



NORTHERN STAR
RESOURCES LIMITED

ASX Code: NST



Northern Star Resources

An Australian gold miner – for global investors

1H FY2017 Half Year Results

February 2017

Competent Persons Statements

The information in this announcement that relates to exploration results, data quality, geological interpretations and Mineral Resource estimations for the Company's Paulsens and Jundee 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 Nick Jolly and fairly represents this information. Mr Jolly is a Member of the Australian Institute of Mining and Metallurgy 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 Jolly 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

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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\$0.75c

* [a] Key highlights presented in the table on page 6 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



Key Financial Outcomes

**Net Profit after Tax up
61% to A\$104.6m**

**Earnings per share
growth of 60% to
A17.4¢ per share**

**EBITDA up 21% to
A\$218.8m**

Results strength illustrated by

**EBITDA Margin 53%,
up 24% from pcp**

**43% Return on Equity
and 38% Return on
Invested Capital**

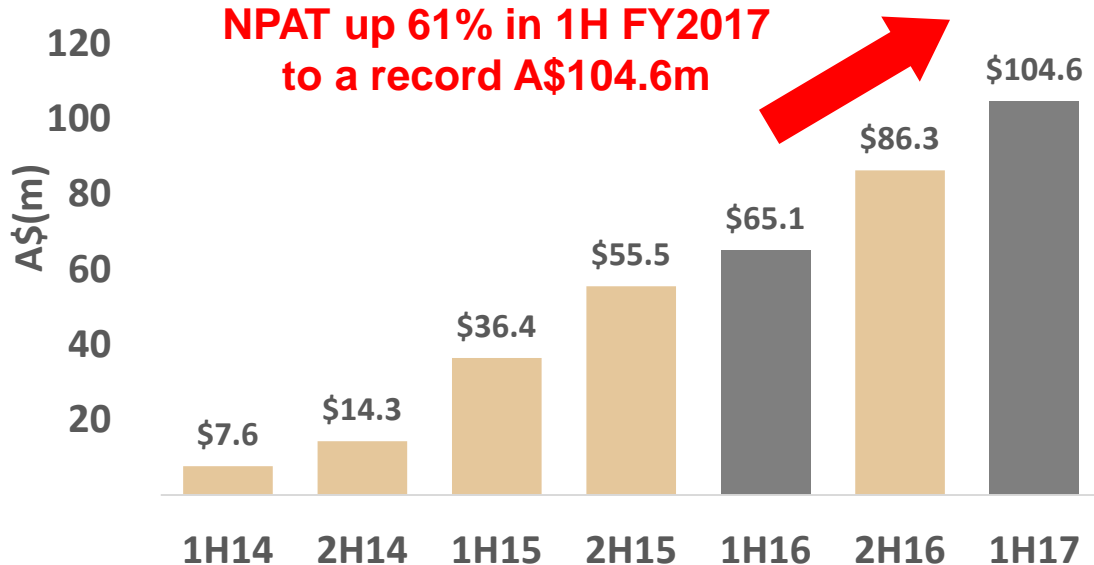
**A\$303M Cash &
Equivalents; no debt**

Financial Highlights for 1H FY2017

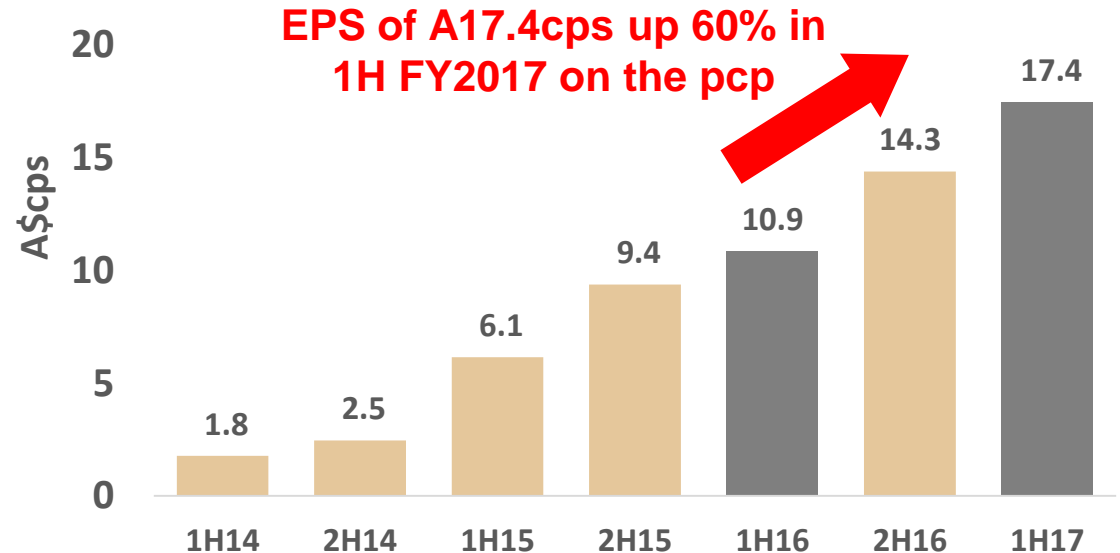


- ✦ Record 1H FY2017 net profit after tax of A\$104.6m, up 61% on the previous corresponding period (pcp)
- ✦ Earnings per share growth of 60% to a record of A17.4¢
- ✦ EBITDA of A\$218.8m up 21%
- ✦ EBITDA margin growth of 24% to 53%
- ✦ Underlying free cash flow of A\$56m in the half with over A\$61m of growth CAPEX invested in the 1H FY2017
- ✦ Dividend: interim A3¢ fully franked, inline with the pcp

Net Profit After Tax



EPS

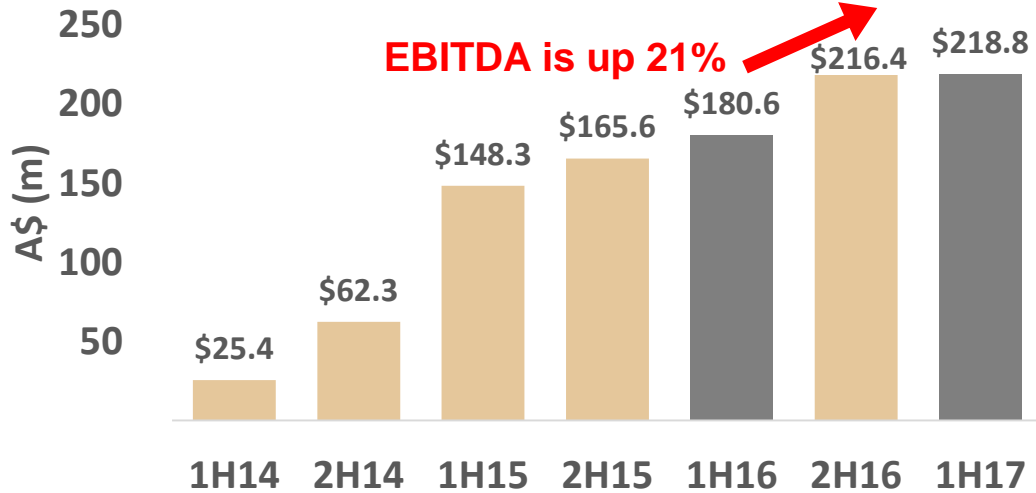


Financial Highlights for 1H FY2017

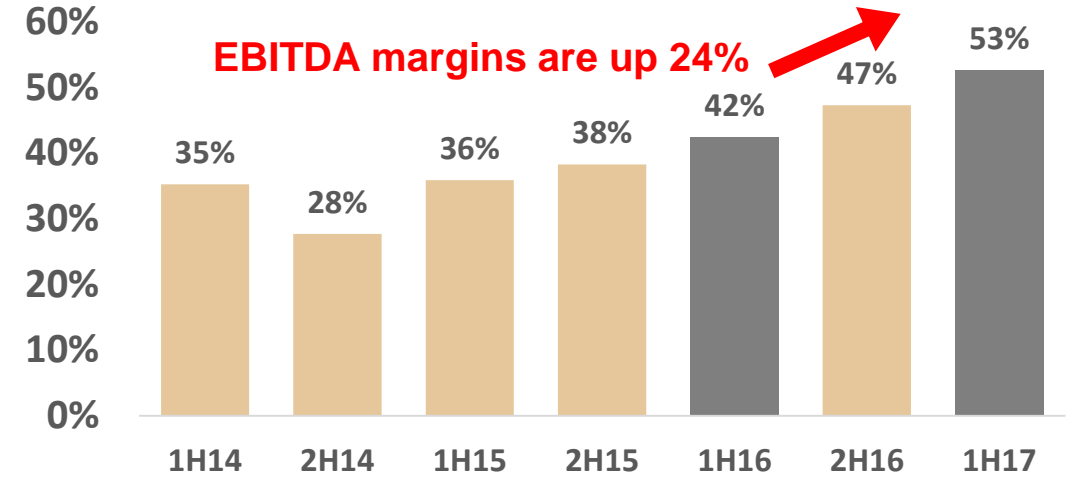


✦ NST has been able to grow earnings, profit margins and payouts to Shareholders since 2014

