



FY16 FREE CASH FLOW INCREASES 21% TO RECORD A\$224M AS CASH ON HAND HITS A\$326M

Outstanding result comes from sales of 561,153oz – production on track to reach 700,000ozpa in 2018

KEY POINTS

- ▶ Underlying free cash flow of A\$64m in the June quarter, lifting the result for FY16 to a record A\$224.2m, up 21% on the previous year
- ▶ Cash and equivalents increased to A\$326m at 30 June, up from A\$178m a year ago, after spending A\$11m acquiring the Central Tanami Project, paying A\$36m in dividends and investing A\$50m in exploration; Northern Star has no bank debt
- ▶ 134,110oz sold in the June Quarter and 561,153oz in FY16 – in the top quartile of full-year guidance of 535,000-570,000oz
- ▶ All-in sustaining costs (AISC) for the June Quarter of A\$1,056/oz and A\$1,041/oz for FY16 – below guidance range of A\$1,050-A\$1,100/oz
- ▶ Gold inventories (gold in circuit and on stockpiles) increased to 96,063oz
- ▶ Substantial increase in cash flow comes despite revenue rising just 5%, highlighting the significant productivity gains and cost savings achieved
- ▶ Further strong progress made on strategy to grow production to 700,000ozpa in 2018 from organic sources, with substantial exploration success at Jundee
- ▶ June Quarter and FY16 production:
 - Jundee Gold Operations:
 - 53,264oz mined and 46,863oz sold
 - FY16 228,144oz mined and 209,572oz sold at an AISC A\$1,007/oz
 - Kundana Gold Operations:
 - 30,930oz mined and 30,086oz sold
 - FY16 112,776oz mined and 107,188oz sold at an AISC A\$888/oz
 - Kanowna Belle Gold Operations:
 - 23,203oz mined and 24,506oz sold
 - FY16 102,891oz mined and 99,935oz sold at an AISC A\$782/oz
 - Paulsens Gold Operations:
 - 19,293oz mined and 15,418oz sold
 - FY16 91,250oz mined and 80,278oz sold at an AISC A\$1,099/oz
 - Plutonic Gold Operations:
 - 16,908oz mined and 17,237oz sold at an AISC A\$1,551/oz
 - FY16 76,226oz mined and 64,180oz sold at an AISC A\$1,738/oz
- ▶ Northern Star will host a quarterly conference call today at 8.30am AWST (10.30am AEDT), Wednesday, 20 July 2016. The call can be accessed at <http://boardroom.media/broadcast/?refid=&eid=578d5c9ce0b0d6e856b92c45>

Northern Star Resources Limited (ASX: NST) is pleased to advise that its consistently strong production and cost reduction strategy has delivered record underlying free cash flow of A\$224.2 million for the year to 30 June 2016.

The result was an increase of 21% on the previous year and came after an outstanding June quarter in which free underlying cash flow totalled A\$64 million.

The strong free cash flow saw Northern Star end the year with A\$326 million in cash and equivalents, up from A\$178 million a year earlier.

This increase was despite the Company spending A\$11 million acquiring the Central Tanami Project, paying A\$36 million in dividends and investing A\$50 million in exploration over the year. Northern Star has no bank debt.

ASX ANNOUNCEMENT 20 July 2016

Australian Securities
Exchange Code: NST

Board of Directors

Mr Chris Rowe
Non-Executive Chairman

Mr Bill Beament
Managing Director

Mr Peter O'Connor
Non-Executive Director

Mr John Fitzgerald
Non-Executive Director

Ms Liza Carpene
Company Secretary

Issued Capital

Shares 600 million
Options 3.5 million

Current Share Price A\$5.31

Market Capitalisation
A\$3.2 billion

Cash, Bullion & Investments
30 Jun 2016 - A\$326 million

Projects

Paulsens Mine
Plutonic Mine
Kanowna Belle Mine
Kundana Mines (51% of EKJV)
Jundee Mine
Ashburton
Central Tanami (25% of JV)

Listed Investments

VXR, DAU, RND, TBR, ALY

QUARTERLY ACTIVITIES REPORT

For the Quarter ended 30 June 2016



Gold sales of 134,110oz in the June Quarter lifted sales for the year to 561,153oz, comfortably within the top quartile of the Company's guidance range of 535,000-570,000oz.

All-in sustaining costs (AISC) for the June Quarter were A\$1,056/oz and A\$1,041/oz for the full year. This was below the guidance range of A\$1,050-A\$1,100/oz and reflects substantial productivity gains and cost reductions achieved during the year.

The price received in the June Quarter averaged A\$1,684/oz and A\$1,578/oz for the full year compared with the current spot price of ~A\$1,770/oz.

Northern Star spent A\$13 million on its extensive drilling and exploration program in the June Quarter, taking this total to A\$50 million for the financial year.

This campaign has generated outstanding results, including a number of discoveries, which have the potential to grow Resources, Reserves and mine lives.

In particular, there were outstanding exploration results at the Company's Jundee mine (see ASX release dated 30 June 2016) and the 51% Kundana Joint Venture (see ASX release dated 7 April 2016).

Resource/Reserve drilling has been completed at the Hermes gold project, which will provide additional mill feed for the Plutonic Gold Operations.

In the June quarter, significant progress was made at Plutonic with 17,237oz sold at an AISC A\$1,551/oz. Costs continued to trend lower during the quarter, with 6,530oz sold at an AISC A\$1,277/oz in the month of June.

Northern Star Managing Director Bill Beament said the results again demonstrated the outstanding financial returns being generated by the Company.

"Our production is consistently strong, our cost reduction strategy continues to deliver results and we have no debt repayments to drain our cash flow," Mr Beament said.

"By delivering on the production and cost undertakings we provided to the market, we have further strengthened our financial position."

