



NORTHERN STAR
RESOURCES LIMITED
ASX Code: NST



An Australian gold miner – for global investors
Macquarie Securities Conference May 2017



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Competent Persons Statements

The information in this announcement that relates to mineral resource estimations, exploration results, data quality and geological interpretations for the Company's Paulsens and Jundee Project areas 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 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 mineral resource estimations, exploration results, data quality and geological interpretations for the Company's Kanowna, EKJV, Kundana and Carbine Project areas is based on information compiled by Nicholas Jolly, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy and a full-time employee of Northern Star Resources Limited. Mr Jolly 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". 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

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.

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

(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 FY2016 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.

* All Data from Bloomberg referenced sources has had all N.A. and erroneous data points removed in the associated sector comparisons and all GDX data point comparisons have had streaming company data removed for a better reflection of the producing companies within the indices

Introduction – Globally Relevant Gold Miner with Tier 1 Assets



- ✦ We are an ASX 100, top 25 global gold producer with all our mines in the Tier 1 jurisdiction of WA; ~500koz per annum at AISC of ~A\$1,000/oz
- ✦ Market cap is A\$2.5B and have a sector-leading balance sheet; A\$393M in cash & equivalents and no debt, added A\$90M in March Quarter alone
- ✦ Majority of our mines were acquired from the Majors and produce over 200kozpa which simplifies managing the business
- ✦ Strong organic growth outlook; Production set to grow materially in 2018 and deliver significant increases in free cashflow
- ✦ Track record of fully-franked dividends since 2012
- ✦ We are governed by the adage “a business first and a mining company second”

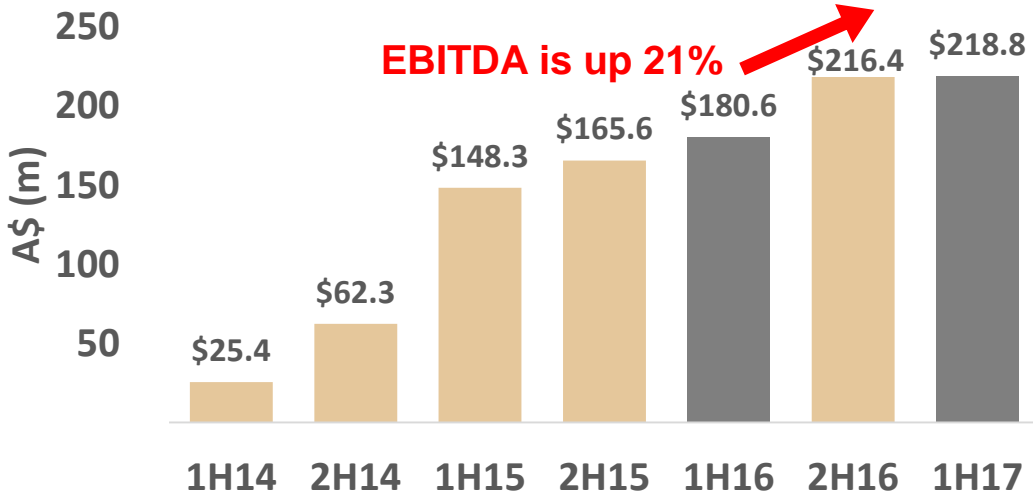


A strong track record of growing earnings and margins

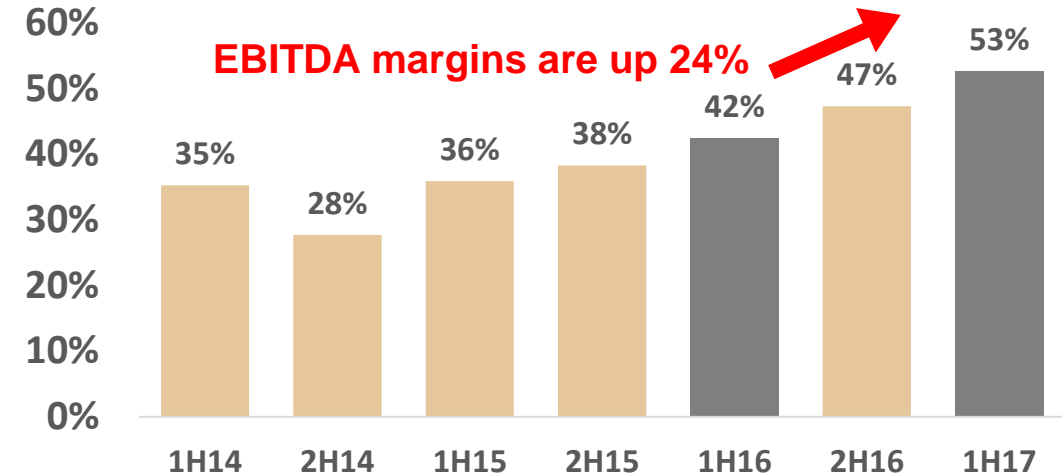


✦ NST has been able to grow earnings, profit margins and payouts to Shareholders consistently