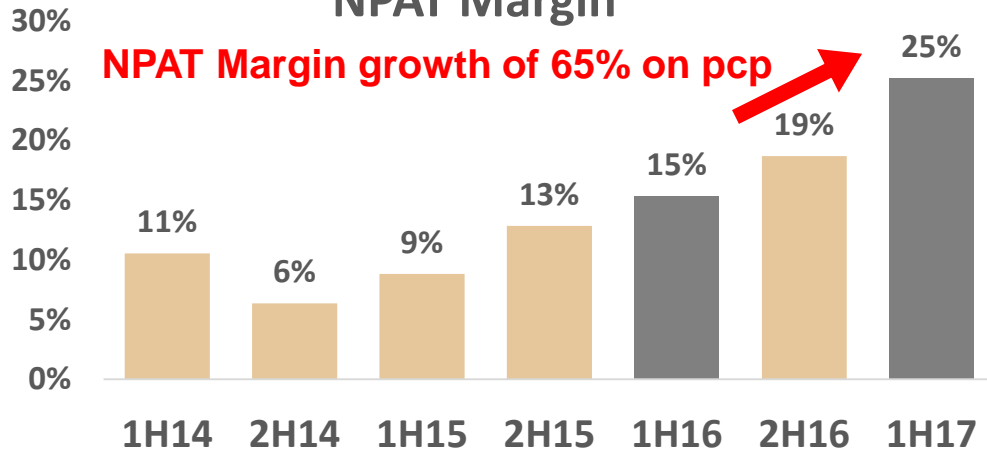
EBITDA



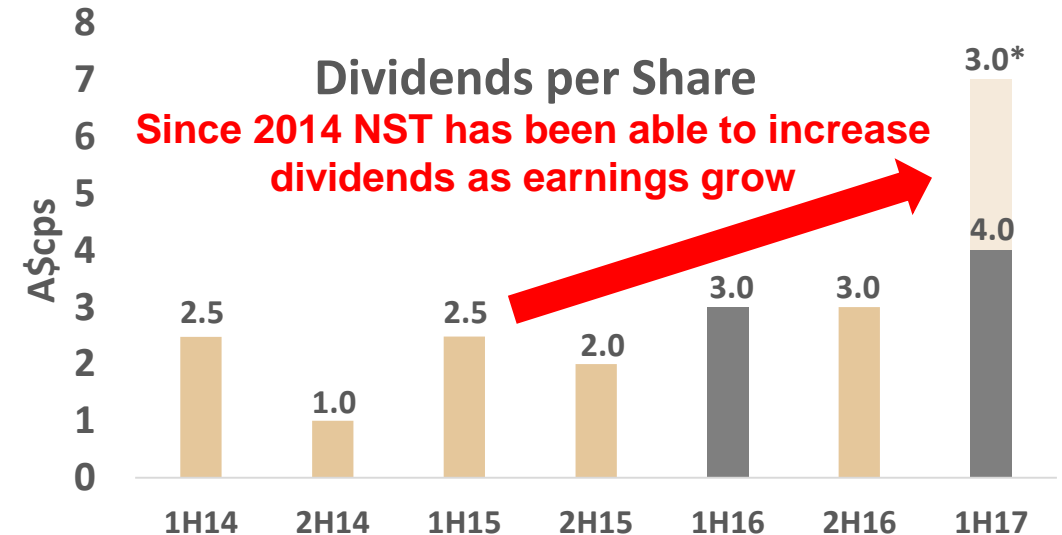
EBITDA Margin



NPAT Margin



Dividends per Share



* During the 1H FY2017 NST divested the Plutonic operation and paid a A3¢ special dividend.