"At the same time, we have generated outstanding exploration results and advanced our strategy to grow production to 700,000ozpa by 2018, driving further increases in cash flow and returns for our Shareholders."

Northern Star	Units	Sept-15 Qtr	Dec-15 Qtr	Mar-16 Qtr	Jun-16 Qtr	YTD
Ore Hoisted	Tonnes	821,070	886,185	881,029	907,396	3,495,679
Mined Grade	gpt Au	5.7	5.6	5.6	4.9	5.4
Gold in Ore Hoisted	Oz	150,402	158,617	158,671	143,599	611,288
Milled Tonnes	Tonnes	911,818	970,999	891,068	1,094,571	3,868,456
Head Grade	gpt Au	5.3	5.1	5.4	4.1	4.9
Ounces Produced	Oz	154,445	159,133	155,848	143,580	613,162
Recovery	%	91	91	92	91	91
Gold Recovered	Oz	140,242	145,251	142,630	130,020	558,143
Ounces Sold	Oz	141,556	142,017	143,469	134,110	561,153
Average Gold Price	A\$/oz	1,509	1,484	1,640	1,684	1,578
Revenue	A\$M	213.6	210.8	235.2	225.9	885.5
Cash Operating Cost	A\$/oz	836	837	737	843	812
All in Sustaining Cost	A\$/oz	1,083	1,040	985	1,056	1,041
Total Stockpiles Contained Gold	Oz	70,061	70,453	73,977	80,342	80,342
Gold in Circuit (GIC)	Oz	17,505	20,816	19,409	15,136	15,136
Gold in Transit (GIT)	Oz	-	-	-	585	585

Table 1: Key Group Performance Figures (Quarterly)

Northern Star	Units	Sept-15 Qtr	Dec-15 Qtr	Mar-16 Qtr	Jun-16 Qtr	YTD
Mining	\$/oz	551	561	470	557	534
Processing	\$/oz	189	188	176	214	191
Site Services	\$/oz	67	62	48	58	59
Ore Stock & GIC Movements	\$/oz	(3)	(9)	5	(26)	(8)
Royalties	\$/oz	35	40	41	43	40
By Product Credits	\$/oz	(3)	(4)	(3)	(4)	(3)
Rehabilitation-Accretion & Amortisation	\$/oz	8	2	7	1	5
Corporate Overheads	\$/oz	44	35	43	46	42
Mine Development/Sustaining CAPEX	\$/oz	177	147	171	152	162
Mine Exploration	\$/oz	18	19	27	14	20
All in Sustaining Costs	\$/oz	1,083	1,040	985	1,056	1,041
Depreciation & Amortisation	\$/oz	276	300	337	303	305

Table 2: Key Group Cost per Ounce Measures

QUARTERLY ACTIVITIES REPORT

For the Quarter ended 30 June 2016

Production KPIs Jun Quarter	Units	Paulsens	Plutonic	Kanowna Belle	Kundana	Jundee	Total
Total Ore Hoisted	Tonnes	105,453	142,549	184,956	136,664	337,773	907,396
Mine Grade	gpt Au	5.7	3.7	3.9	7.0	4.9	4.9
Gold in Ore Hoisted	Oz	19,293	16,908	23,203	30,930	53,264	143,599
Milled Tonnes	Tonnes	96,805	369,674	190,832	130,271	306,990	1,094,571
Head Grade	gpt Au	5.6	1.8	3.7	7.5	5.1	4.1
Recovery	%	87	80	93	96	92	91
Gold Recovered	Oz	15,271	17,338	20,732	30,087	46,591	130,020
Gold Sold	Oz	15,418	17,237	24,506	30,086	46,863	134,110
Cash Operating Costs	A\$/oz	1,006	1,420	712	644	772	843
All In Sustaining Costs	A\$/oz	1,314	1,551	797	885	1,033	1,056
Depreciation & Amortisation	A\$/oz	433	314	186	233	361	303

Table 3: Key Quarterly Mine Production Performance

FINANCE

The following is a table of the cash, bullion and investments held at the end of each quarter:

	Units	Sep-15 Qtr	Dec-15 Qtr	Mar-16 Qtr	Jun-16 Qtr
Cash at bank	A\$M	\$163.4	\$210.9	\$262.3	\$315.3
Bullion awaiting settlement ⁽¹⁾⁽²⁾	A\$M	\$26.1	\$9.1	\$17.2	\$1.9
Investments	A\$M	\$6.5	\$5.5	\$6.0	\$8.8
Total	A\$M	\$196.0	\$225.5	\$285.5	\$326.0

Table 4: Cash, Bullion and ASX equity investments

⁽¹⁾ Bullion awaiting settlement is done which has been received by the refiner in the quarter and is awaiting settlement.

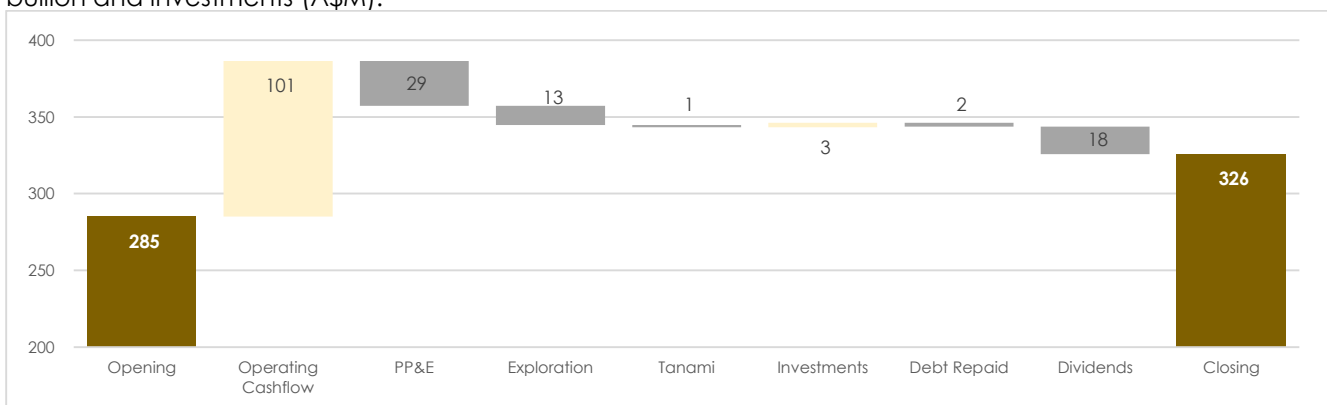
⁽²⁾ Opening cash, bullion and investments at 1 July 2015 is A\$177.7 million