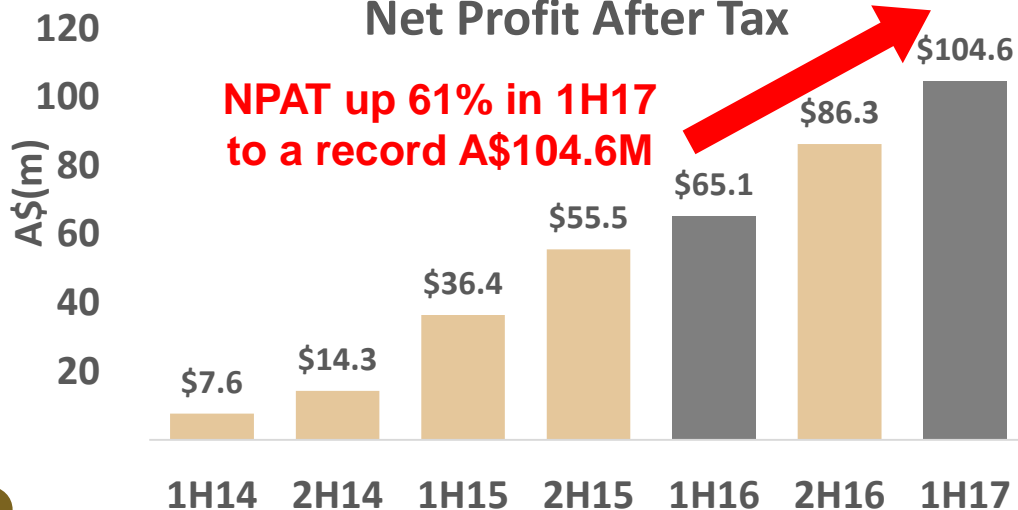
EBITDA



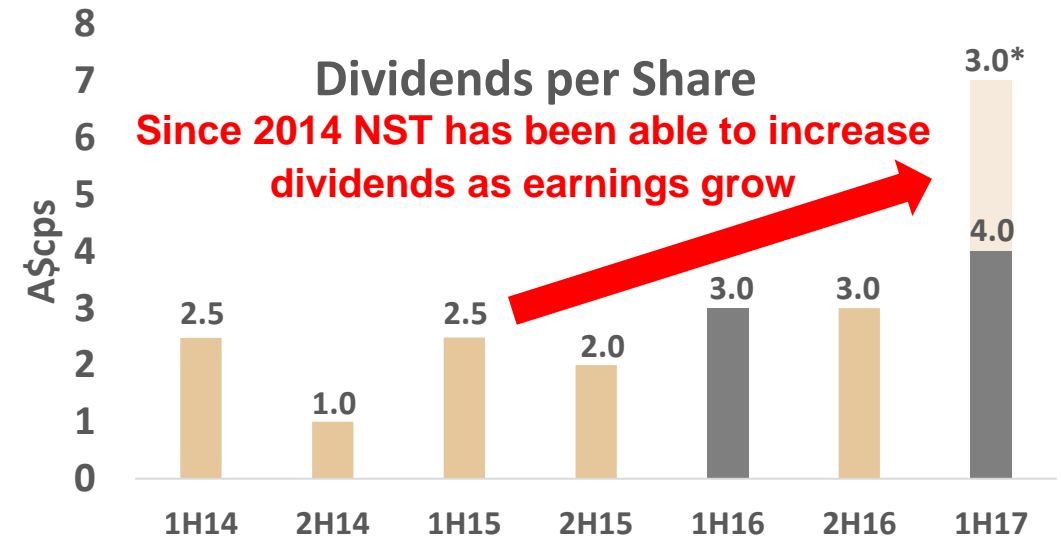
EBITDA Margin



Net Profit After Tax



Dividends per Share



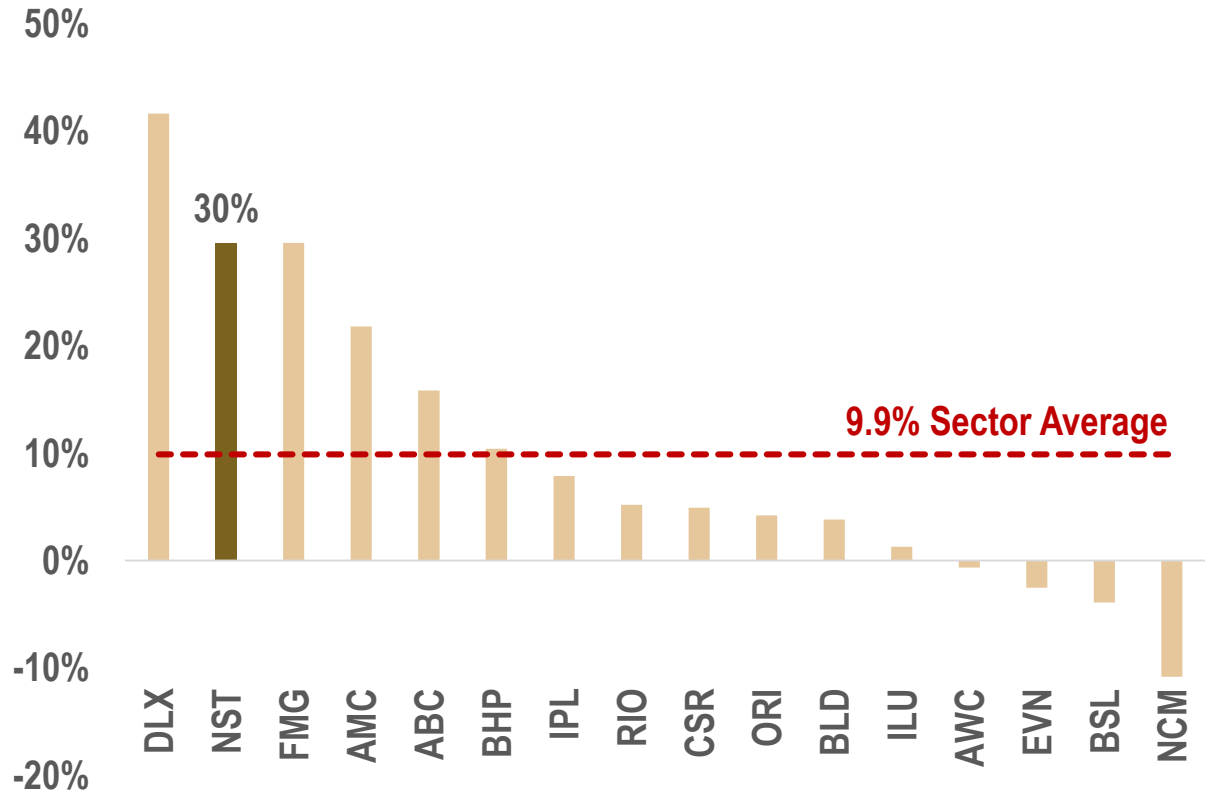
* During the 1H FY2017 NST divested the Plutonic operation and paid a A3¢ special dividend.

Consistently generating sector leading Returns

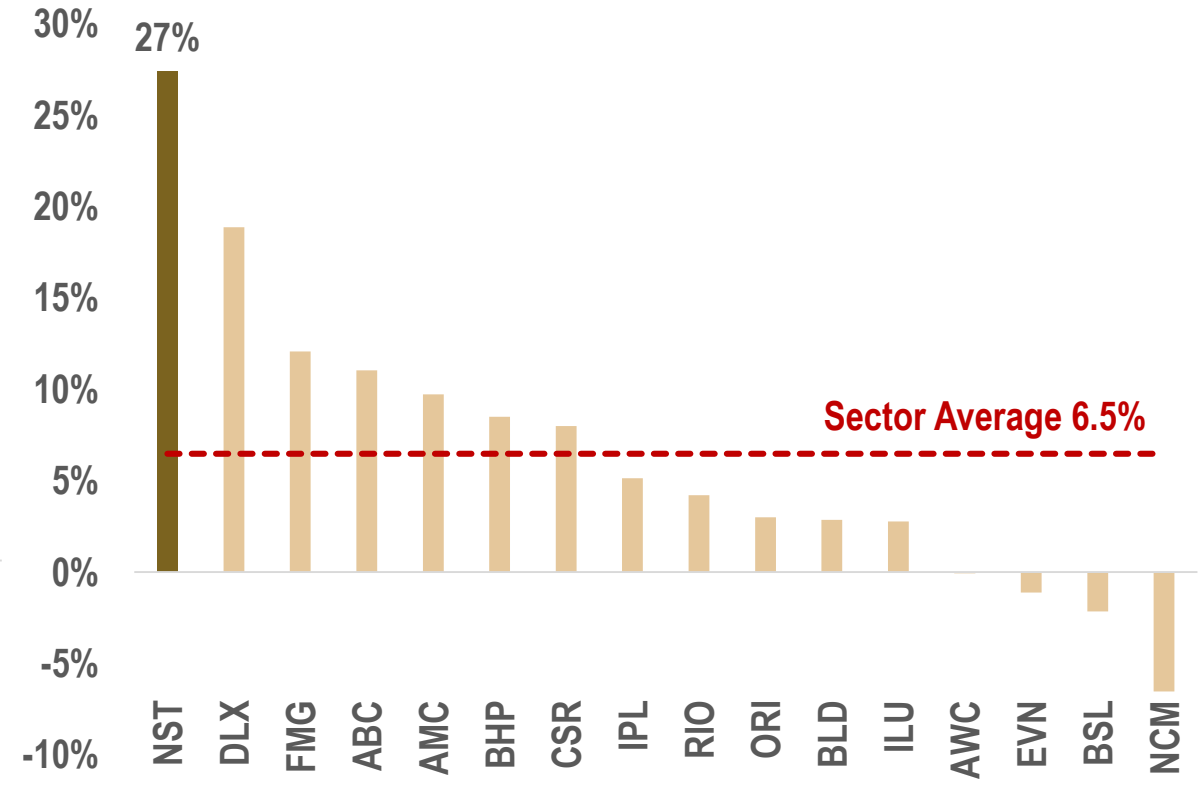


✦ Over the last five years NST has averaged a Return on Equity of 30% and a Return on Invested Capital of 27% which compares favourably to the ASX 100 Materials index average of 9.9% and 6.5% respectively

5 Year Average Return on Equity



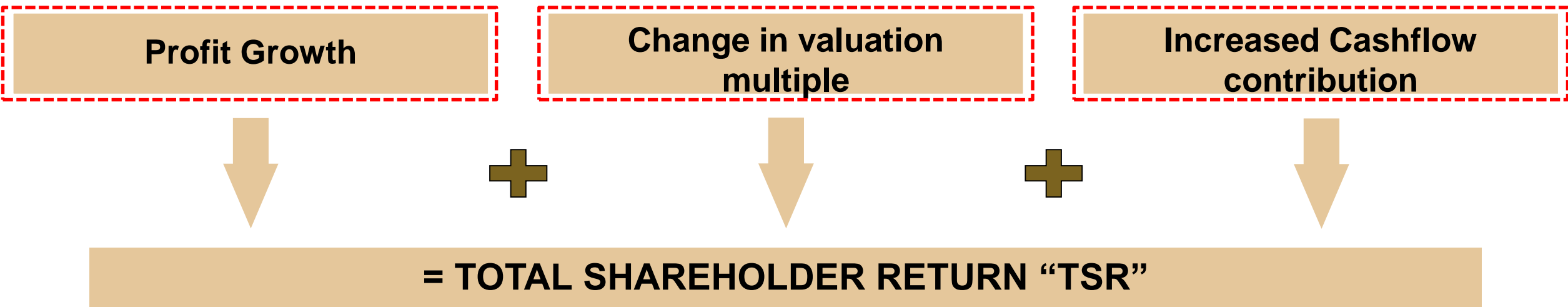
5 Year Average Return on Invested Capital



Delivering consistent value creation in uncertain times



✦ According to the Boston Consulting Group 2016 study “Delivering value in times of uncertainty”, NST ranked 6th on the list for the 5 year Total Shareholder Return of ASX 200 companies, generating an average yearly TSR of 60.4% and was the first ranked mining company



Future NST valuation multiple drivers

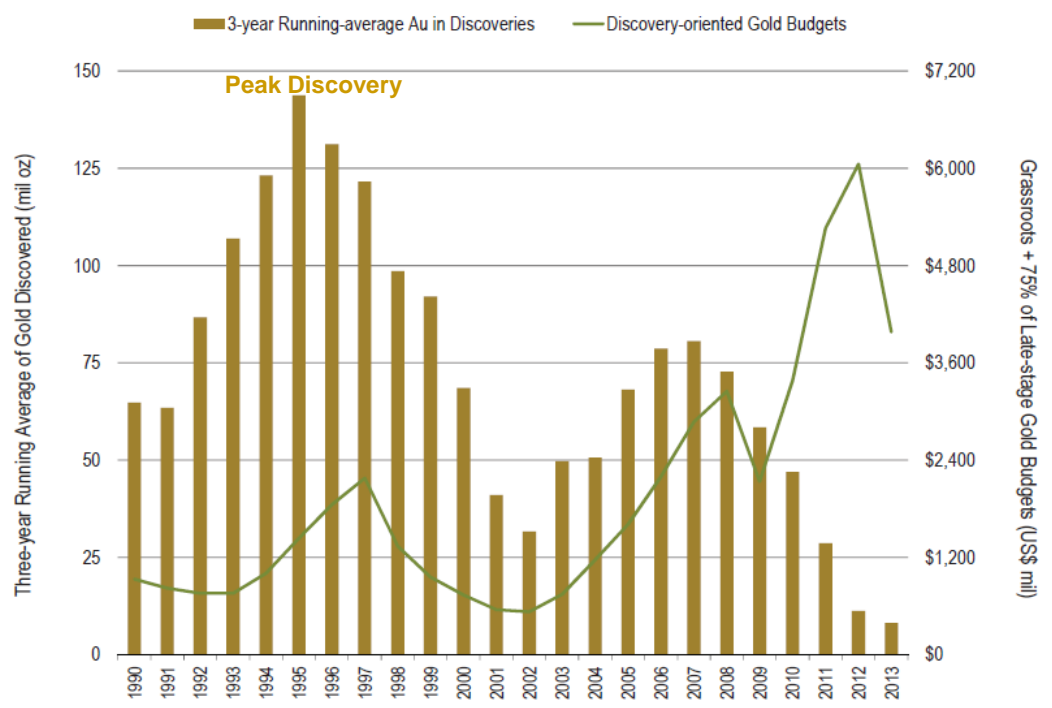
- Continuing to meaningfully extend mine lives
- Grow production organically across the Tier 1 asset base with an industry leading low level of capital intensity
- Internal focus to continue to achieve sector leading ROE and ROIC within the business
- Continuing to optimise existing production across the portfolio