Details of Financials

- ✦ Earnings per share grew by 60% to A17.4¢ps, whilst EBITDA grew 21% to A\$218.8m in 1H17

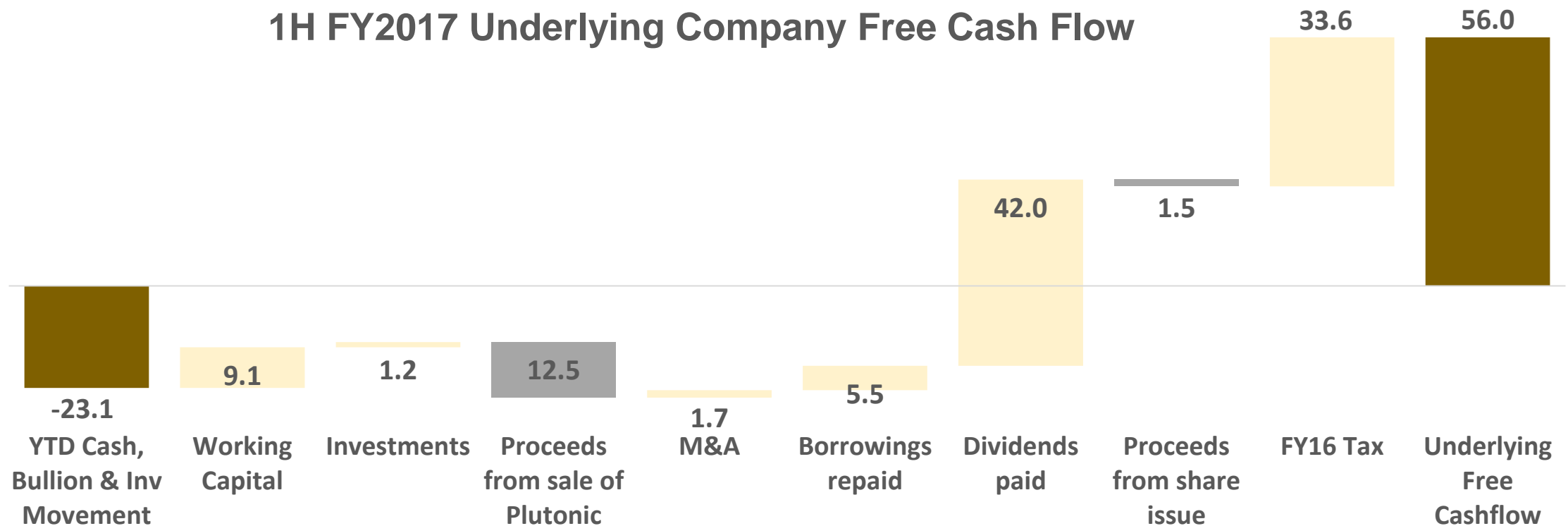
FINANCIAL OVERVIEW [a]				
A\$'000	Half Year Ended 31 Dec 2016	Half Year Ended 31 Dec 2015	A\$'000 Change	% Change
Revenue	415,485	425,311	(9,826)	(2%)
EBITDA [1]	218,803	180,593	38,210	21%
Net profit	104,624	65,099	39,525	61%
Cash flow from operating activities	111,349	173,371	(62,022)	(36%)
Cash flow used in 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	13,551%
Free cash flow [2]	12,763	66,398	(53,635)	(81%)
Underlying free cash flow [3]	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	282,101	210,917	71,184	34%
Earnings Per Share (cents)	17.4	10.9	6.5	60%

Another strong half of free cash flow generation



- ✦ NST generated underlying free cash flow of A\$56m at an average gold price of A\$1,683/oz
- ✦ During the half year NST invested A\$61m in exploration and expansionary CAPEX to grow production in the coming years
- ✦ In 1H FY2017 NST sold 226,608oz at an AISC of A\$1,076/oz (US\$807/oz)