The below table sets out the total of surface gold inventories:

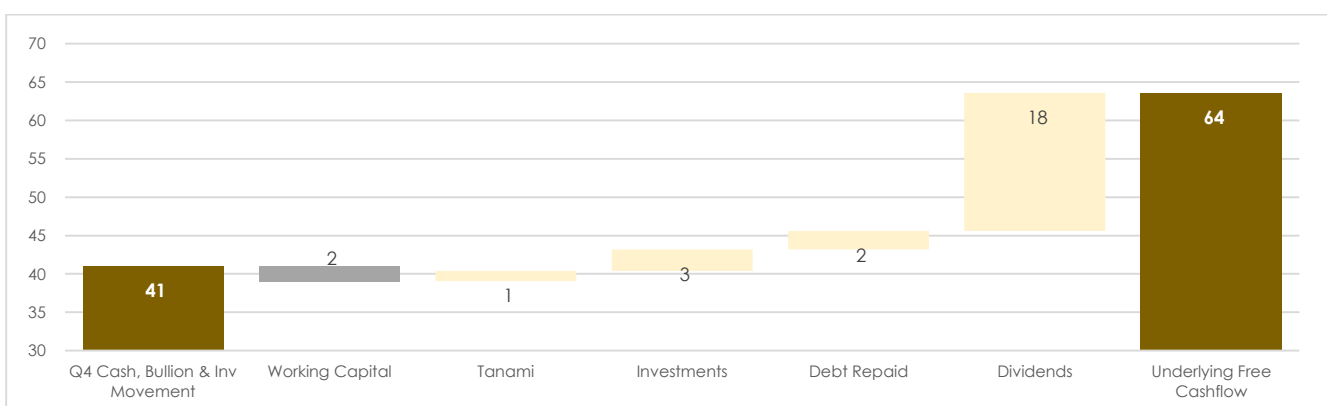
Gold Inventories	Sep-15 Qtr	Dec-15 Qtr	Mar-16 Qtr	Jun-16 Qtr
Stockpiles contained gold (oz)	70,061	70,453	73,977	80,342
Gold In circuit (oz)	17,505	20,816	19,409	15,136
Gold In transit (oz)	-	-	-	585
Total Gold Inventories (oz)	87,566	91,269	93,386	96,063

Table 5: Gold Inventories

The below waterfall chart highlights the June Quarter's operating cash flow together with movements in cash, bullion and investments (A\$M):



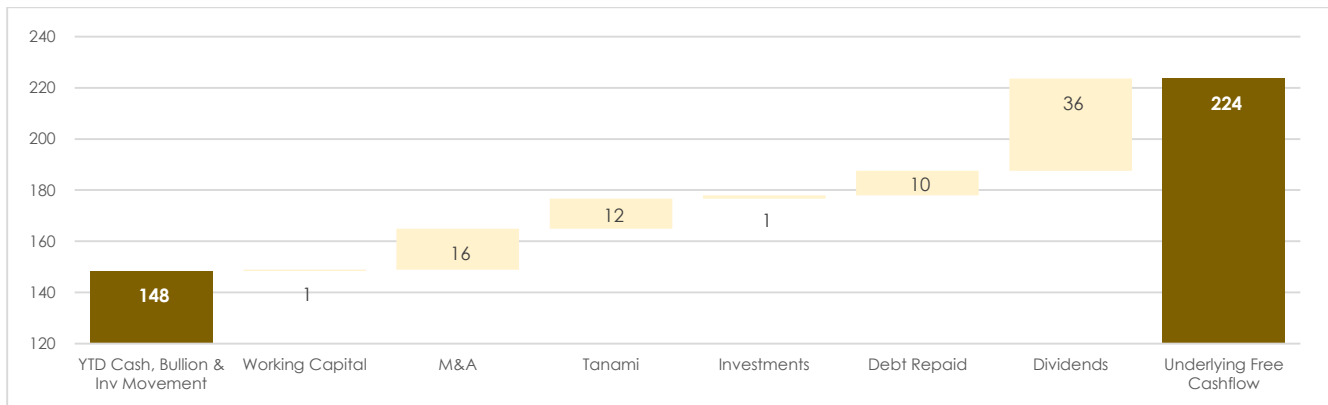
The below waterfall chart highlights the underlying free cash flow for the June Quarter (A\$M):



QUARTERLY ACTIVITIES REPORT

For the Quarter ended 30 June 2016

The below waterfall chart provides an overview of 2016 year to date underlying free cash flow (A\$M):



Banking Facilities

Northern Star has in place an undrawn three year A\$100 million revolving debt facility with a self-arranged syndicate of Australian and International banks.

Hedging

The below table outlines the Company's current hedging position:

Term	Dec-16 Half	Jun-17 Half	Dec-17 Half	Jun-18 Half	Dec-18 Half	Total
Ounces	86,693	75,000	59,000	59,000	17,500	297,193
Gold Price	A\$1,657	A\$1,721	A\$1,772	A\$1,804	A\$1,856	A\$1,737

Table 6: Hedging commitments

During the quarter, 253,750oz of hedging was added for delivery across two years at an average of A\$1,761/oz.

