taxes paid, compared with \$4.2 million in taxes recovered in the comparative period. A payment of \$33.6 million was made in the current period as finalisation of the FY16 tax return of the Group.

Cash flows from investing activities decreased by 8%, driven by \$17 million of proceeds received from the sale of the Plutonic operations. This was offset by payments for property, plant and equipment and mine properties being \$10 million and \$1.8 million higher respectively.

## Exploration

Extending mine life across the operations is the strong focus for the Company with a \$60.0 million program building on the exploration success achieved in the prior year. During the current period, the Company has continued to record new discoveries and strong results from major in-mine drill program at the Jundee and Kalgoorlie operations as well as excellent drilling results from regional exploration programs in the Kanowna, Carbine and Kundana districts. Tenure holdings have been significantly increased with transactions in the Kanowna, Carbine and Jundee districts in Western Australia and the Northern Territory.

Your Directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of Northern Star Resources Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2016.

## DIRECTORS

The following persons held office as Directors of Northern Star Resources Limited during the financial period and up to the date of this report:

William J (Bill) Beament  
 Christopher K G Rowe  
 John D Fitzgerald  
 Peter E O'Connor  
 Shirley In'tVeld (appointed 1 September 2016)  
 David Flanagan (appointed 1 September 2016)

## PRINCIPAL ACTIVITIES

The Group's principal continuing activity during the period consisted of:

- mining of gold deposits at Paulsens, Kanowna Belle, Kundana and Jundee operations;
- construction and development of extensions to existing gold mining operations at all locations;
- exploration at Central Tanami Project in the Northern Territory; and
- exploration and development of gold deposits within Western Australia.

## DIVIDENDS

Dividends paid to members during the financial period were as follows:

	2016 \$'000	2015 \$'000
Final dividend for the year ended 30 June 2016 of 4 cents (2015: 3 cents) per fully paid share paid on 13 October 2016 (2015: 2 October 2015)	24,022	18,001
Special dividend of 3 cents per fully paid share paid on 2 November 2016 (2015: Nil)	18,016	-
	42,038	18,001

In addition to the above dividends, since the end of the financial period the Directors have recommended the payment of an interim ordinary dividend of \$18.0 million (3 cents per fully paid share) to be paid on 6 April 2017 out of retained earnings at 31 December 2016.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes in the state of affairs of the Group during the financial period were as follows:

- the sale of the Plutonic gold operations that was announced in February 2016 was completed with an effective date of 30 September 2016. For details of the sale see note 7 to the financial statements.

There were no other significant changes in the state of affairs of the Group that occurred during the period under review.

## MATTERS SUBSEQUENT TO THE END OF FINANCIAL YEAR

Subsequent to the period ended 31 December 2016 the Company:

- declared an interim fully franked dividend of 3 cents per share to Shareholders on the record date of 23 March 2017, payable on 6 April 2017; and
- has reached agreement with Superior Gold Inc. (SGI), owner of the Plutonic Gold Mine, whereby Northern Star will seek to sell down its 33% undiluted equity interest that was due in relation to the disposal of the Plutonic Gold Operations, as disclosed in note 7 to the interim financial statements. Northern Star now expects to receive C\$10 million in cash, 18.9 million shares representing a 21% undiluted equity interest, and 14.4 million warrants pending the successful completion of SGI's initial public offering and quotation on the TSX Venture Exchange.

No other matter or circumstance has arisen since 31 December 2016 that has significantly affected, or may significantly affect, the Group's operations, results or state of affairs, or may do so in future years.

## ENVIRONMENTAL REGULATION

The Group holds licences and abides by Acts and Regulations issued by the relevant mining and environmental protection authorities. The Group has a policy of at least complying with, but in most cases exceeding, its statutory environmental performance obligations. These licences, Acts and Regulations specify limits and regulate the management of various environmental management issues, including discharges to the air, surface water and groundwater associated with the Group's mining operations as well as the storage and use of hazardous materials.

All environmental performance obligations are monitored by the Board and subjected from time to time to Government agency audits and site inspections. No significant environmental breaches have occurred or have been notified by any Government agencies during the period ended 31 December 2016.

## AUDITOR INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 7.

## ROUNDING OF AMOUNTS

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of Directors.