1H FY2017 Underlying Company Free Cash Flow

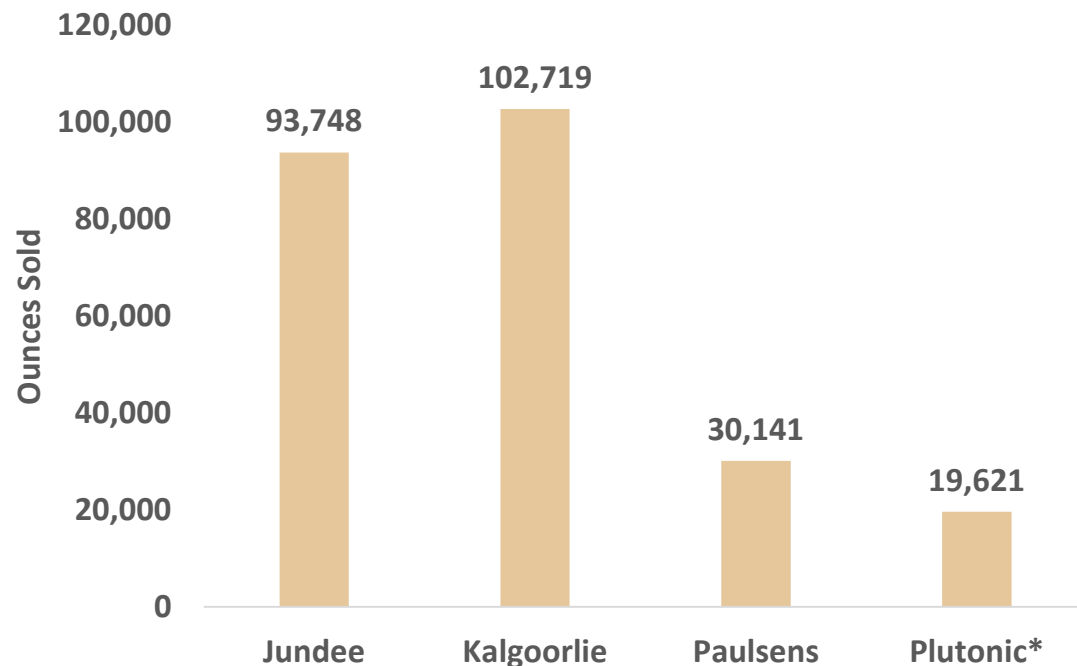


Continuing operations by asset breakdown for 1H FY2017



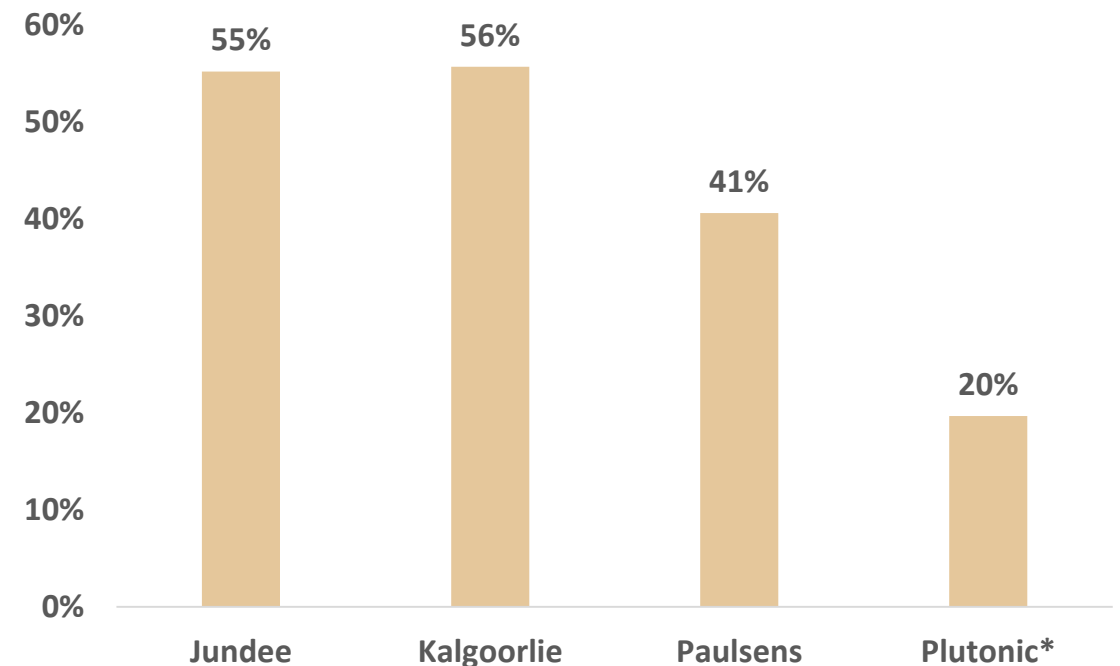
- ✦ In 1H FY2017 NST sold 226,608oz at an AISC of A\$1,076/oz (US\$807/oz)
- ✦ Kalgoorlie operations: 102,719oz sold at an AISC of A\$989/oz (US\$741/oz)
- ✦ Jundee: gold sold of 93,748oz at an AISC of A\$1,057/oz (US\$792/oz)
- ✦ Paulsens: gold sold of 30,141oz at an AISC of A\$1,434/oz (US\$1,075/oz)