OPERATIONS

Paulsens Gold Operations

Production Summary Paulsens		Sep-15 Qtr	Dec-15 Qtr	Mar-16 Qtr	Jun-16 Qtr	YTD
Ore Mined	Tonnes	105,832	92,772	94,755	105,453	398,812
Mined Grade	gpt Au	7.9	7.0	8.0	5.7	7.1
Ounces Mined	Oz	26,892	20,730	24,336	19,293	91,250
Milled Tonnes	Tonnes	101,311	95,953	92,502	96,805	386,570
Head Grade	gpt Au	7.8	7.3	8.2	5.6	7.2
Recovery	%	92	90	90	87	90
Gold Recovered	Oz	23,259	20,152	22,060	15,271	80,742
Gold Sold	Oz	22,736	19,161	22,963	15,418	80,278
Cost per Ounce						
Mining	A\$/oz	377	447	385	595	438
Processing	A\$/oz	189	245	199	307	228
Site Services	A\$/oz	62	74	67	121	77
Ore Stock Movements	A\$/oz	(23)	(6)	27	(58)	(11)
Royalties	A\$/oz	36	38	41	43	39
By Product Credits	A\$/oz	(2)	(2)	(1)	(2)	(2)
Cash Operating Costs	A\$/oz	639	795	718	1,006	769
Rehabilitation - Accretion & Amortisation	A\$/oz	6	5	5	7	6
Corporate Overheads	A\$/oz	45	35	44	50	43
Mine Development / Sustaining CAPEX	A\$/oz	292	315	206	242	264
Paulsens Mine Exploration	A\$/oz	25	5	26	9	17
All in Sustaining Costs	A\$/oz	1,007	1,156	999	1,314	1,099
Depreciation & Amortisation	A\$/oz	360	390	393	433	391

Table 7: Summary Details – Paulsens

QUARTERLY ACTIVITIES REPORT

For the Quarter ended 30 June 2016



Plutonic Gold Operations

Production Summary Plutonic		Sep-15 Qtr	Dec-15 Qtr	Mar-16 Qtr	Jun-16 Qtr	YTD
Ore Mined	Tonnes	159,172	173,450	164,571	142,549	639,742
Mined Grade	gpt Au	4.0	3.8	3.3	3.7	3.7
Ounces Mined	Oz	20,651	21,315	17,352	16,908	76,226
Milled Tonnes	Tonnes	175,640	198,959	190,235	369,674	934,507
Head Grade	gpt Au	3.7	3.5	3.0	1.8	2.8
Recovery	%	77	78	78	80	78
Gold Recovered	Oz	16,147	17,248	14,124	17,338	64,857
Gold Sold	Oz	16,365	16,910	13,668	17,327	64,180
Cost per Ounce						
Mining	A\$/oz	1,274	1,107	856	935	1,050
Processing	A\$/oz	270	309	362	370	327
Site Services	A\$/oz	113	87	109	71	93
Ore Stock Movements	A\$/oz	5	(9)	(59)	1	(13)
Royalties	A\$/oz	31	40	37	46	39
By Product Credits	A\$/oz	(2)	(3)	(2)	(3)	(3)
Cash Operating Costs	A\$/oz	1,691	1,531	1,303	1,420	1,493
Rehabilitation - Accretion & Amortisation	A\$/oz	14	(6)	16	(8)	3
Corporate Overheads	A\$/oz	46	35	42	47	43
Mine Development / Sustaining CAPEX	A\$/oz	81	85	474	76	164
Plutonic Mine Exploration	A\$/oz	-	-	140	16	35
All in Sustaining Costs	A\$/oz	1,832	1,645	1,975	1,551	1,738
Depreciation & Amortisation	A\$/oz	330	257	629	314	370

Table 8: Summary Details – Plutonic

Kanowna Belle Gold Operations

Production Summary Kanowna Belle		Sep-15 Qtr	Dec-15 Qtr	Mar-16 Qtr	Jun-16 Qtr	YTD
Ore Mined	Tonnes	183,668	207,061	172,925	184,956	748,610
Mined Grade	gpt Au	4.8	4.1	4.3	3.9	4.3
Ounces Mined	Oz	28,597	27,028	24,063	23,203	102,891
Milled Tonnes	Tonnes	195,650	196,489	219,425	190,832	802,395
Head Grade	gpt Au	4.3	3.8	4.1	3.7	4.0
Recovery	%	94	94	94	93	94
Gold Recovered	Oz	25,524	22,572	27,012	20,732	95,840
Gold Sold	Oz	27,074	25,153	23,203	24,506	99,935
Cost per Ounce						
Mining	A\$/oz	443	513	411	427	449
Processing	A\$/oz	166	122	139	181	153
Site Services	A\$/oz	80	74	14	66	60
Ore Stock Movements	A\$/oz	(26)	3	72	(1)	10
Royalties	A\$/oz	35	47	48	45	43
By Product Credits	A\$/oz	(6)	(6)	(5)	(6)	(5)
Cash Operating Costs	A\$/oz	692	753	679	712	710
Rehabilitation - Accretion & Amortisation	A\$/oz	11	(1)	12	4	7
Corporate Overheads	A\$/oz	45	34	45	43	42
Mine Development / Sustaining CAPEX	A\$/oz	3	15	16	38	17
Kanowna Belle Mine Exploration	A\$/oz	12	9	-	-	6
All in Sustaining Costs	A\$/oz	763	811	752	797	782
Depreciation & Amortisation	A\$/oz	138	206	190	186	179