**BILL BEAMENT**  
**Executive Chairman**

Perth, Western Australia

17 February 2017



# Deloitte.

Deloitte Touche Tohmatsu  
ABN 74 490 121 060

Tower 2, Brookfield Place  
123 St Georges Terrace  
Perth WA 6000  
GPO Box A46  
Perth WA 6837 Australia

Tel: +61 8 9365 7000  
Fax: +61 8 9365 7001  
www.deloitte.com.au

The Board of Directors  
Northern Star Resources Limited  
Level 1, 388 Hay St  
Subiaco, WA 6008

17 February 2017

Dear Directors

**Auditor's Independence Declaration to Northern Star Resources Limited and its controlled entities**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Northern Star Resources Limited.

As lead audit partner for the review of the financial statements of Northern Star Resources Limited for the financial half-year ended 31 December 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



**DELOITTE TOUCHE TOHMATSU**



**David Newman**  
Partner  
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited

<b>TABLE OF CONTENTS</b>	<b>PAGE</b>
Interim Financial Statements	9
Notes to the Consolidated Interim Financial Statements	13
Directors' Declaration	23
Independent Auditor's Review Report	24

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income



NORTHERN STAR  
RESOURCES LIMITED

## For the Six Months Ended 31 December 2016

	Notes	31 Dec 2016 \$'000	31 Dec 2015 \$'000
<b>Continuing operations</b>			
Sales revenue	4	381,673	375,291
Cost of sales	6(a)	(247,477)	(256,706)
		<b>134,196</b>	118,585
Other income and expense	5	3,300	2,223
Corporate and technical services	6(b)	(14,415)	(14,968)
Impairment of assets	6(c)	(1,369)	(1,418)
Finance costs	6(d)	(1,341)	(2,050)
<b>Profit before income tax</b>		<b>120,371</b>	102,372
Income tax expense		(35,651)	(30,045)
<b>Profit from continuing operations</b>		<b>84,720</b>	72,327
<b>Discontinued operations</b>			
Profit/(loss) from discontinued operation	7(a)(ii)	19,904	(7,228)
<b>Profit for the period</b>		<b>104,624</b>	65,099
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss</i>			
Changes in fair value of available-for-sale financial assets		(1,159)	(2,152)
Income tax relating to these items		347	646
<b>Other comprehensive income for the period, net of tax</b>		<b>(812)</b>	(1,506)
<b>Total comprehensive income for the period</b>		<b>103,812</b>	63,593
Total comprehensive income for the period attributed to:			
Owners of the Company		<b>103,812</b>	63,593
Total comprehensive income for the period attributable to owners of Northern Star Resources Limited arises from:			
Continuing operations		<b>83,908</b>	70,821
Discontinued operations		<b>19,904</b>	(7,228)
		<b>103,812</b>	63,593
		<b>Cents</b>	<b>Cents</b>
<b>Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the Company:</b>			
Basic earnings per share		<b>14.1</b>	12.1
Diluted earnings per share		<b>13.8</b>	12.0
<b>Earnings per share for profit attributable to the ordinary equity holders of the Company:</b>			
Basic earnings per share		<b>17.4</b>	10.9
Diluted earnings per share		<b>17.1</b>	10.8

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

# Condensed Consolidated Statement of Financial Position



As at 31 December 2016

	Notes	31 Dec 2016 \$'000	30 June 2016 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		282,101	315,341
Trade and other receivables	8	54,978	10,521
Inventories	9	71,060	59,986
		<b>408,139</b>	385,848
Assets classified as held for sale	7	-	54,567
<b>Total current assets</b>		<b>408,139</b>	440,415
<b>Non-current assets</b>			
Trade and other receivables	8	3,670	2,187
Available-for-sale financial assets		8,370	8,779
Property, plant and equipment		92,419	81,775
Exploration and evaluation assets	10	131,308	98,420
Mine properties	11	136,783	131,953
<b>Total non-current assets</b>		<b>372,550</b>	323,114
<b>TOTAL ASSETS</b>		<b>780,689</b>	763,529
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		83,994	78,045
Borrowings	12	5,589	9,194
Current tax liabilities		26,628	35,896
Provisions	13	19,673	26,914
		<b>135,884</b>	150,049
Liabilities directly associated with assets classified as held for sale	7	-	41,445
<b>Total current liabilities</b>		<b>135,884</b>	191,494
<b>Non-current liabilities</b>			
Trade and other payables		1,106	-
Borrowings	12	3,465	4,871
Provisions	13	79,617	78,681
Deferred tax liabilities		44,171	36,569
<b>Total non-current liabilities</b>		<b>128,359</b>	120,121
<b>TOTAL LIABILITIES</b>		<b>264,243</b>	311,615
<b>NET ASSETS</b>		<b>516,446</b>	451,914
<b>EQUITY</b>			
Share capital	14	216,467	214,950
Reserves		8,675	8,246
Retained earnings		291,304	228,718
<b>Total equity</b>		<b>516,446</b>	451,914