1H FY2017 Gold sold by operation



* During the 1H FY2017 NST divested the Plutonic operation. Please see ASX announcement dated 12 October 2016

1H FY2017 EBITDA Margin by Operation

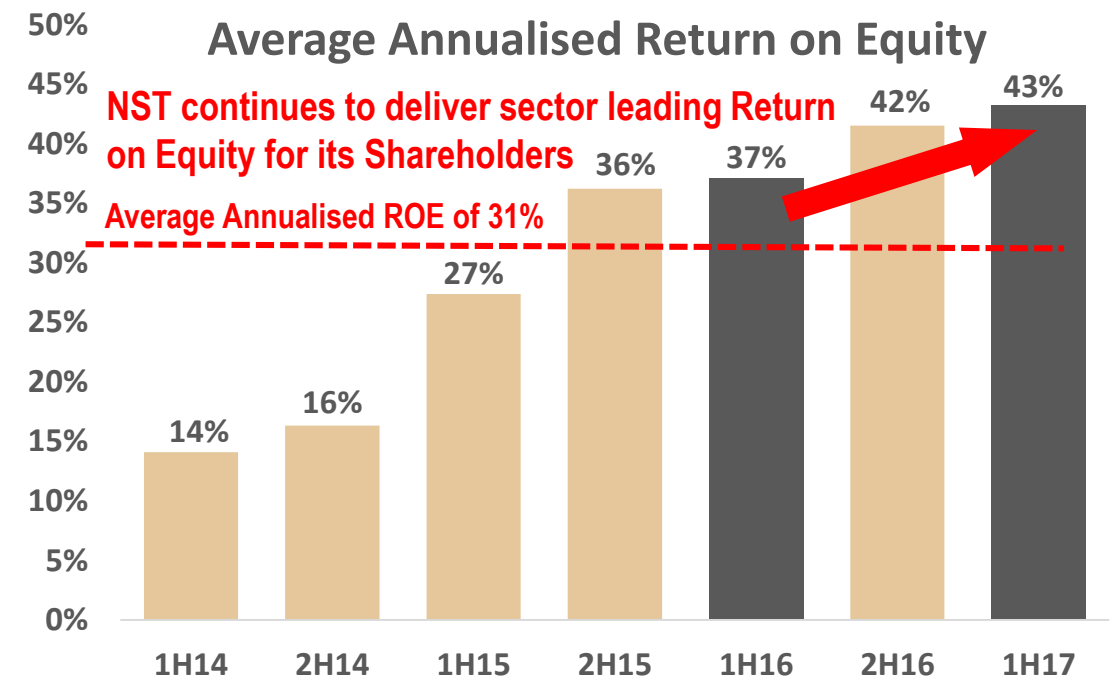
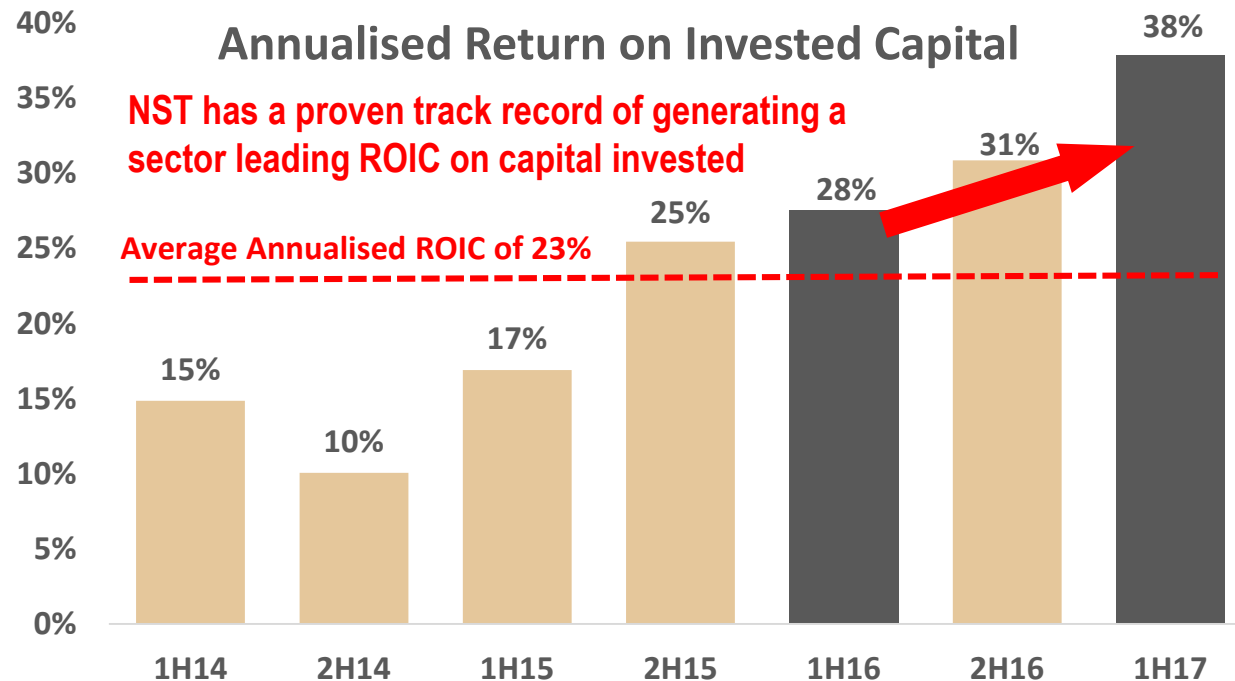