Global Gold Trends: Gold discoveries & exploration



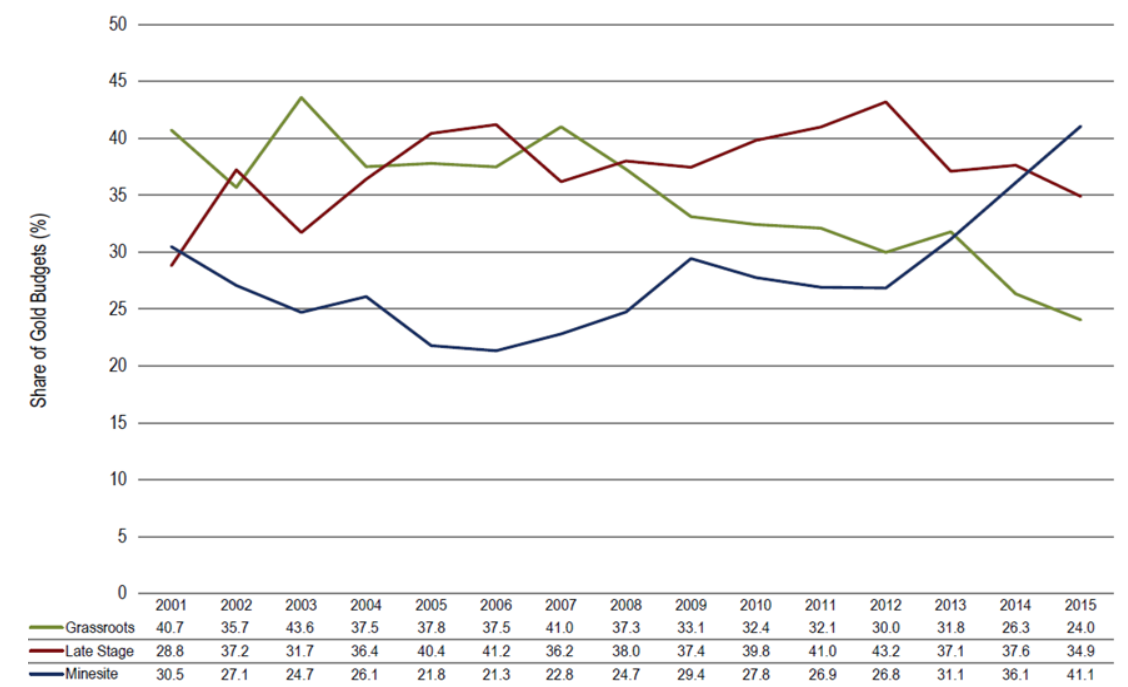
- ✦ Substantial reduction in major discoveries world wide; in 2015 greenfield discoveries cost US\$189 per ounce, NST costs were US\$14 per ounce for the same period
- ✦ Exploration is becoming more focussed around the mine site due to a lack of greenfield discoveries
- ✦ Majority of future gold production is heading underground, in Australia 56% of production is now from underground sources vs 44% from open pit*

Gold discoveries have decreased despite a rising gold price



Source: SNL

Exploration budgets are being focussed around the mine site



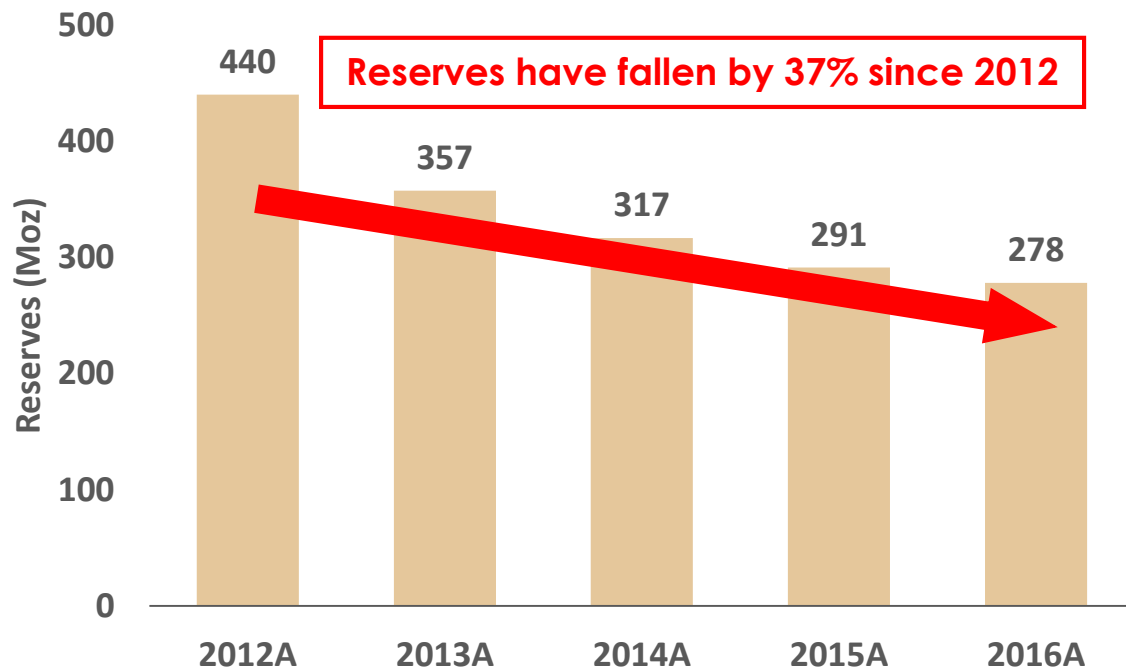
Source: SNL
Source: *Centre of Exploration Targeting Research

Northern Star continues to buck the global trend

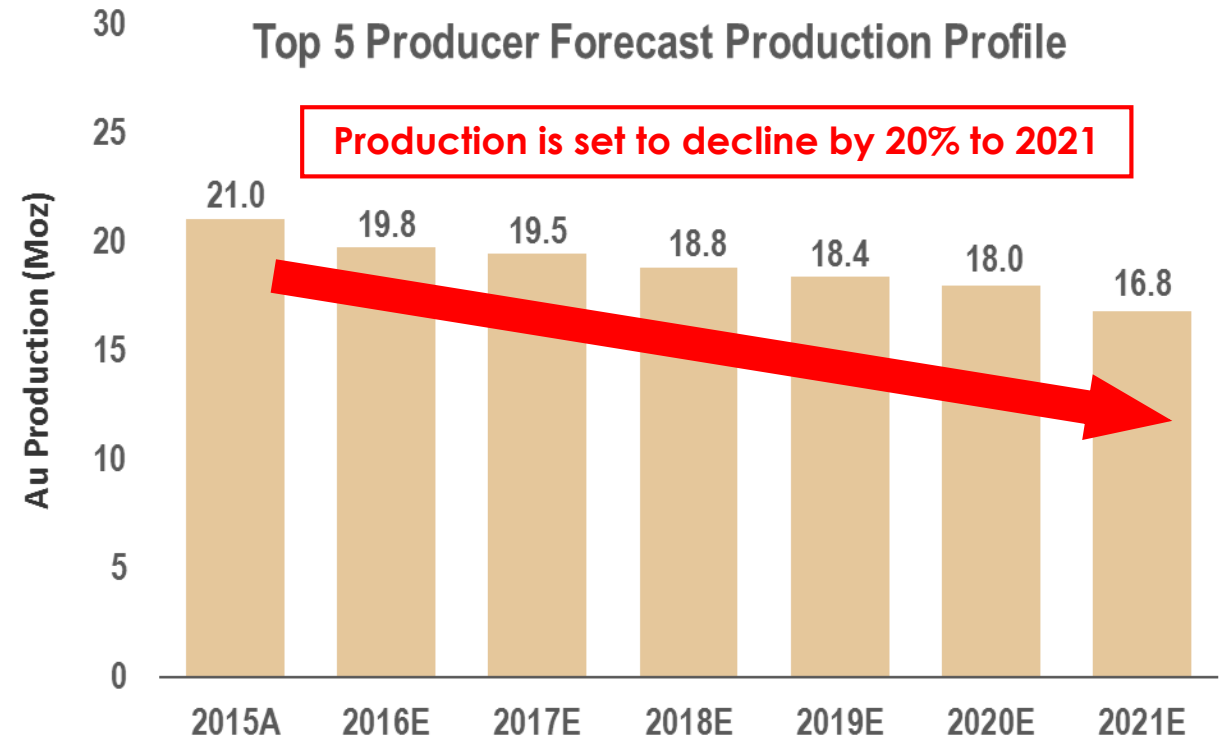


- ✦ Since 2012 Reserve life of the top five global producers has declined by 37%; whilst NST's Reserves have grown by 67% in just two years by investing into successive multi year exploration programs
- ✦ With NST's current investment into exploration, Reserve and Resource growth is set to continue at mid year
- ✦ Production from the top five producers is also forecast to decline by 20% from 2015 to 2021*, whilst NST is growing production by 20% to a 600koz per annum run rate in 2018