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

# Condensed Consolidated Statement of Changes in Equity



NORTHERN STAR  
RESOURCES LIMITED

	Notes	Share capital \$'000	Available for sale reserve \$'000	Share based payments reserve \$'000	Retained earnings \$'000	Total equity \$'000
<b>Balance at 1 July 2015</b>		204,925	3,179	1,781	113,367	323,252
Profit for the period		-	-	-	65,099	65,099
Other comprehensive income		-	(1,506)	-	-	(1,506)
<b>Total comprehensive income for the period</b>		-	<b>(1,506)</b>	-	<b>65,099</b>	<b>63,593</b>
<b>Transactions with owners in their capacity as owners:</b>						
Contributions of equity, net of transaction costs and tax	14	9,000	-	-	-	9,000
Dividends provided for or paid	15	-	-	-	(18,001)	(18,001)
Employee share and option plans - value of employee services		-	-	1,022	-	1,022
Share plan loan repayment		-	-	272	-	272
		9,000	-	1,294	(18,001)	(7,707)
<b>Balance at 31 December 2015</b>		<b>213,925</b>	<b>1,673</b>	<b>3,075</b>	<b>160,465</b>	<b>379,138</b>
<b>Balance at 1 July 2016</b>		214,950	3,952	4,294	228,718	451,914
Profit for the period		-	-	-	104,624	104,624
Other comprehensive income		-	(812)	-	-	(812)
<b>Total comprehensive income for the period</b>		-	<b>(812)</b>	-	<b>104,624</b>	<b>103,812</b>
<b>Transactions with owners in their capacity as owners:</b>						
Dividends provided for or paid	15	-	-	-	(42,038)	(42,038)
Employee share and option plans - value of employee services		-	-	1,241	-	1,241
Exercise of employee share options		1,516	-	(1,516)	-	-
Share plan loan repayment		-	-	1,516	-	1,516
		1,516	-	1,241	(42,038)	(39,281)
Balance at 31 December 2016		<b>216,467</b>	<b>3,140</b>	<b>5,535</b>	<b>291,304</b>	<b>516,446</b>

Nature and purposes of reserves:

#### Available-for-sale financial assets

Changes in the fair value of investments that are classified as available-for-sale financial assets (eg. equity securities), are recognised in other comprehensive income and accumulated in a separate reserve within equity. Amounts are reclassified to profit or loss when the associated assets are sold or impaired.

#### Share based payments

The share based payments reserve relates to shares, performance shares and share options granted by the Company to its employees.

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

# Condensed Consolidated Statement of Cash Flows

For the period ended 31 December 2016

	Notes	31 Dec 2016 \$'000	31 Dec 2015 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		408,235	427,403
Payments to suppliers and employees (inclusive of GST)		(254,515)	(258,852)
Interest received		3,298	1,589
Interest paid		(170)	(945)
Income taxes (paid)/recovered		(45,499)	4,176
<b>Net cash inflow from operating activities</b>		<b>111,349</b>	<b>173,371</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(21,706)	(11,692)
Payments for exploration and evaluation	10	(30,968)	(34,267)
Payments for mine properties		(62,726)	(60,889)
Payments for available-for-sale financial assets		(750)	(152)
Proceeds from disposal of business	7(a)(iii)	17,391	-
Proceeds from sale of property, plant and equipment		173	27
<b>Net cash outflow from investing activities</b>		<b>(98,586)</b>	<b>(106,973)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issues of shares and other equity securities	14	1,516	-
Finance lease payments		(5,481)	(4,923)
Dividends paid to Company's shareholders	15	(42,038)	(18,001)
<b>Net cash outflow from financing activities</b>		<b>(46,003)</b>	<b>(22,924)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>		<b>(33,240)</b>	<b>43,474</b>
Cash and cash equivalents at beginning of the financial period		315,341	167,443
<b>Cash and cash equivalents at end of the period</b>		<b>282,101</b>	<b>210,917</b>

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

<b>TABLE OF CONTENTS</b>		<b>PAGE</b>
1	Corporate Information	14
2	Basis of Preparation of Half-Year Report	14
3	Segment Information	14
4	Revenue	17
5	Other Income and Expense	17
6	Expenses	17
7	Assets and Liabilities classified as held for sale and discontinued operation	18
8	Trade and Other Receivables	20
9	Inventories	20
10	Exploration and Evaluation Assets	20
11	Mine Properties	21
12	Borrowings	21
13	Provisions	21
14	Contributed Equity	21
15	Dividends	22
16	Commitments	22
17	Fair Value of Financial Instruments	22
18	Events Occurring After the Reporting Period	22

## 1. CORPORATE INFORMATION

The financial report of Northern Star Resources Limited (referred to as 'Northern Star or the 'Company') for the half-year ended 31 December 2016 was authorised for issue in accordance with a resolution of the Directors on 17 February 2017. Northern Star is a for-profit Company limited by shares, incorporated and domiciled in Australia where shares are publicly traded. Details of the Groups principal activities are included in note 3.