Table 9: Summary Details – Kanowna Belle

QUARTERLY ACTIVITIES REPORT

For the Quarter ended 30 June 2016

Kundana Gold Operations

Production Summary Kundana		Sep-15 Qtr	Dec-15 Qtr	Mar-16 Qtr	Jun-16 Qtr	YTD
Ore Mined	Tonnes	92,660	114,213	119,625	136,664	463,161
Mined Grade	gpt Au	6.7	8.0	8.5	7.0	7.6
Ounces Mined	Oz	19,820	29,271	32,755	30,930	112,776
Milled Tonnes	Tonnes	91,658	120,415	112,273	130,271	454,617
Head Grade	gpt Au	7.5	7.3	8.4	7.5	7.6
Recovery	%	96	96	96	96	96
Gold Recovered	Oz	21,219	27,034	28,849	30,087	107,189
Gold Sold	Oz	21,219	27,034	28,849	30,086	107,188
Cost per Ounce						
Mining	A\$/oz	464	438	456	457	453
Processing	A\$/oz	186	134	116	130	139
Site Services	A\$/oz	50	45	27	37	39
Ore Stock Movements	A\$/oz	(29)	6	(33)	(15)	(17)
Royalties	A\$/oz	31	36	37	40	36
By Product Credits	A\$/oz	(4)	(4)	(3)	(5)	(4)
Cash Operating Costs	A\$/oz	698	655	600	644	646
Rehabilitation - Accretion & Amortisation	A\$/oz	-	-	-	-	-
Corporate Overheads	A\$/oz	42	36	44	43	41
Mine Development / Sustaining CAPEX	A\$/oz	191	172	159	161	169
Kundana Mine Exploration	A\$/oz	31	35	25	37	32
All in Sustaining Costs	A\$/oz	962	898	828	885	888
Depreciation & Amortisation	A\$/oz	277	233	229	233	241

Table 10: Summary Details – Kundana

Jundee Gold Operations

Production Summary Jundee		Sep-15 Qtr	Dec-15 Qtr	Mar-16 Qtr	Jun-16 Qtr	YTD
Ore Mined	Tonnes	279,738	298,689	329,154	337,773	1,245,354
Mined Grade	gpt Au	6.1	6.3	5.7	4.9	5.7
Ounces Mined	Oz	54,442	60,273	60,165	53,264	228,144
Milled Tonnes	Tonnes	347,559	359,183	276,634	306,990	1,290,366
Head Grade	gpt Au	5.3	5.4	6.1	5.1	5.5
Recovery	%	92	93	93	92	93
Gold Recovered	Oz	54,094	58,246	50,584	46,591	209,515
Gold Sold	Oz	54,163	53,760	54,786	46,863	209,572
Cost per Ounce						
Mining	A\$/oz	494	514	442	539	495
Processing	A\$/oz	178	187	167	196	181
Site Services	A\$/oz	56	52	51	41	50
Ore Stock Movements	A\$/oz	24	(24)	3	(44)	(8)
Royalties	A\$/oz	37	38	41	43	40
By Product Credits	A\$/oz	(3)	(3)	(3)	(3)	(3)
Cash Operating Costs	A\$/oz	786	764	701	772	755
Rehabilitation - Accretion & Amortisation	A\$/oz	8	6	6	3	6
Corporate Overheads	A\$/oz	45	35	43	46	42
Mine Development / Sustaining CAPEX	A\$/oz	238	155	152	205	187
Jundee Mine Exploration	A\$/oz	20	26	12	7	17
All in Sustaining Costs	A\$/oz	1,097	986	914	1,033	1,007
Depreciation & Amortisation	A\$/oz	294	361	358	361	343

Table 11: Summary Details – Jundee

Additional information on the individual Operations can be found in Appendix 1.

EXPLORATION AND DEVELOPMENT - OPERATIONS

Kanowna Belle

Underground grade control, infill and extensional diamond drilling at Velvet (located 600m west of the Lowes orebody) throughout the quarter continued to return excellent results ahead of an initial Resource estimate for the Velvet deposit.

Short underground Resource definition diamond drill programs were completed within FM24 (D Block FW), C Block HW, FM33 and Troy areas achieving the anticipated results.

Kundana (NST 51% EKJV)

Underground Resource and exploration drilling at Hornet (North and South), Pegasus and Raleigh South during the quarter continued to generate strong high-grade results at all three areas.

Extensional drilling programs at Hornet North and South continued to return significant results both laterally and down-dip on the main K2 structure. In addition, grade control drilling continues to outline significant mineralisation in the hanging wall to the main K2 zone opening up future opportunities adjacent to current mining operations in this area.

Continued development drilling at Pegasus North achieved further significant results on the K2 structure and the adjacent Poda Zone/K2B structures. In addition, development drilling has commenced to infill a large gap between Pegasus and Rubicon North production areas.

At Raleigh, exploratory drilling and development continues to return significant intersections from the Raleigh Main Vein to the south and beneath the existing mine infrastructure over a significant extent of the mine. Drilling on these key exploration targets returned a large number of intersections with visible gold mineralisation characteristic of the Raleigh Main Vein structure. Assay results are pending.

Surface exploration drilling focussed on extensional diamond drilling programs at Pegasus together with further drilling at Falcon and Drake prospects successfully targeting the K2, K2B and Poda mineralisation. Assay results are pending.

Kundana (100% NST)

An active surface exploration drilling program was continued during the quarter with programs completed at Millennium, Pope John, Arctic, Six Mile and Paradigm North prospects.

At Millennium, RC drilling outlined additional shallow mineralisation to the west of Millennium coincident with the Strzelecki structure and a new structure.

Extensional diamond drilling programs at Pope John have outlined potential extensions to high-grade zones on the K2 structure outside of existing resource models. Assay results are pending.

At Arctic, regional RC and diamond drilling is in progress at the end of the quarter targeting extensions of the K2 and Strzelecki structural corridors northwards from the Millennium deposit.

A 27 hole extensional RC and diamond drilling program was undertaken at the Six Mile deposit, approximately 6km NW of Kanowna Belle. The program successfully tested a revised geological model for the deposit and located potential extensions to the deposit to the NW of the existing open pits. Full assay results are pending.