Top 5 Producer Gold Reserves



Top 5 Producer Forecast Production Profile



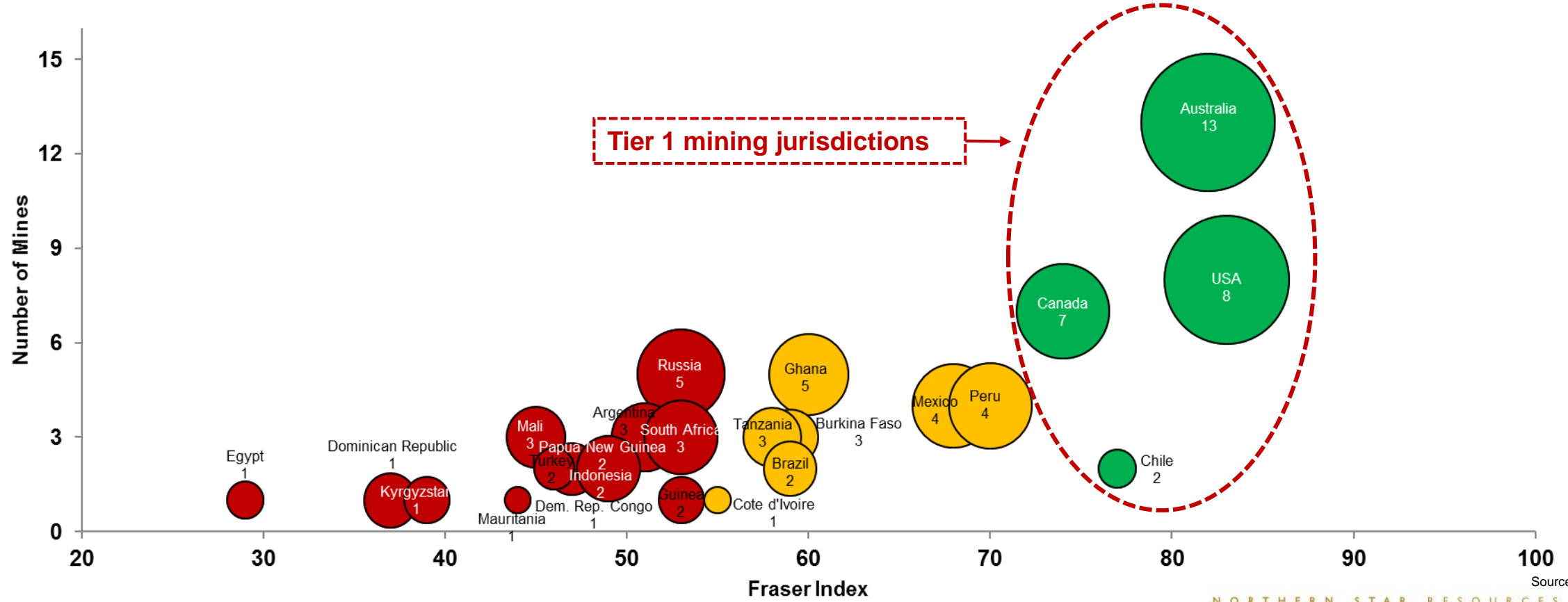
Source: Company announcements

Source: * RBC Estimates

Growth around our Tier 1 Assets is the core focus



- ✦ Globally there are only 30 mines producing over 200kozpa in Tier 1 mining jurisdictions; production is declining in these regions due to a lack of discoveries and significant Reserve depletion
- ✦ Overlaying an EBITDA margin of over 50% on these mines significantly decreases the peer group
- ✦ NST's Tier 1 Operations operate at an EBITDA margin of over 55%
- ✦ NST is focused on materially lifting production and increasing mine lives at these Operations



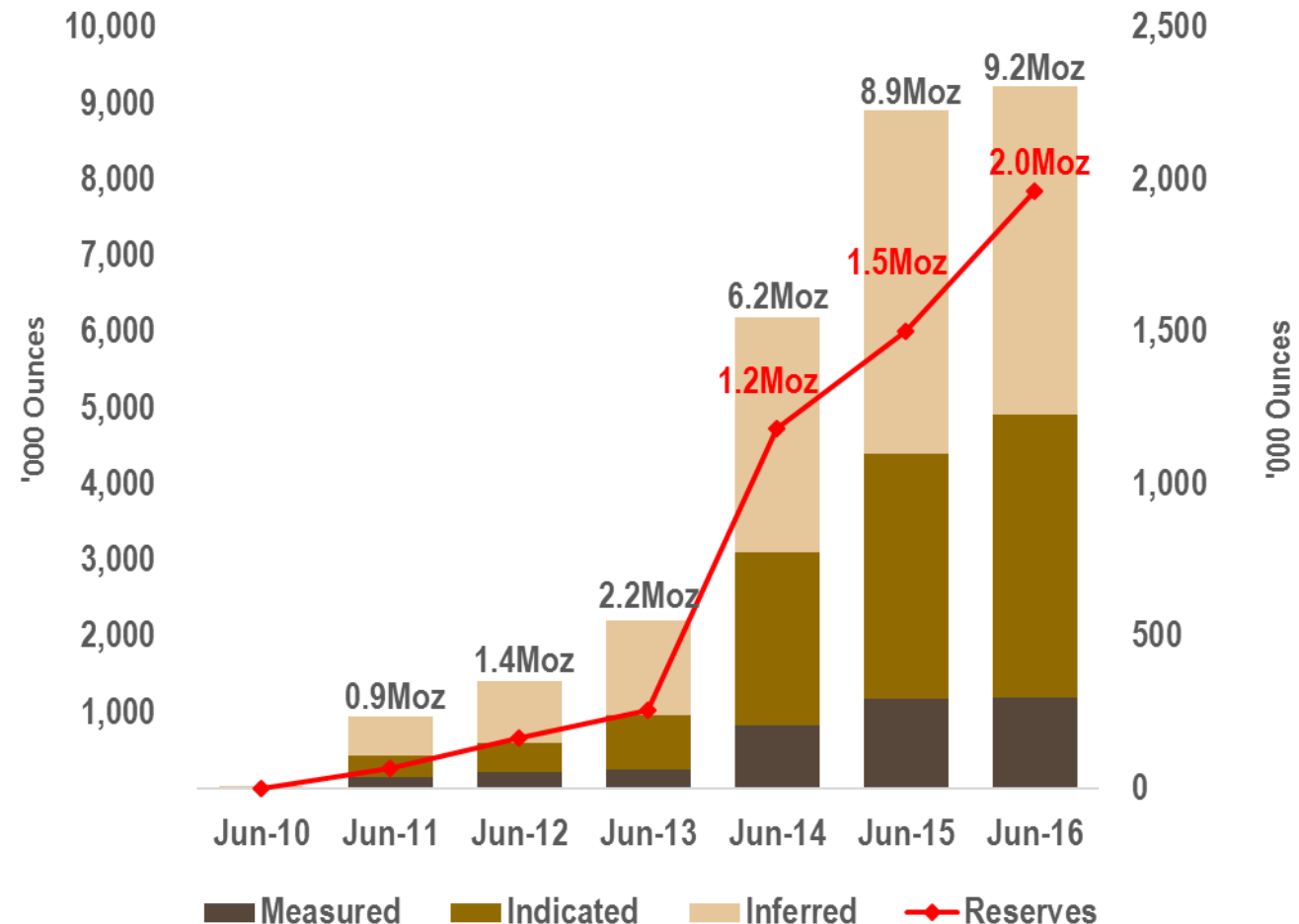
Source: SNL, Investec

Growth around our Tier 1 assets is the core focus



- ✦ By the end of FY2017, NST will have invested A\$250M in exploration and expansionary capex since the acquisition of its Tier 1 portfolio of assets 3 years ago
- ✦ In FY2016, NST invested A\$61M into exploration
- ✦ This investment saw a 33% increase in Group Reserves to 2Moz, at a cost of just A\$50/oz
- ✦ In FY2017, A\$60M has been budgeted to organically grow reserve and resource life across our assets
- ✦ This investment is predicted to result in a material update to the Company's Resources and Reserves at mid-year and form the key to a clear road map for the future of the business