## 2. BASIS OF PREPARATION OF HALF-YEAR REPORT

These condensed consolidated interim financial statements for the half-year reporting period ended 31 December 2016 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financing Reporting Standard IAS 34 Interim Financial Reporting.

These condensed consolidated Half Year Report do not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2016 and any public announcements made by Northern Star during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

### a) New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period, however, the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. There will be some changes to the disclosures in the 30 June 2017 annual report as a consequence of these amendments.

## 3. SEGMENT INFORMATION

### a) Description of segments and principal activities

The Group's Executive Committee consisting of the Executive Chairman, Chief Executive Officer, Chief Financial Officer, General Manager of Operations and Chief Geological Officer examine the Group's performance and have identified six operating segments relating to the continuing operations of the business:

1. Paulsens, WA Australia - Mining and processing of gold
2. Kundana, WA Australia - Gold mining
3. Kanowna Belle, WA Australia - Mining and processing of gold
4. Jundee, WA Australia - Mining and processing of gold
5. Tanami, NT Australia - Development
6. Exploration - Exploration and evaluation of gold mineralisation

An operating segment is a component of the Group that engages in business activities from which it may earn revenues or incur expenses.

Exploration comprises all projects in the exploration, evaluation and feasibility phase of the Group. These include the Mt Olympus, Fortescue JV and Electric Dingo projects as well as ongoing exploration programmes at the Group's respective sites.

During the period the Group completed a sales process in relation to its Plutonic operations in WA, which is consequently classified as a discontinued operation as at 31 December 2016. Further information on Plutonic and the disposal process is included in note 7.

An analysis of segment revenues is presented in note 4.

### b) Segment results

The segment information for the half-year ended 31 December 2016 is as follows:

31 December 2016	Paulsens	Kundana	Kanowna Belle			Jundee	Tanami	Exploration	Total
			\$'000	\$'000	\$'000				
Segment net operating profit (loss) before income tax	7,710	40,182	32,116	53,296	(1,327)	(1,369)	130,608		
Depreciation and amortisation	12,891	13,557	10,013	33,557	-	-	70,018		
Impairment	-	-	-	-	-	1,369	1,369		
Finance costs	50	11	448	384	-	-	893		
<b>Segment EBITDA</b>	<b>20,651</b>	<b>53,750</b>	<b>42,577</b>	<b>87,237</b>	<b>(1,327)</b>	<b>-</b>	<b>202,888</b>		





31 December 2015	Paulsens	Plutonic \$'000	Kundana \$'000	Kanowna Belle \$'000	Jundee \$'000	Tanami \$'000	Exploration \$'000	Total \$'000
Segment net operating profit (loss) before income tax	17,212	(9,629)	29,469	29,172	41,640	(686)	(2,124)	105,054
Depreciation and amortisation	16,321	12,845	11,480	8,867	36,283	-	-	85,796
Impairment	-	-	-	-	-	-	2,124	2,124
Finance costs	70	136	9	276	737	-	-	1,228
<b>Segment EBITDA</b>	<b>33,603</b>	<b>3,352</b>	<b>40,958</b>	<b>38,315</b>	<b>78,660</b>	<b>(686)</b>	<b>-</b>	<b>194,202</b>

31 December 2016	Paulsens \$'000	Kundana \$'000	Kanowna Belle \$'000	Jundee \$'000	Tanami \$'000	Exploration \$'000	Total \$'000
Total segment assets	56,165	70,487	89,777	107,671	667	131,308	456,075
Total segment liabilities	(20,241)	(21,039)	(74,008)	(70,810)	(558)	-	(186,656)

30 June 2016	Paulsens \$'000	Kundana \$'000	Kanowna Belle \$'000	Jundee \$'000	Tanami \$'000	Exploration \$'000	Total \$'000
Total segment assets	57,506	69,021	60,935	103,105	596	98,420	389,583
Total segment liabilities	(21,676)	(18,751)	(65,841)	(69,405)	(834)	-	(176,507)

## c) Other segment information

### (i) Segment EBITDA

Segment EBITDA is a non-IFRS measure, being profit before Income tax plus depreciation, amortisation, impairment and finance costs less interest income.