Jundee

During the quarter, all current mining areas continue to grow due to both in-mine exploration and Resource development drilling (see ASX announcement dated 30 June 2016).

Eight underground diamond drilling rigs focussed on Resource conversion and exploration programs within the underground mine, two surface diamond drill rigs operated in the mine precinct with a single RC drill rig active on open pit Resource definition programs.

In-mine Resource development drilling continued at Gateway South, Gringotts, NIM, Westside and the Throssell areas during the quarter.

Development of the new drill drive from the base of the Barton Mine was completed on schedule during the quarter. Ongoing diamond drilling from the new drill drive continue to return encouraging results from mineralised structures within and adjacent to the Jundee mine sequence.

Drilling from this platform has resulted in the "Armada" discovery (discovery hole of 4.6m at 10.9gpt). The mineralisation has so far been defined over a 300m strike and open in all directions (see ASX announcement dated 30 June 2016).

Diamond drilling along the "Revelation trend" from both underground and surface positions was completed in the quarter. Geological interpretation of the information is underway in preparation for an initial Resource estimate with future work to focus on drilling further north to link the Nexus and Revelation areas.

Paulsens

Underground diamond drilling for the quarter consisted of extension drilling targeting the Voyager 2 zone down plunge from the lower level drill platform. Grade control drilling continued at Voyager 2 Upper Zone, Titan and Paulsens lower zone ore bodies at various levels in the mine.

Plutonic

Two mobile underground diamond drill rigs continued to define grade control and resource extent of the Caribbean resource zone as well as infill and extension of the Indian Tier 2 resource, and down-dip extensions of the Apache 25-26 area.

The Caribbean resource area continues to expand with the CD2401 and 2440 ore drives extending north beyond modelled extents to a local-scale brittle shear. Drilling from the face of the CD2401 ore drive executed towards the end of the quarter revealed that the Caribbean resource is intact and continuous beyond the shear northward towards the ND21 area. This drilling is significant as it almost doubles the extent of the resource in this area.

The Indian Tier 2 drilling continues to define a significant series of "stacked" high grade lodes over a wide area immediately adjacent to the EHR fault. Its proximity to the Caribbean decline means this area can rapidly be accessed from existing development with little increase in trucking distances to ROM over current Caribbean resource mining.

The Apache down-dip area drilling from the Apache 25-26 levels has proven the existence of at least 3 steep and wide high grade stoping blocks to the south of existing historic Mariner 28 level development with a high probability of a further 3-5 stoping blocks as development advances (underway at end of quarter).

REGIONAL EXPLORATION

Carbine

In the Carbine area, additional RC and diamond drilling (25 holes) completed at Paradigm North achieved strong results within a complex zone adjacent to the Paradigm open pit. Detailed structural analysis of the area has commenced prior to the next drill campaign in the coming quarter.

Central Tanami Project (25% NST)

Preparation of a new Resource model for the Groundrush deposit is nearing completion which will be incorporated into ongoing development studies.

Jundee

A 16,000m RC drilling program was completed in the Vause area, south of the Jundee Mine, to infill and extend shallow mineralisation targets as potential open pit Resources for future development.

Heritage clearance activities were advanced in preparation for a regional air core drilling testing new targets in the next quarter.

Hermes

The Resource development and sterilisation drilling program at the Hermes Project was completed during the quarter as part of the feasibility study for the proposed development.

The program was extended to approximately 33,000m of RC drilling following excellent results (with visible gold) from extensional drilling in the Winchester area and the discovery of new mineralisation (with visible gold) under a proposed waste dump site in the Blake area. An updated Resource model is in preparation prior to new optimisation studies and detailed mine planning along with the finalisation of infrastructure sites and access corridors.

Paulsens

Surface exploration focussed additional RC/diamond drilling in the Southern Gabbro prospect area which was in progress at the end of the quarter.

Pilbara Regional

Regional geochemical programs were completed across Ashburton Basin prospects at Slate Bore, Soldiers Secret and Charlie's Creek during the quarter.

Fortescue Joint Venture

Prospectivity analysis based on regional geochemical data has identified a number of discrete gold and pathfinder element anomalies which will prioritise future exploration programs.

CORPORATE

- Subsequent to the quarter, the Company entered into an agreement to purchase 12,199 tonnes of gold ore at \$611.87 per tonne from Beacon Minerals Limited.
- During the quarter, Northern Star participated in the Mines and Money Asia conference in Hong Kong, the annual Macquarie Securities Institutional conference, the Resources Rising Stars conference, an institutional roadshow in London and the inaugural Citi Explorers conference in Sydney. The Company maintains a proactive presentation calendar to stockbroking firms, institutional and retail investors to promote the Company and its activities.
- Issued Capital
 - In accordance with the Company's 2011 Employee Share Plan:
 - 187,180 employee shares were issued to 955 eligible employees free of charge on 29 June 2016 which will be held in voluntary escrow for three years or until cessation of employment;
 - 11,934 and 91,019 employee shares were released from voluntary escrow on 20 April 2016 and 12 July 2016 respectively following cessation of employment; and
 - 530,947 unlisted employee options were cancelled on 20 April 2016.

The issued capital of the Company at the date of this report is:

Class of Securities	Issued capital
Fully Paid Ordinary Shares	600,396,469
Unlisted Options (various expiry dates)	3,495,147

Table 12: Issued Capital

Yours faithfully



BILL BEAMENT
Managing Director
Northern Star Resources Limited

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Forward Looking Statements

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APPENDIX 1 – ADDITIONAL INFORMATION - OPERATIONS

Paulsens Gold Operations

► Safety

There were two (2) Lost Time Injuries (LTI) during the quarter.