NST Resource and Reserve Growth

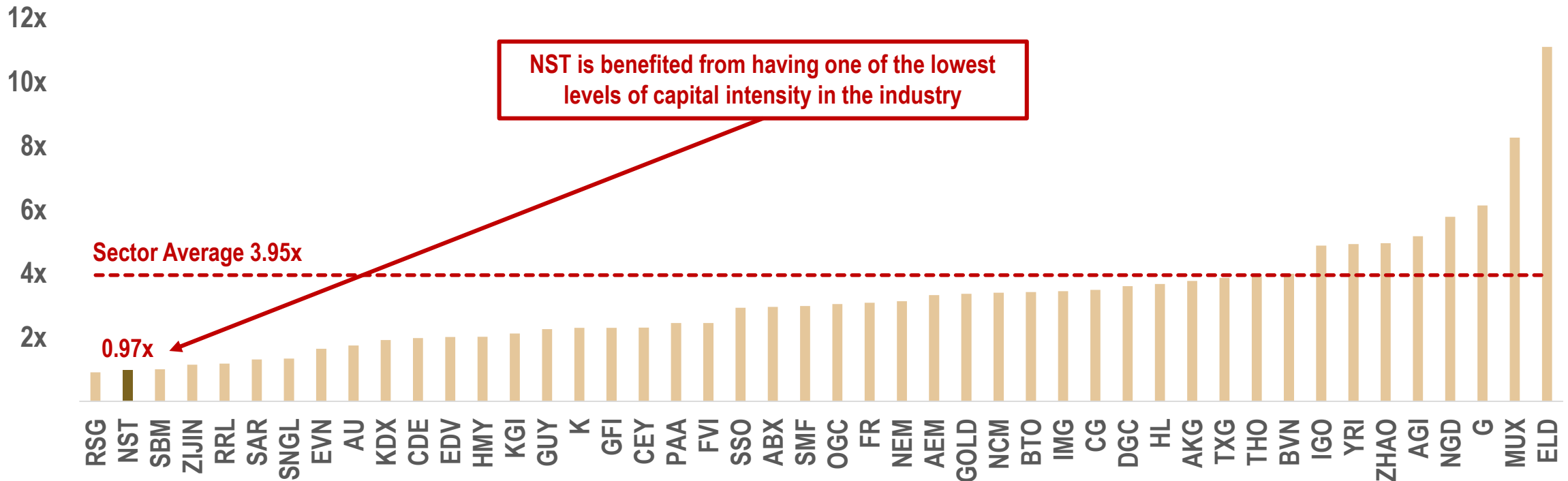


Organic Production Growth with a low level of capital intensity



- ✦ Production set to grow materially in 2018 and deliver significant increases in Company free cashflow
- ✦ NST has a competitive advantage from having one of the lowest levels of capital intensity in the industry
- ✦ Development plans and studies are well underway to grow production across the Tier 1 operating centres
- ✦ This low level of capital intensity is one of the key drivers that will continue to see NST deliver sector leading returns to Shareholders

Capital Intensity Ratio

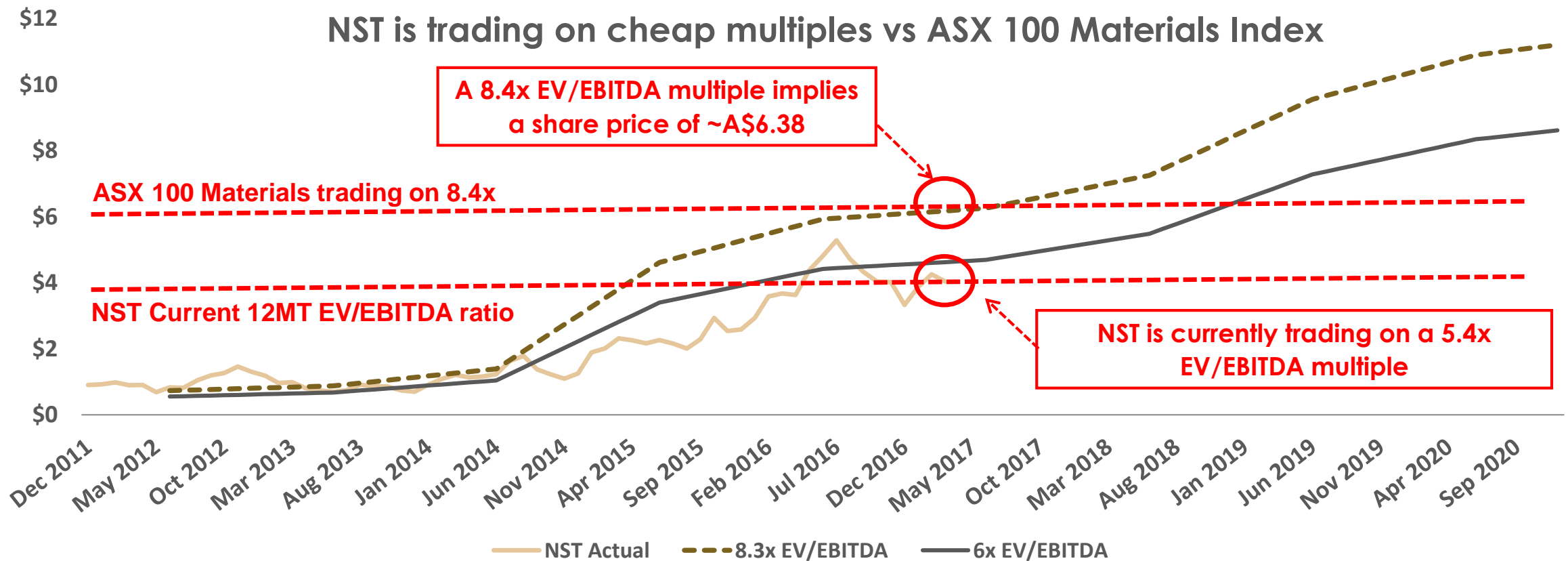


Source: * Bloomberg

Australian Gold Producers trading on low multiples



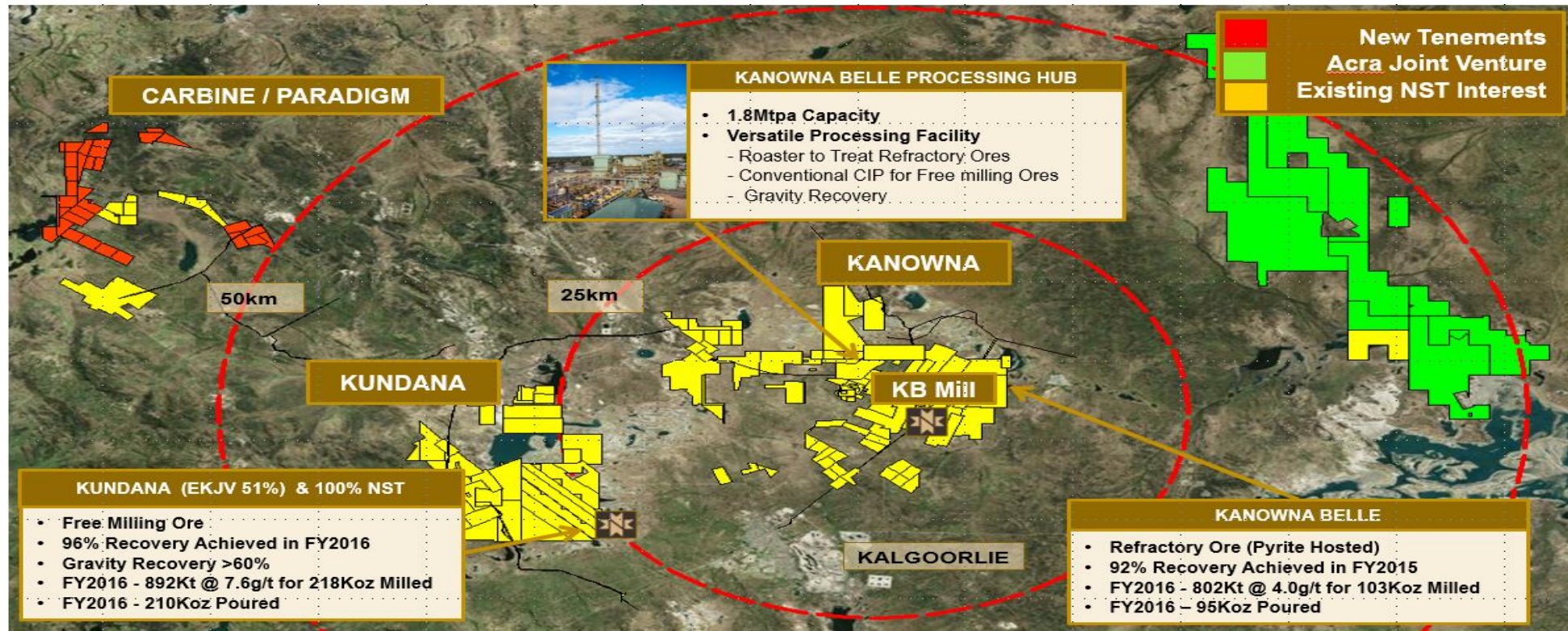
- ✦ NST is trading on a 12 month trailing EV/EBITDA* multiple of 5.4x compared to the ASX 100 Material's index average of 8.4x
- ✦ Applying these multiples to the comparable average sees NST trading at a significantly higher valuation, especially when mine lives are extended again at mid-year 2017