Interest income, finance charges, interest expense and acquisition costs are not allocated to the operating segments as this type of activity is driven by the central treasury function which manages the cash position of the Group.

Segment EBITDA reconciles to profit before income tax from continuing operations for the half-year ended 31 December 2016 as follows:

	31 Dec 2016 \$'000
<b>Segment EBITDA</b>	<b>202,888</b>
Other income	3,300
Finance costs	(1,341)
Depreciation	(12,117)
Amortisation	(58,064)
Corporate and technical services	(12,926)
Impairment of assets	(1,369)
<b>Profit before income tax from continuing operations</b>	<b>120,371</b>

Segment EBITDA reconciles to profit before income tax from continuing operations for the half-year ended 31 December 2015 as follows:

	31 Dec 2015 \$'000
<b>Segment EBITDA</b>	<b>194,202</b>
Other income	2,242
Finance costs	(2,186)
Depreciation	(15,994)
Amortisation	(69,921)
Corporate and technical services	(14,164)
Impairment of assets	(2,137)
<b>Profit before tax</b>	<b>92,042</b>



## Reconciliation to profit before income tax from continuing operations

Profit before tax	92,042
Loss before income tax from discontinued operations	10,330
<b>Profit before income tax from continuing operations</b>	<b>102,372</b>

### (ii) Segment assets

Segment assets are measured in the same way as in the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

Operating segments' assets are reconciled to total assets as follows:

	<b>31 Dec 2016</b>	30 June 2016
	<b>\$'000</b>	\$'000
Segment assets	<b>456,075</b>	389,583
Unallocated:		
Assets classified as held for sale	-	54,567
Available-for-sale financial assets	<b>8,370</b>	8,779
Cash and cash equivalents	<b>271,948</b>	303,974
Trade and other receivables	<b>42,413</b>	4,712
Property, plant and equipment	<b>1,883</b>	1,914
<b>Total assets as per the condensed consolidated statement of financial position</b>	<b>780,689</b>	763,529

Investment in equity securities (classified as available-for-sale financial assets) held by the Group are not considered to be segment assets as they are managed by the treasury function.

### (iii) Segment liabilities

Operating segments' liabilities are reconciled to total liabilities as follows:

	<b>31 Dec 2016</b>	30 June 2016
	<b>\$'000</b>	\$'000
Segment liabilities	<b>186,656</b>	176,507
Unallocated:		
Trade and other payables	<b>3,423</b>	7,231
Borrowings	-	4,585
Provisions	<b>3,365</b>	9,382
Current tax liabilities	<b>26,628</b>	35,896
Deferred tax liabilities (net)	<b>44,171</b>	36,569
Liabilities attributable to assets held for sale	-	41,445
<b>Total liabilities as per the condensed consolidated statement of financial position</b>	<b>264,243</b>	311,615

## 4. REVENUE

	<b>31 Dec 2016</b>	31 Dec 2015
	<b>\$'000</b>	\$'000
<b>From continuing operations</b>		
Sale of gold	380,703	374,450
Sale of silver	970	841
<b>Total revenue from continuing operations</b>	<b>381,673</b>	<b>375,291</b>
<b>From discontinued operation (note 7)</b>		
Sales revenue	33,812	50,019

	<b>Paulsens</b>	<b>Plutonic*</b>	<b>Kundana</b>	<b>Kanowna Belle</b>	<b>Jundee</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>2016</b>	<b>50,822</b>	-	<b>88,821</b>	<b>84,076</b>	<b>157,954</b>	<b>381,673</b>
2015	62,930	-	72,399	78,271	161,691	375,291

\* Plutonic classified as discontinued operations as at 31 December 2016 and 2015 for comparative purposes.

## 5. OTHER INCOME AND EXPENSE

	<b>31 Dec 2016</b>	31 Dec 2015
	<b>\$'000</b>	\$'000
Profit/(loss) on disposal of property, plant and equipment	31	(447)
Interest income	3,031	1,689
Other	238	981
	<b>3,300</b>	<b>2,223</b>

## 6. EXPENSES

### (a) Cost of sales

	<b>31 Dec 2016</b>	31 Dec 2015
	<b>\$'000</b>	\$'000
Mining	90,407	84,473
Processing	34,875	32,681
Site services	9,017	10,846
Employee benefit expenses	44,339	48,845
Depreciation	11,954	12,262
Amortisation	58,064	60,689
Government royalty expense	8,898	9,375
Changes in inventory	(10,077)	(2,465)
	<b>247,477</b>	<b>256,706</b>