► Underground Production

Mine Development:

	Sep-15 Qtr	Dec -15 Qtr	Mar-16 Qtr	Jun-16 Qtr
Decline	327m	175m	161m	265m
Level	320m	535m	538m	485m
Strike driving	759m	479m	758m	797m
Total (metres)	1,406m	1,189m	1,457m	1,547m

Table 1: Underground Production – Mine Development

Capital development focused on advancing the decline towards the 205mRL level, 220mRL return air way and accessing the 239mRL and 222mRL Voyager 2 Upper Zone production levels. Non-sustaining capital focused on completing the 285 Drill Drive. Supplementary development was completed in the Titan ore body on the 330mRL and 341mRL and in the Cassini lode on the 1104mRL.

Operating development saw the continued development of high grade Voyager 2 Upper Zone ore body on the 256mRL and 239mRL levels. Additional operating development was completed in the Titan ore body on the 341mRL, 358mRL and 390mRL and in the Soyuz ore body on the 1110mRL

Development yielded 51,282 tonnes at an average reconciled grade of 4.5gpt.

	Sep-15 Qtr	Dec -15 Qtr	Mar-16 Qtr	Jun-16 Qtr
Development ore (t)	47,460	31,252	34,914	51,282
Development grade (gpt)	8.1	5.4	8.4	4.5
Stope ore (t)	55,516	56,092	56,287	50,630
Stope grade (gpt)	8.1	8.4	8.2	7.3
Low grade ore (t)	2,856	5,428	3,554	3,541
Low grade (gpt)	1.4	1.5	1.1	0.5
Total ore (t)	105,832	92,772	94,755	105,453
Total grade (gpt)	7.9	7.0	8.0	5.7
Contained gold (oz)	26,892	20,730	24,336	19,293

t=tonnes, gpt=grams per tonne, oz=ounces

Table 2: Ore Development – Mine Development

- Stope production was 50,630 tonnes at 7.3gpt sourced predominately from the Voyager 2 upper zone on the 290, 273 and 256mRL levels. Additional stope tonnes were sourced from the Voyager 1 Upper Zone at the 375 level. High grade air-leg development and stope tonnes from Paulsens Lower Zone at the 919 and 1089mRL, Soyuz 1110mRL and Cassini at the 1125mRL supplemented the mechanised production tonnes.

► Gold Production

96,805 tonnes were milled during the quarter at 5.6gpt and 87% recovery for 15,271oz produced. Mill feed primarily consisted of Voyager 2 Upper Zone, additional sources included Paulsens Lower zone, Titan, Gemini and Cassini.

Ore stocks at the end of the quarter totalled 9,046oz of gold.

► Gold Sales

15,418oz were sold.

Plutonic Gold Operations

► Safety

There were Zero (0) Lost Time Injuries (LTI) during the quarter.

► Underground Production

Mine Development:

	Sep -15 Qtr	Dec -15 Qtr	Mar-16 Qtr	Jun-16 Qtr
Decline	256m	174m	0m	0m
Level	344m	192m	24m	122m
Strike driving	1,676m	1,752m	1,994m	1,689m
Total (metres)	2,276m	2,118m	2,018m	1,811m

Table 3: Underground Production – Mine Development

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Plutonic operation progressed on plan with reduced manning and equipment resources in line with budget for the quarter. Higher grade stopes were mined in the newly developed Timor, North and Coral areas as well as the base load production from Caribbean. Ore development continued in the Caribbean, North, Baltic, Mariner, Timor and Coral Declines.

	Sep -15 Qtr	Dec -15 Qtr	Mar-16 Qtr	Jun-16 Qtr
Development ore (t)	38,973	49,197	44,847	45,895
Development grade (gpt)	4.7	2.8	2.7	3.31
Stope ore (t)	120,199	124,253	119,724	96,653
Stope grade (gpt)	3.8	4.2	3.5	4.5
Low grade ore (t)				
Low grade (gpt)				
Total ore (t)	159,172	173,450	164,571	142,548
Total grade (gpt)	4.0	3.8	3.3	4.1
Contained gold (oz)	20,651	21,315	17,352	16,908

t=tonnes, gpt=grams per tonne, oz=ounces

Table 4: Underground Production – Ore Tonnes

Underground stoping produced 96,653 tonnes at 4.5gpt predominately from the Caribbean 18, 20 and 22 levels along with the North 22, 24 and 32 levels, Timor 32 and 35 levels and Coral 25 level.

► Gold Production

369,674 tonnes were milled during the quarter at 2.8gpt and 80% recovery for 17,338oz. Milling operations were continuous during the quarter with the introduction of low grade stockpiles to capture the higher gold price.

► Gold Sales

17,327oz were sold.

Kanowna Belle Gold Operations

► Safety

There were Zero (0) Lost Time Injuries (LTI) during the quarter.

► Underground Production

Mine Development:

	Sep -15 Qtr	Dec -15 Qtr	Mar-16 Qtr	Jun-16 Qtr
Decline	494m	345m	576m	774m
Level	Nil	Nil	Nil	Nil
Strike driving ⁽¹⁾	488m	835m	490m	354m
Total (metres)	982m	1,180m	1,065m	1,128m

Note (1) includes development through paste-fill

Table 5: Underground Production – Mine Development

Development for the quarter focussed on establishing the Velvet development drives and the 9245 Exploration diamond drill drive. Drilling was still ongoing during the quarter with a focus on Resource and grade control drilling of Velvet. In addition to this Resource definition drilling was also underway in remanent areas within C Block and D Block. Development is well underway to access the Velvet deposit with the first ore drive level completed during the quarter. The ore drive development intersected ore as expected validating the geological model.