Source: * Bloomberg and Hartleys Research

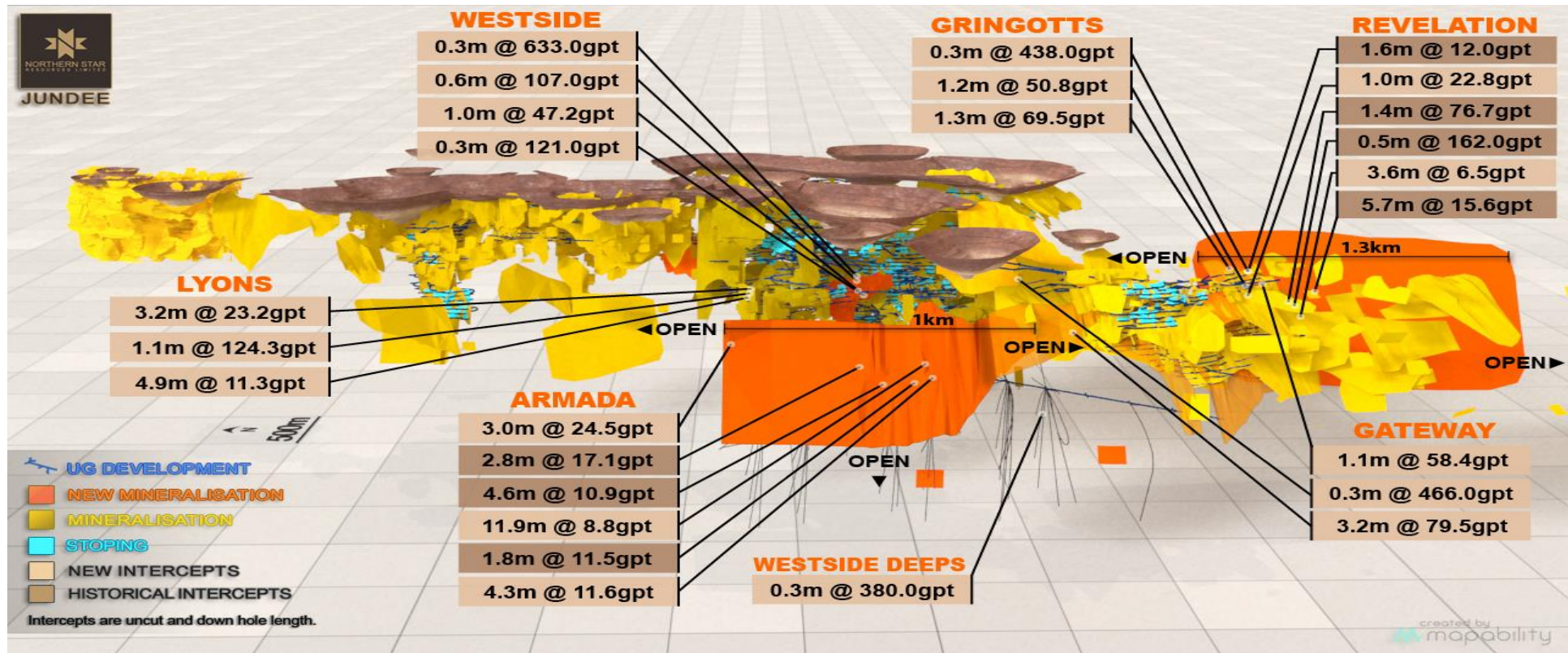
Kalgoorlie Operations: Rapid, low-cost growth

- ✦ FY2016: Resources 3.6Moz, up 17% and Reserves up 0.9Moz up 48%, after mining 216koz
- ✦ FY2017: Guidance 200,000-210,000oz at an AISC of A\$950-A\$1,000/oz
- ✦ 6.45Moz of gold production over the past 23 years, average of 280kozpa with a peak year of 370koz
- ✦ Significant opportunities to expand production from known sources; expand at Kundana JV, extend Kanowna at depth and mine Velvet discovery, bring 100% owned Kundana mines back into production and develop satellite pits



Jundee: A big mine.....and getting bigger

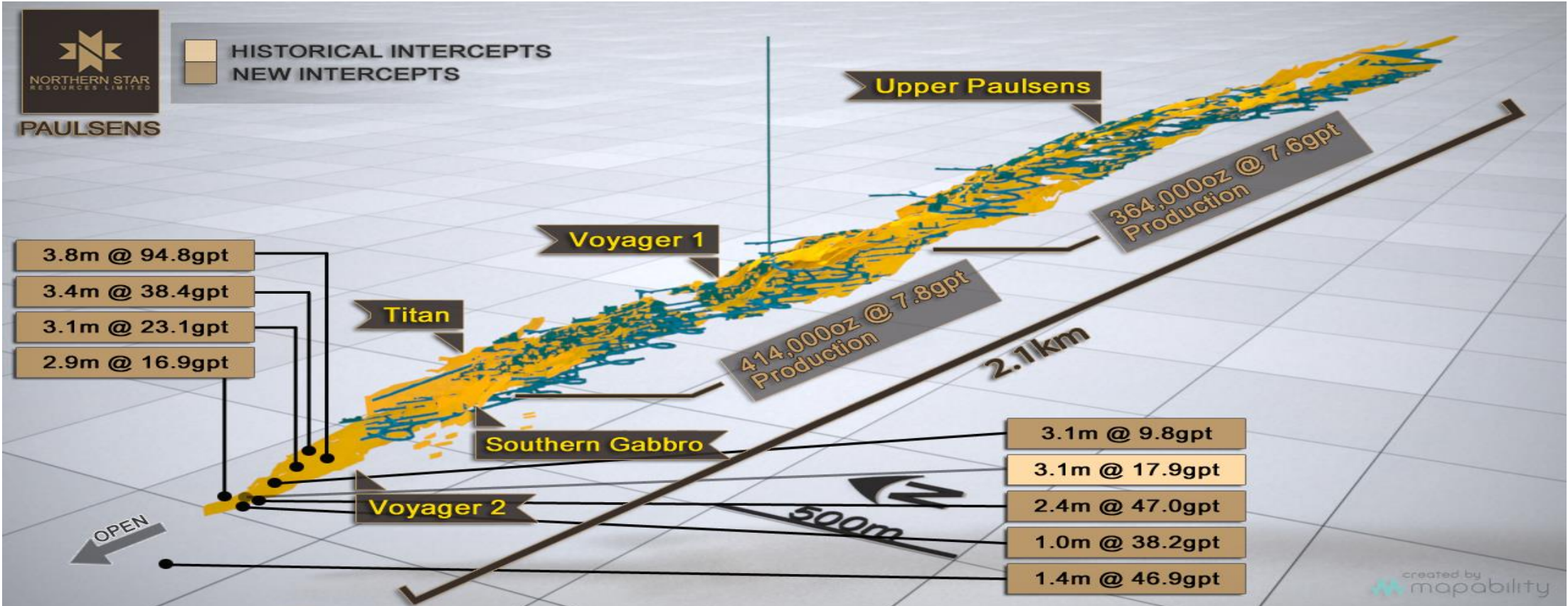
- ✦ FY2016: Resources 1.25Moz and Reserves up 21% to 720,000oz, even after mining 228koz
- ✦ FY2017: Guidance 220,000-230,000oz at an AISC of A\$1,000-A\$1,050/oz
- ✦ 6.75Moz of continuous gold production over the past 21 years, average of 320kozpa with a peak year of 410koz
- ✦ Opportunities to expand production from known sources; increase mill capacity, bring recent underground discoveries into production, develop satellite open pits and third party sources