## (b) Corporate and technical services

	<b>31 Dec 2016</b>	31 Dec 2015
	<b>\$'000</b>	\$'000
Employee benefits	5,857	6,109
Administration	7,155	7,719
Share based payments	1,241	1,022
Depreciation	162	118
	<u>14,415</u>	<u>14,968</u>

## (c) Impairment

	<b>31 Dec 2016</b>	31 Dec 2015
	<b>\$'000</b>	\$'000
Exploration and evaluation	1,369	1,404
Available-for-sale financial assets	-	14
	<u>1,369</u>	<u>1,418</u>

## (d) Finance costs

	<b>31 Dec 2016</b>	31 Dec 2015
	<b>\$'000</b>	\$'000
Interest expense	125	923
Provisions: unwinding of discount	898	1,092
Finance charges	321	35
	<u>1,341</u>	<u>2,050</u>
<b>Total expenses</b>	<u><u>264,602</u></u>	<u><u>275,142</u></u>

## 7. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATION

### (a) Discontinued operation

#### (i) Description

On 17 February 2016 the Group announced its intention to sell the Plutonic gold mine and initiated an active process to locate a buyer and complete the sale. The Sale and Purchase Agreement in relation to the disposal of the Plutonic operations was executed on 15 August 2016 with the disposal completing with an effective date of 30 September 2016. Consequently the Plutonic operations is reported in these interim financial statements as a discontinued operation.

Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

#### (ii) Financial performance and cash flow information

The financial performance and cash flow information presented are for the three months ended 30 September 2016 (2016 column) and the half-year ended 31 December 2015.

	<b>2016</b>	2015
	<b>\$'000</b>	\$'000
Revenue (note 4)	33,812	50,019
Expenses	<u>(27,291)</u>	<u>(60,349)</u>
Profit before income tax	6,521	(10,330)
Income tax (expense)/benefit	<u>(1,956)</u>	<u>3,102</u>
Profit/(loss) after income tax of discontinued operation	<u>4,565</u>	<u>(7,228)</u>
Gain on sale of the subsidiary after income tax (refer note 7a(iii))	<u>15,339</u>	-
<b>Profit/(loss) from discontinued operation</b>	<u><u>19,904</u></u>	<u><u>(7,228)</u></u>



Net cash inflow/(outflow) from operating activities	9,135	(3,689)
Net cash (outflow) from investing activities	(4,918)	(7,219)
Net cash (outflow) from financing activities	(975)	(2,139)
<b>Net cash flow generated/(used) by discontinued operation</b>	<b>3,242</b>	<b>(13,047)</b>

(iii) *Details of the sale of Plutonic operations*

Details of the assets and liabilities disposed of and the calculation of the profit on disposal are included below.

	31 Dec 2016	30 June 2016
	\$'000	\$'000
Consideration received or receivable:		
Cash	17,391	-
Receivables	26,231	-
Fair value of contingent consideration	1,570	-
Total disposal consideration	45,192	-
Carrying amount of net assets sold	(23,279)	-
<b>Gain on sale before income tax</b>	<b>21,913</b>	-
Income tax expense on gain	(6,574)	-
<b>Gain on sale after income tax</b>	<b>15,339</b>	-

The consideration in respect of the sale of the Plutonic gold operations was disclosed to the Australian Securities Exchange on 1 August 2016. As previously disclosed, if the purchaser (Superior Gold Inc., parent entity of Billabong Gold Pty Ltd) of the Plutonic Gold operations is listed on the Toronto Stock Exchange or TSX Venture Exchange, together referred to as "TSX", six months after completion of the Sale and Purchase Agreement ("SPA"), it will issue shares to the Company to the value of A\$25.0 million at the "Go Public" issue price or shares delivering 33% interest to the Company (whichever is greater). If the TSX listing has not happened by the six month anniversary of completion of the SPA the acquirer must pay the Company A\$25.0 million in cash. As at 31 December, the Company has recognised a receivable to the value of A\$25.0 million in current assets, which may increase and convert to an equity investment pending the successful listing and pricing of the initial public offering (IPO) on the TSX.

In addition, and subject to the successful listing on the TSX of Superior Gold Inc., the Company will receive one 5 year warrant for every two shares issued to Company exercisable at a 100% premium to the IPO price. These instruments have not been recognised, as part of the consideration, on the balance sheet of the Company at 31 December 2016 and their recognition is dependent on the successful listing and pricing of the IPO on the TSX.