	Sep -15 Qtr	Dec -15 Qtr	Mar-16 Qtr	Jun-16 Qtr
Development ore (t)	11,524	33,184	21,356	22,767
Development grade (gpt)	3.9	2.8	3.0	4.4
Stope ore (t)	172,143	173,877	151,569	162,189
Stope grade (gpt)	4.9	4.3	4.5	3.8
Low grade ore (t)	Nil	Nil	Nil	Nil
Low grade (gpt)	Nil	Nil	Nil	Nil
Total ore (t)	183,668	207,061	172,925	184,956
Total grade (gpt)	4.8	4.1	4.3	3.9
Contained gold (oz)	28,597	27,028	24,063	23,203

t=tonnes, gpt=grams per tonne, oz=ounces

Table 6: Underground Production – Ore Production

Stope production was 162,189 tonnes at 3.8gpt which was above the planned tonnage and grade.

► Gold Production

Kanowna Belle milled 190,832 tonnes in the June Quarter at 3.65gpt and 92.5% recovery for 20,732oz.

Ore stocks at the end of the quarter totalled 7,562oz of gold.

► Gold Sales

24,506oz were sold.

Kundana Gold Operations

► Introduction

The Kundana Gold Operations includes the Rubicon, Hornet, Raleigh and Pegasus deposits. These mines are part of the East Kundana Joint Venture (EKJV) with companies Rand Mining Ltd and Tribune Resources Ltd.

► Safety

There was one (1) Lost Time Injury (LTI) during the quarter.

► Underground Production

All mine production physicals associated with the EKJV are reported as 100% of those physicals to better represent overall mine performance.

Mine Development:

	Sep -15 Qtr	Dec -15 Qtr	Mar-16 Qtr	Jun-16 Qtr
Decline	612m	501m	565m	576m
Level	997m	703m	581	1,028m
Strike driving (incl paste)	1,452m	2,313m	2,500m	2,695m
Total (metres)	3,061m	3,517m	3,645m	4,300m

Table 7: Underground Production – Mine Development (physicals represent 100% EKJV)

The main focus on capital development has been the Pegasus Incline, Pegasus Decline, Rubicon Decline and Hornet Decline. The Pegasus Incline is at the 6236mRL and the Pegasus Decline is at the 5937mRL at the end of the June Quarter. The Hornet Decline has progressed to the 5768mRL and the Rubicon Decline is at the 5912mRL. 2,695m of strike driving was completed in June Quarter demonstrating a continued growth in performance from existing Resources.

Development yielded 154,531 tonnes at an average reconciled grade of 5.2gpt.

	Sep -15 Qtr	Dec -15 Qtr	Mar-16 Qtr	Jun-16 Qtr
Development ore (t)	84,470	128,586	127,014	154,531
Development grade (gpt)	5.4	7.3	6.3	5.2
Stope ore (t)	97,837	96,147	108,423	114,247
Stope grade (gpt)	7.8	8.8	11.1	9.5
Low grade ore (t)	NA	NA	NA	NA
Low grade (gpt)	NA	NA	NA	NA
Total ore (t)	182,307	224,733	235,438	268,778
Total grade (gpt)	6.7	8.0	8.5	7.0
Contained gold (oz)	39,024	57,673	64,534	60,833

t=tonnes, gpt=grams per tonne, oz=ounces

Table 8: Underground Production – Ore production (physicals represent 100% EKJV)

Stope production for the June Quarter was 114,247 tonnes at 9.5gpt.

► Gold Production

Kundana ore that was milled in June Quarter (NST share) was 130,271 tonnes at 7.5gpt and 96% recovery for 30,087 gold ounces.

Ore stocks at the end of the quarter (NST share) totalled 14,111 oz of gold.

► Gold Sales

30,086oz were sold (NST share).

Jundee Gold Operations

► Safety

There was one Lost Time Injury (LTI) during the quarter.

► Underground Production

Mine Development:

	Sep -15 Qtr	Dec -15 Qtr	Mar-16 Qtr	Jun-16 Qtr
Decline	1,171m	1,320	1,153	967
Level	858m	665	614	815
Operating	2,165m	2,060	2,280	2,418
Total (metres)	4,194m	4,045m	4,047m	4,200m

Table 9: Underground Production – Mine Development

Main focus for capital mine development has been completing the southern limb of the 39WSN DDR, while also continuing advance in multiple declines – Lower GGT, Upper GGT, WSN, WWN and Nim3. Operating development increased from previous period with ore drives the priority to grow production fronts in Lower GGT, Upper GGT and

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WWN. A rehabilitation program was also completed in Upper Barton remnant areas, in preparation for the start of development.

Mine Production:

	Sep -15 Qtr	Dec -15 Qtr	Mar-16 Qtr	Jun-16 Qtr
Development ore (t)	94,842	104,312	130,094	138,914
Development grade (gpt)	3.4	3.0	4.2	3.5
Stope ore (t)	184,895	194,377	199,059	198,859
Stope grade (gpt)	7.4	8.0	6.6	5.8
Total ore (t)	279,737	298,689	329,153	337,773
Total grade (gpt)	6.1	6.3	5.7	4.9
Contained gold (oz)	54,442	60,274	60,165	53,264

t=tonnes, gpt=grams per tonne, oz=ounces

Table 10: Underground Production – Ore production

The Wilson bulk stope continued to provide a solid production base during the June Quarter, with 16 and 17GGT levels, Lower WSN and Nim3 stoping fronts contributing the remainder of the 198,859 stoping tonnes. Sequence locked higher grade panels contributed to the lower than budgeted stoping grade for the quarter.

► Gold Production

Jundee ore milled in the June Quarter was 306,990 tonnes at 5.2gpt and 92% recovery for 46,591 gold ounces.

The overall throughput rate was higher than previous period based on blend primarily on UG feed with limited LG oxide material milled. Recovery was consistent in comparison to historical levels. A two-day preventative maintenance shut was safely executed in the quarter.

Ore stocks at the end of the quarter totalled 40,926oz of gold.

► Gold Sales

46,863oz were sold.