Paulsens: The Founding Asset



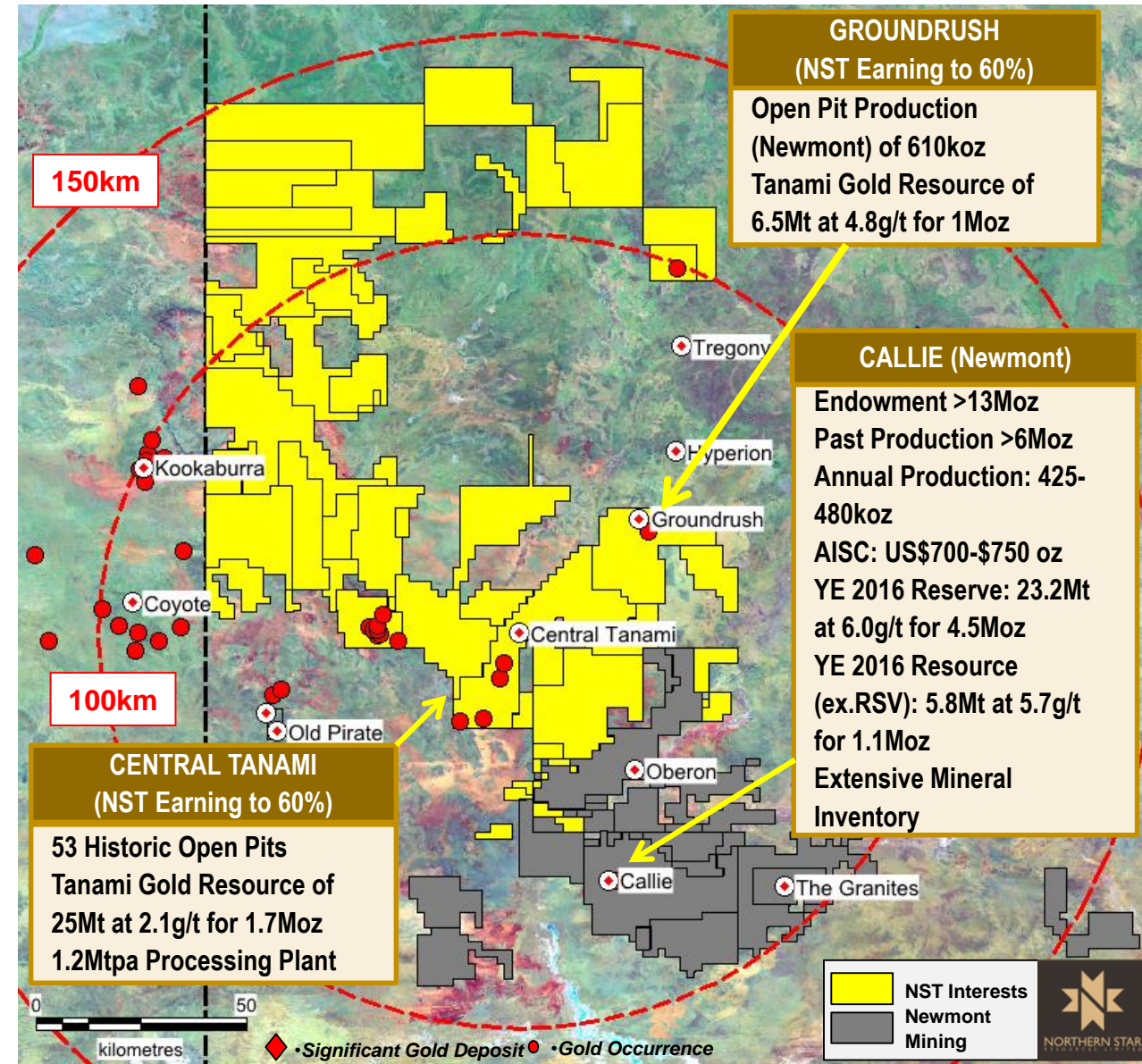
- ✦ FY2016: Resources 0.3Moz and Reserves 0.1Moz, after mining 91koz
- ✦ FY2017: Guidance 65,000-75,000oz at AISC of A\$1,200-A\$1,250/oz
- ✦ 0.85Moz of continuous gold production over the past 11 years, averaged of 75kozpa with a peak year of 100koz
- ✦ Record cash flow achieved in FY2016 since the mine commenced in 2005



Central Tanami Project “CTP”: Emerging Growth Region



- ✦ The Tanami region is an exciting new area that is rapidly developing a reputation for major gold discoveries
- ✦ NST operations are contiguous to the world class Newmont Callie mine, endowment 13Moz, Reserves of 4.5Moz at 6gpt, production ~480kozpa at A\$966/oz*
- ✦ Central Tanami Project was divested by Newmont in 2010 before they “unlocked” the geology at Callie Mine
- ✦ Previous produced 2.1Moz, averaged 120kozpa; only mined mineralisation via pits to a depth of <125m
- ✦ Production ceased after mining of the Groundrush pit, where 610koz at 4.3gpt were recovered over a 4 yr period
- ✦ Past 5 years has seen A\$40M invested at CTP in drilling and feasibility studies with a current Resource of 1.1Moz
- ✦ Recently acquired a substantial strategic land position to complement existing operations
- ✦ Has the potential to be a 120-150kozpa producer (100%)



Why Invest in Northern Star



- ✦ **Highly profitable:** Record half year net profit after tax of A\$104.6M, up 61%; EBITDA margin of 53%; track record of dividends, paid A10¢ps in 2016 (up 100% from 2015)
- ✦ **Strong balance sheet:** no debt; A\$393M in cash & equivalents (31 March 2017)
- ✦ **Emphasis on financial returns:** Past 5 years avg TSR* +60%, ROE of 30% and ROIC 27%
- ✦ One of the few ASX-listed gold miners with **critical mass and asset diversity:** FY2017 production of 485koz-515koz at an AISC of A\$1,000-1,050/oz
- ✦ **Record of strong growth – with much more to come:** Focused on our Tier 1 operations to drive increased production and a simplified business model, increasingly more valuable
- ✦ **Aggressive exploration strategy** delivering outstanding results; Reserves grew 33% in FY2016 (after depletion) at average cost of just A\$50/oz; A\$60M spend this year has the potential to significantly increase Reserves and underpin a clear road map for the future
- ✦ Committed A\$70M to expansion capital this year; this will underpin **growth in production and cashflow** from 2018 onwards
- ✦ **Strong management team**, track record of delivering operational and corporate objectives which in turn have consistently achieved sector leading returns to NST Shareholders

Source: * Boston Consulting Group paper on "Delivering value in times of uncertainty"



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Northern Star Resources

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Appendix

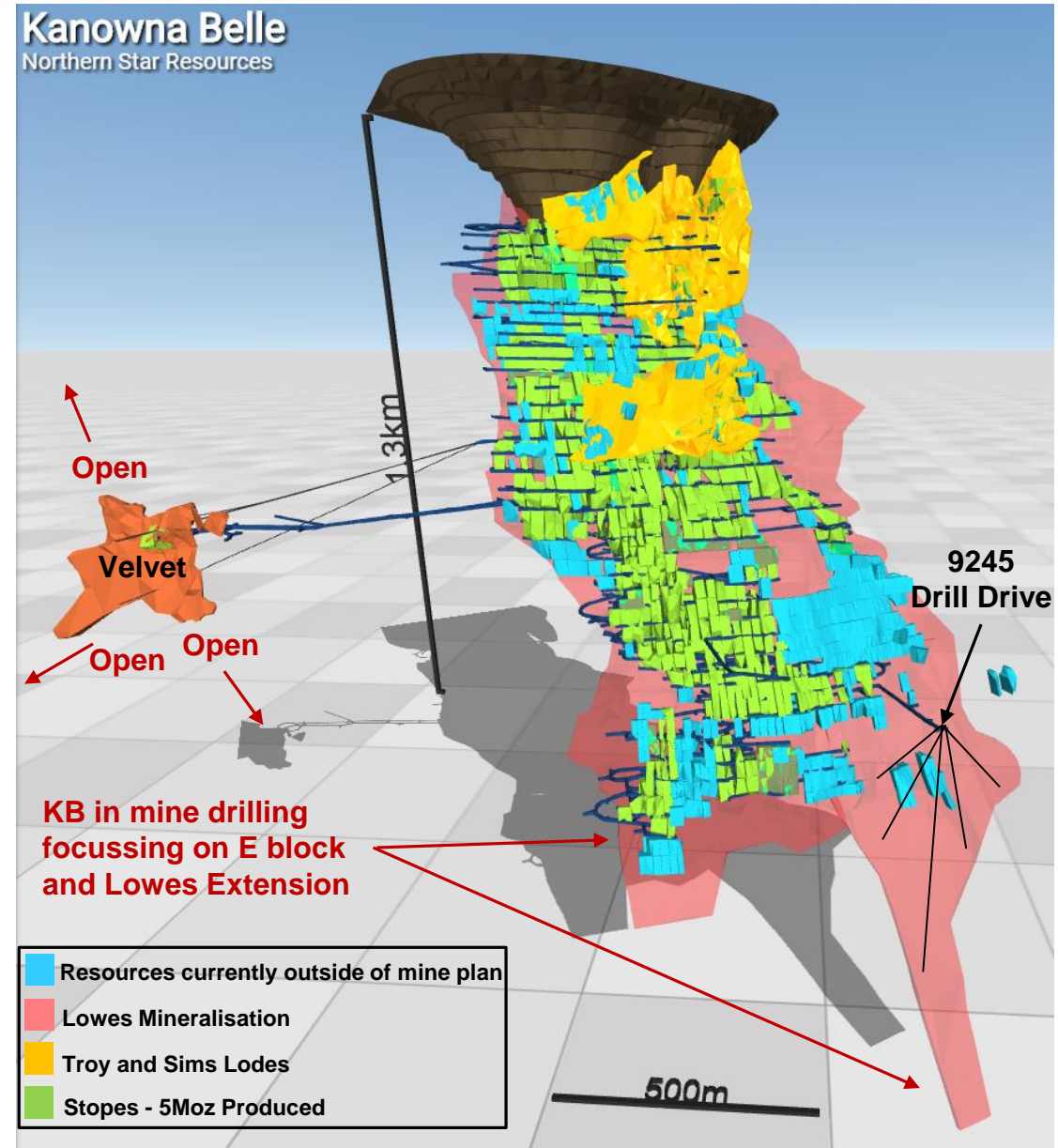


Northern Star Resources
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Kalgoorlie Operations: Rapid, low-cost production growth



