

Interim net profit rises 61% to A\$104.6m

Strong result comes despite investing A\$61m to increase production to 600,000ozpa next year from organic sources

KEY POINTS

- ▶ **Net profit after tax of A\$104.6m, up 61% from previous corresponding period (pcp); this includes the A\$15m profit on the Plutonic sale**
- ▶ **Earnings per share up 60% from pcp to a record 17.4¢**
- ▶ **EBITDA of A\$218.8m, up 21% from pcp; EBITDA margin of 53%, up 24% from pcp**
- ▶ **Industry-leading financial returns sustained: return on equity an exceptionally high 43% on an annualised basis, return on invested capital annualised at 38%**
- ▶ **Revenue of A\$415.5m, down just 2% from pcp despite the sale of Plutonic mine on 30 September 2016**
- ▶ **246,229oz sold at an average price of A\$1,683/oz**
- ▶ **All-in sustaining costs (AISC) were A\$1,076/oz (US\$807/oz*), ex-Plutonic. The second half FY2017 gold production is forecast to be higher and hence will lower the full-year AISC**
- ▶ **Interim dividend steady at 3¢, fully-franked; this comes after a special 3¢ dividend from Plutonic sale paid in November 2016**
- ▶ **Invested A\$61m in exploration and development in the six months to grow group production to 600,000ozpa in 2018 and paid A\$42m in dividends during the half**
- ▶ **A\$303m in cash, bullion and investments on hand at 31 December, up from A\$226m a year ago; no debt**
- ▶ **Results highlight Northern Star's substantial cash generating capacity when production increases to 600,000ozpa in 2018**
- ▶ **Northern Star will be hosting a half-yearly conference call today at 9am WST (noon EST). The call can be accessed at <https://boardroom.media/broadcast/?refid=&eid=589159a63f2185d6306164ec>**

Northern Star Resources Executive Chairman Bill Beament said the result was outstanding because it showed the Company was achieving both its short and long-term objectives at the same time.

"We have generated significant profit growth and maintained some of the highest financial returns on the ASX while investing heavily in our expansion strategy," Mr Beament said.

"The organic growth strategy is aimed at increasing our total cashflow and profit while maintaining these high rates of return.

ASX ANNOUNCEMENT 20 February 2017

Australian Securities
Exchange Code: NST

Board of Directors

Mr Bill Beament
Executive Chairman

Mr John Fitzgerald
Lead Independent Director

Mr Chris Rowe
Non-Executive Director

Mr Peter O'Connor
Non-Executive Director

Ms Shirley In'tVeld
Non-Executive Director

Mr David Flanagan
Non-Executive Director

Issued Capital

Shares 600.5 million
Options 2.9 million
Performance Rights 9.5 million

Current Share Price A\$4.48

Market Capitalisation
A\$2.7 billion

Cash, Bullion & Investments
31 Dec 2016 - A\$303 million

Projects

Paulsens Mine
Kalgoorlie Operations
Jundee Mine
Central Tanami (25% of JV)

Listed Investments

VXR, DAU, RND, TBR, ALY

“We are very confident that we will generate both strong returns on the capital we are investing in these growth projects and significant increases in overall cashflow as we ramp-up to 600,000ozpa next year.”

Mr Beament said the strength of the underlying performance was also reflected in Northern Star's ability to declare another 3¢ fully-franked interim dividend while investing A\$61 million in its organic growth strategy.

“We are retaining a robust cash balance and maintaining our dividend track record while funding the growth projects that will take our production to 600,000ozpa,” he said.

“Northern Star will emerge from this process with an enviable balance sheet and having unlocked the value of its assets to provide longer mine lives and increased production and cashflow.”

The interim fully franked dividend record date is the 23 March 2017 with payment date 6 April 2017.

Yours faithfully



BILL BEAMENT
Executive Chairman
Northern Star Resources Limited

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Forward Looking Statements

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**All currency conversions have been converted at a currency of AUD/USD conversion rate of A\$0.75.*