A further element of consideration relates to a milestone payment capped at A\$10.0 million where A\$2.5 million is payable for each additional 250,000 ounces of NI 43-101 compliant indicated resources (or better) identified by Billabong Gold Pty Ltd on the Project tenements as at 23 February 2016 in excess of 1,694,000 ounces JORC 2012 measured, indicated or inferred Mineral Resources. As at 31 December the Company has recognised a receivable of A\$1.6 million in respect of this contingent consideration element. The valuation and recoverable amount of this element of consideration will be assessed at each reporting date.

The carrying amounts of assets and liabilities as at the date of sale (30 September 2016) were:

	30 September 2016
	\$000
Property, plant and equipment	12,875
Inventories	11,920
Exploration & evaluation assets	7,992
Mine properties	20,832
<b>Total assets</b>	<b>53,619</b>
Employee benefits obligations	(5,916)
Rehabilitation provision	(23,189)
Borrowings	(1,235)
<b>Total liabilities</b>	<b>(30,340)</b>
<b>Net assets</b>	<b>23,279</b>



## 8. TRADE AND OTHER RECEIVABLES

	31 December 2016			30 June 2016		
	Current \$'000	Non- current \$'000	Total \$'000	Current \$'000	Non- current \$'000	Total \$'000
Trade receivables	14,626	-	14,626	2,768	-	2,768
Sundry debtors	310	-	310	2,166	-	2,166
Plutonic sale consideration (note 7)	26,195	1,607	27,802	-	-	-
Goods and services tax recoverable	8,742	-	8,742	3,468	-	3,468
Prepayments	2,483	2,063	4,546	589	2,187	2,776
Other receivables	2,622	-	2,622	1,530	-	1,530
	<b>54,978</b>	<b>3,670</b>	<b>58,648</b>	10,521	2,187	12,708

## 9. INVENTORIES

	31 Dec 2016 \$'000	30 June 2016 \$'000
<b>Current assets</b>		
Consumable stores	18,828	17,831
Ore stockpiles	32,248	29,524
Gold in circuit	19,984	12,631
	<b>71,060</b>	<b>59,986</b>

## 10. EXPLORATION AND EVALUATION ASSETS

	31 Dec 2016 \$'000	30 June 2016 \$'000
Opening balance at 1 July	98,420	56,624
Expenditure for the period	33,404	50,632
Acquired as part of asset acquisition	1,413	20,056
Assets included in a disposal group classified as held for sale	(560)	(7,704)
Transfer to mine properties	-	(16,054)
Impairment (i)	(1,369)	(4,375)
Impairment - discontinued operations	-	(759)
Closing balance	<b>131,308</b>	<b>98,420</b>

### (i) impairment

At each reporting date the Group undertakes an assessment of the carrying amount of its exploration and evaluation assets. During the period the Group identified indicators of impairment on certain exploration and evaluation assets under AASB 6 *Exploration and Evaluation of Mineral Resources*. As a result of this review, an impairment loss of \$1.4 million (30 June 2016: \$4.4 million) has been recognised in the statement of profit or loss and other comprehensive income in relation to areas of interest where no future exploration and evaluation activities are expected.



## 11. MINE PROPERTIES

	31 Dec 2016	30 June 2016
	\$'000	\$'000
Opening balance at 1 July	131,953	163,587
Expenditure for the period	62,894	111,934
Transfer from exploration and evaluation	-	16,054
Net transfer from property, plant and equipment	-	2,920
Assets included in a disposal group classified as held for sale	-	(19,872)
Amortisation	(58,064)	(125,215)
Amortisation – discontinued operations	-	(17,455)
	136,783	131,953

## 12. BORROWINGS

	31 December 2016			30 June 2016		
	Current \$'000	Non- current \$'000	Total \$'000	Current \$'000	Non- current \$'000	Total \$'000
<b>Secured</b>						
Lease liabilities	5,589	3,465	9,054	9,070	4,871	13,941
Other loans	-	-	-	124	-	124
Total secured borrowings	5,589	3,465	9,054	9,194	4,871	14,065

The Group had an undrawn \$100 million revolving credit facility at the end of the reporting period.