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Efficiently allocating investors capital



- ✦ In the first half NST generated a sector leading annualised return of invested capital of 38%
- ✦ Since 1H FY2014 NST has generated an average annualised return of invested capital of 23% in each half
- ✦ Capital is forced to compete internally for project funding to ensure NST continues to generate a sector leading annualised Return on Equity 43% and a Return on Invested Capital of 38% for 1H FY2017
- ✦ Whilst NST can generate these type of returns year-in year-out it will continue to motivate capital organically



Asset by Asset exploration highlights – 1H FY2017



- ✦ NST invested A\$31m into exploration; drilling over 400,000 metres, utilising 25 drill rigs during the half
- ✦ NST remains poised to continue growing mine lives across all its assets with a host of new discoveries across the portfolio
 - ✦ *Resource & Reserve estimation work is well under way to be completed for the 2017 mid year update*
- ✦ **Jundee:**
 - ✦ *Armada mineralisation defined over a 2km strike length and open in all directions*
 - ✦ *Revelation trend has been defined over a 800m strike length and remains open to the south and 800m towards existing development*
 - ✦ *Further exploration underway, with 13 drill rigs currently working on site*
- ✦ **Kalgoorlie Operations:**
 - ✦ *Resource & Reserve drilling underway on 100% NST tenements at Kundana, Paradigm & Kanowna*
- ✦ **Paulsens:**
 - ✦ *Exploration to target Voyager 2 down plunge, parallel Galileo and Titan discoveries*
- ✦ **Central Tanami Project (CTP):**
 - ✦ *NST further increased its land holding in the district in 1H17; with more work to be conducted at the CTP and further follow up on regional exploration targets*



FY2017: Production and Cost Guidance



- ❑ Total gold production of 485,000-515,000oz at an AISC of A\$1,000-A\$1,050/oz (US\$750-\$788/oz)
- ❑ A\$130M to be spent on investing capital following on from the great successes in FY2016, including;
 - ❑ A\$60M for targeted drilling to bring more Resources into mine plans and convert discoveries into Resources
 - ❑ A\$70M for Investing/Expansion capital expenditure to bring future deposits on line and lift group production
- ❑ NST will continue to benefit from the lowest level of capital intensity in the global gold sector; this investment will underpin NST's sector leading return on equity and return on invested capital
- ❑ Production is set to rise to an annualised rate of 600,000oz in 2018
- ❑ FY2017 production guidance on a per asset basis as below:

FY2017	Production		AISC	
Guidance Range	Oz	Oz	A\$/oz	A\$/oz
Jundee	220,000	230,000	1,000	1,050
Kalgoorlie Operations	200,000	210,000	950	1,000
Paulsens	65,000	75,000	1,200	1,250
Group NST	485,000	515,000	1,000	1,050



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