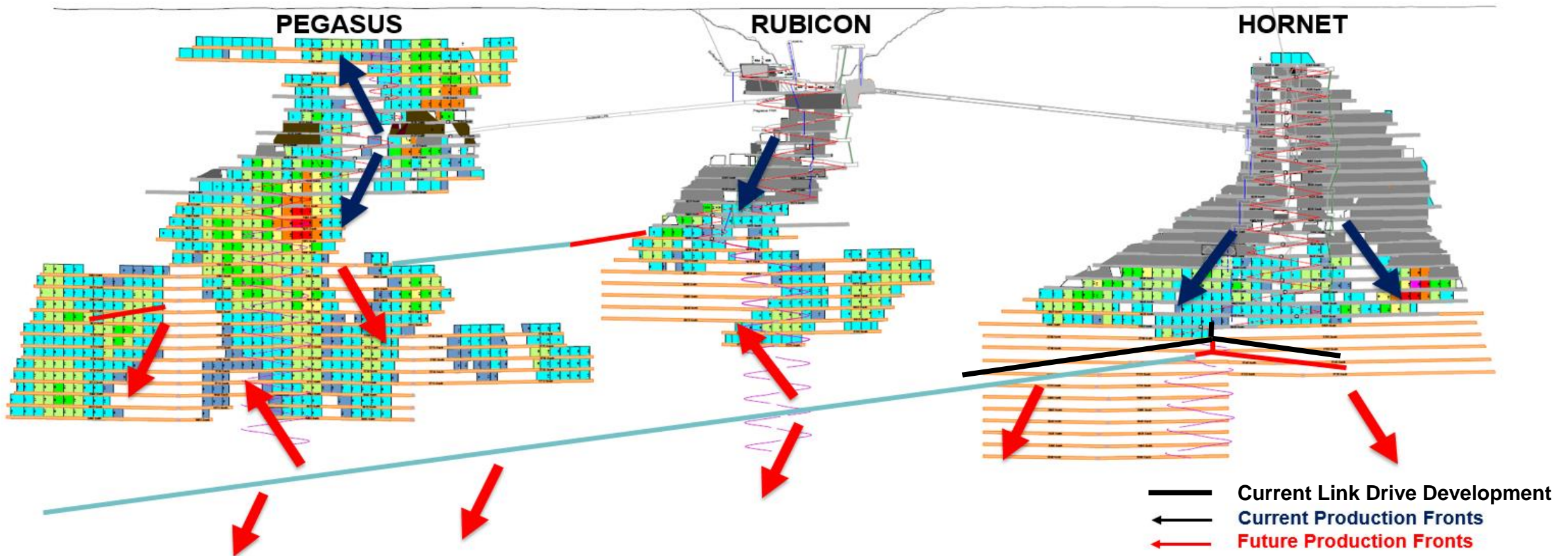
- * Kanowna Belle is a +5Moz orebody, averaging 4koz per vertical metre with limited exploration below E block
- * NST will be drilling over 61,000m at Kanowna Belle with 4 rigs focused on Velvet, E Block and Lowes Extension
- * NST has also aggressively cut costs that has allowed the current mine plan to be reviewed to bring existing resources into production (blue areas on long section)
- * The Velvet deposit remains open up dip, along strike and down plunge back towards the main Lowes ore body
- * Lowes ore body remains open along E Block with exploration success at Lowes West and E Block East
- * Only 12 historic holes have been drilled below the base of E Block; Lowes Extension exploration is currently targeting this area from the 9245 drill drive with two drill rigs
- * Mineralisation has been encountered up to 450m below the existing E Block production area



Kalgoorlie Operations: Rapid, low-cost production growth



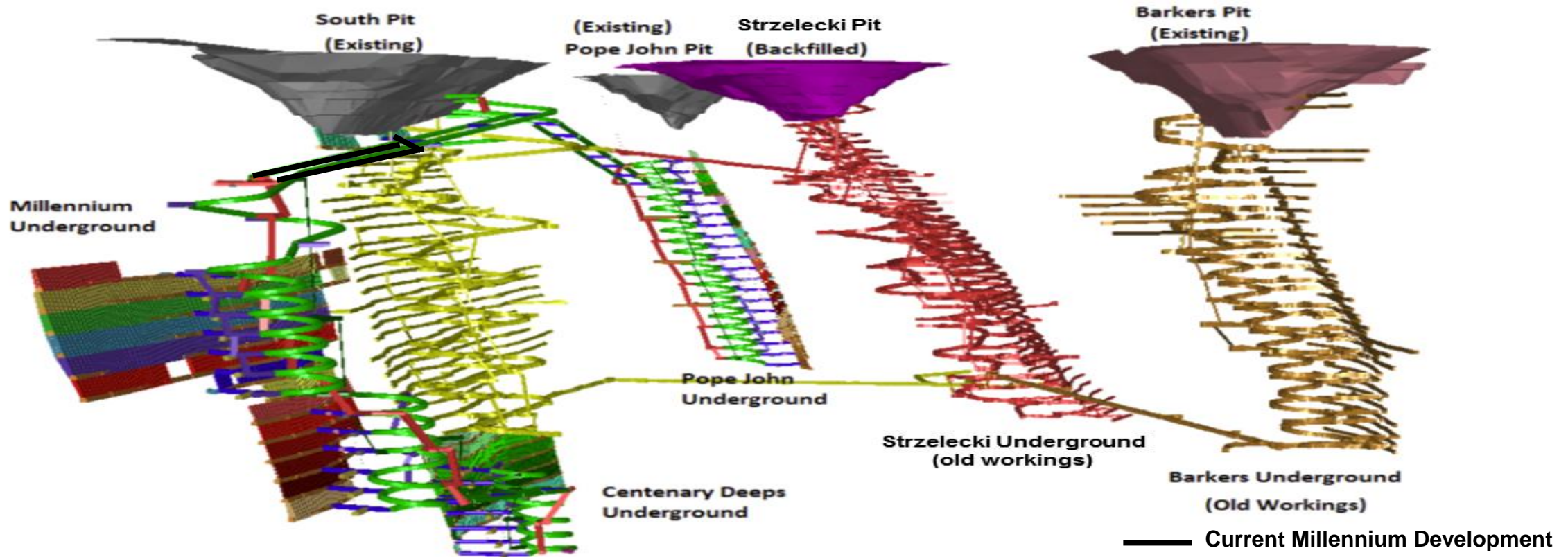
- ✦ NST is targeting over 33,000m of exploration drilling on the EKJV ground with up to 4 UG drill rigs
- ✦ This drilling will provide the next Resource and Reserve update across the mining complex
- ✦ The new 2.1km drill drive to date is 630m from the Hornet decline and 30% complete, this drive will provide the next long term drill platform to explore the depth potential of these deposits



Kalgoorlie Operations: Rapid, low-cost production growth



- ✦ Past production on the 100% NST ground has yielded 1.25Moz at 6gpt between 1990-2004
- ✦ NST is drilling over 38,000m across these historic deposits to increase the resources at: Barkers, Strzelecki and Pope John; each of these ore surfaces has historically produced 50-60kozpa
- ✦ Current development at Millennium is ahead of schedule, first development ore due in 1Q FY2018
- ✦ Exploration success will drive multiple development decisions in FY2018 to drive organic growth

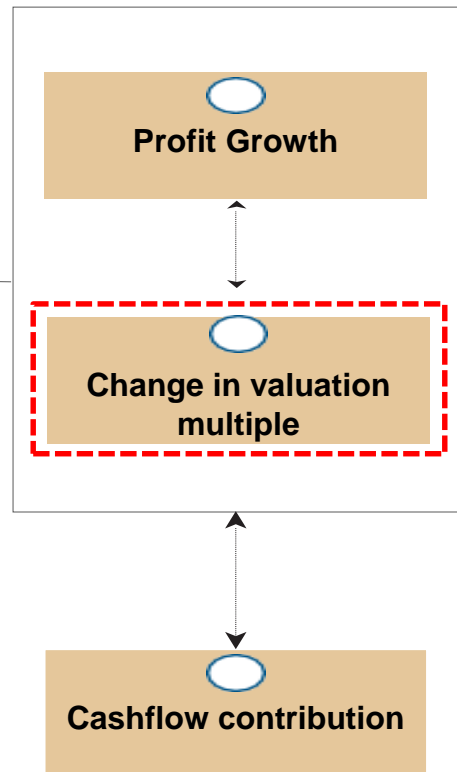


Applying the BCG TSR drivers to the NST business model



✦ NST has ticked all the boxes to deliver consistent returns above the peer group and is positioning itself to continue this over the coming years and is looking to achieve a change in valuation multiple by extending mine lives

TSR is the product of multiple factors TSR drivers



Management levers

- Portfolio Growth Asset purchases
 - Innovation that drives market share
 - Changes in pricing mix and productivity that drive margins
 - Acquisitions (as a growth driver)
-
- Portfolio Profile (value added, commercial risk, cyclicality)
 - Debt Leverage and Financial risk
 - Investor confidence in sustainability of earnings
 - Investor confidence in managements capital
-
- Return of cash (via dividends & share repurchases) after:
 - Re-investment requirements (Capex & R&D)
 - Liability management
 - Acquisitions (as a use of cash)

NST value drivers

- Asset acquisitions of Paulsens, Kalgoorlie & Jundee ✓
 - Improved productivities in under 6 months with a 15-25% reduction in head count ✓
 - Within 6 months cut cost base by 20-50% ✓
-
- Continuing to meaningfully extending mine lives, grow production organically across the asset base ✓
 - Used debt to grow twice, paid back in under 9 months ✓
 - Consistency of free cash flow generation over the last 11 quarters post acquisition ✓
 - 5 year average of 27% ROIC and 30% ROE ✓
-
- Doubled dividends to Shareholders in the last 2 years ✓
 - Generated over A\$525M of free cash flow since acquisition ✓
 - Generated well over a 100% IRR on our operating assets from capital employed on inorganic growth ✓