## 13. PROVISIONS

	31 December 2016			30 June 2016		
	Current \$'000	Non- current \$'000	Total \$'000	Current \$'000	Non- current \$'000	Total \$'000
Employee entitlements	17,324	1,286	18,610	22,722	1,245	23,967
Rehabilitation	-	78,331	78,331	-	77,436	77,436
Other	2,349	-	2,349	4,192	-	4,192
	19,673	79,617	99,290	26,914	78,681	105,595

## 14. CONTRIBUTED EQUITY

### (a) Share Capital

	31 Dec 2016 Shares	30 Jun 2016 Shares	31 Dec 2016 \$'000	30 Jun 2016 \$'000
Ordinary shares				
Fully paid	600,542,315	600,396,469	216,467	214,950

## (b) Movements in ordinary share capital

Details	Number of shares	Total \$'000
Opening balance 1 July 2015	592,928,376	204,925
Employee Share Plan issues	187,180	955
Equity issue net of transaction costs	4,290,228	9,000
Performance Share Plan issues	2,810,953	-
Exercise of options	179,732	70
Balance 30 June 2016	600,396,469	214,950
Opening balance 1 July 2016	600,396,469	214,950
Performance Share Plan issues	-	1,439
Exercise of options	145,846	78
<b>Balance 31 December 2016</b>	<b>600,542,315</b>	<b>216,467</b>

## 15. DIVIDENDS

### (a) Ordinary shares

	31 Dec 2016 \$'000	31 Dec 2015 \$'000
Final dividend for the year ended 30 June 2016 of 4 cents (2015: 3 cents) per fully paid share paid on 13 October 2016 (2015: 2 October 2015)	24,022	18,001
Special dividend of 3 cents per fully paid share paid on 2 November 2016 (2015: Nil)	18,016	-
	<b>42,038</b>	18,001

## 16. COMMITMENTS AND CONTINGENT LIABILITIES

	Gold for physical delivery (Ounces)	Average contracted sales price (\$A)	Value of committed sales (\$'000)
Within one year	200,000	\$1,717	\$343,316
Later than one year but not later than five years	264,500	\$1,751	\$463,264

## 17. FAIR VALUE OF FINANCIAL INSTRUMENTS

As at 31 December 2016, the Group's level 1 financial instruments comprise available-for-sale equity securities of \$8.4 million (30 June 2016: \$8.8 million). The Group's available-for-sale equity securities are traded in an active market and their fair values are based upon quoted market prices at the end of the reporting period. The quoted market price is the quoted bid prices that are included in level 1.

## 18. EVENTS OCCURRING AFTER THE REPORTING PERIOD

Subsequent to the period end, the Company:

- declared an interim fully franked dividend of 3 cents per share to Shareholders on the record date of 23 March 2017, payable on 6 April 2017; and
- has reached agreement with Superior Gold Inc. (SGI), owner of the Plutonic Gold Mine, whereby Northern Star will seek to sell down its 33% undiluted equity interest that was due in relation to the disposal of the Plutonic Gold Operations, as disclosed in note 7 to the interim financial statements. Northern Star now expects to receive C\$10 million in cash, 18.9 million shares representing a 21% undiluted equity interest, and 14.4 million warrants pending the successful completion of SGI's initial public offering and quotation on the TSX Venture Exchange.

There are no other matters or circumstances that have arisen since 31 December 2016 that have or may significantly affect the operations, results, or state of affairs of the Company in future financial years.



In the Directors' opinion:

1. the financial statements and notes set out on pages 9 to 22, are in accordance with the *Corporations Act 2001* including:
  - (a) giving a true and fair view of the Group's financial position as at 31 December 2016 and of its performance for the half year ended on that date; and
  - (b) complying with Accounting Standards, the *Corporations Regulation 2001* and other mandatory professional reporting requirements; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

This declaration is made in accordance with a resolution of the Directors.



**BILL BEAMENT**  
**Executive Chairman**

Perth, Western Australia

17 February 2017

# Deloitte.

Deloitte Touche Tohmatsu  
ABN 74 490 121 060

Tower 2, Brookfield Place  
123 St Georges Terrace  
Perth WA 6000  
GPO Box A46  
Perth WA 6837 Australia

Tel: +61 8 9365 7000  
Fax: +61 8 9365 7001  
www.deloitte.com.au

## Independent Auditor's Review Report to the members of Northern Star Resources Limited

We have reviewed the accompanying half-year financial report of Northern Star Resources Limited, which comprises the condensed statement of financial position as at 31 December 2016, the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 9 to 23.

### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Northern Star Resources Limited's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Northern Star Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Liability limited by a scheme approved under Professional Standards Legislation

Member of Deloitte Touche Tohmatsu Limited

## Deloitte.

### *Auditor's Independence Declaration*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Northern Star Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

### *Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Northern Star Resources Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



**DELOITTE TOUCHE TOHMATSU**



**David Newman**  
Partner  
Chartered Accountants  
Perth, 17 February 2017