

Costs fall to A\$988/oz, driving up cash and investments by A\$90m to A\$393m

Outstanding quarter highlights the cash-generating capacity of Northern Star's Tier-1 assets

KEY POINTS

- ▶ **132,558oz of gold sold in the March Quarter at an average realised price of A\$1669/oz; on track to meet FY2017 guidance of 485,000-515,000oz**
- ▶ **All-in sustaining costs (AISC) for March Quarter of A\$988/oz; FY2017 AISC year to date is now down to A\$1,044/oz, putting Northern Star on track to meet full year guidance of A\$1,000-A\$1,050/oz**
- ▶ **Cash and investments up by A\$90m to A\$393m at 31 March after investing A\$31m in organic production growth and exploration; Northern Star has no bank debt**
- ▶ **March Quarter production:**
 - **Kalgoorlie Gold Operations:**
 - 58,857oz mined and 65,532oz sold at an AISC of A\$867/oz
 - **Jundee Gold Operations:**
 - 55,438oz mined and 53,914oz sold at an AISC of A\$1,043/oz
 - **Paulsens Gold Operations:**
 - 12,454oz mined and 13,112oz sold at an AISC of A\$1,370/oz
- ▶ **Further strong progress made on strategy to grow production and mine lives, with substantial exploration success at Jundee and Kalgoorlie operations**
- ▶ **Construction of the new 50,000ozpa Millennium underground mine remains ahead of schedule and under budget; first development ore in Sep-2017 Quarter**
- ▶ **Capital development to access the Armada and Revelation discoveries at Jundee is well advanced**
- ▶ **Northern Star will host a quarterly conference call today at 9:00am AWST (11:00am AEST), Thursday, 27 April 2017. The call can be accessed at <https://boardroom.media/broadcast/?refid=&eid=58f5b583ee48214cfd21e5ce>**

Northern Star Resources Limited (ASX: NST) is pleased to report on an outstanding quarter which has highlighted the significant cash-generating capacity of its Tier-1 gold assets.

Northern Star's total cash and investments rose by A\$90 million to A\$393 million, despite spending A\$31 million on its organic growth strategy. The increased total takes into account for the first-time Northern Star's \$18 million stake in Superior Gold, the TSX-listed company which acquired the Plutonic mine from Northern Star.

AISC for the quarter fell to just A\$988/oz on 132,558oz of gold sold.

The strong quarterly performance means Northern Star is comfortably on track to meet its FY2017 guidance of 485,000-515,000oz at an AISC of A\$1,000-A\$1,050/oz.

It also demonstrates the outstanding future for Northern Star as its organic growth strategy increases mine life and production.

Northern Star Executive Chairman Bill Beament said while the quarter's results were impressive, it was the underlying message concerning the Company's future cash generation which should be most satisfying for Shareholders.

"The results provide a valuable insight into the future performance of this Company," Mr Beament said. "And Shareholders have every reason to be delighted with what they see.

"Thanks to our highly successful organic growth strategy, we are set to not only continue doing what we have just done for a long time, but we can do it in even greater volume.

ASX ANNOUNCEMENT 27 April 2017

Australian Securities
Exchange Code: NST

Board of Directors

Mr Bill Beament
Executive Chairman

Mr Chris Rowe
Non-Executive Director

Mr Peter O'Connor
Non-Executive Director

Mr John Fitzgerald
Non-Executive Director

Ms Shirley In'tVeld
Non-Executive Director

Mr David Flanagan
Non-Executive Director

Issued Capital

Shares 600.5 million
Options 2.8 million
Performance Rights 9.5 million

Current Share Price A\$4.26

Market Capitalisation
A\$2.56 billion

Cash, Bullion & Investments
31 March 2017 - A\$393 million

Projects

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

Listed Investments

VXR, DAU, RND, TBR, ALY

QUARTERLY ACTIVITIES REPORT

For the Quarter ended 31 March 2017



“And at the same time as increasing production and mine life, we will maintain our industry-leading financial returns. This means we are not just increasing production and mine lives for the sake of it, but we are doing it to grow returns as measured in both gross terms and as a return on capital.”

Mr Beament said the performance of Kalgoorlie and the Jundee Operations were particularly satisfying given that these centres will be the source of Northern Star's next chapter of growth.

AISC costs at Kalgoorlie were just A\$867/oz and A\$1,043/oz at Jundee. These operations will be at the centre of the strategy and inventory update Northern Star plans to release in August this year.

This will take into account the substantial exploration success the Company continues to enjoy at these operations. During the March Quarter, drilling continued to identify further extensions to known mineralisation at depth and along strike in numerous places at all operations.

As well as identifying new mineralisation at and around its existing operations, the Company continues to make strong progress developing new sources of production.

This includes the ongoing construction of its 50,000ozpa Millennium underground mine in Kalgoorlie, which continues to be ahead of schedule and under budget. The first development ore is expected in the September 2017 Quarter.

Northern Star	Units	Sep-16 Qtr	Dec-16 Qtr	Mar-17 Qtr	FYTD
Ore Hoisted	Tonnes	742,983	802,342	749,727	2,295,052
Mined Grade	gpt Au	4.8	5.3	5.3	5.1
Gold in Ore Hoisted	Oz	114,294	137,031	126,749	378,074
Milled Tonnes	Tonnes	745,425	856,398	871,461	2,473,285
Head Grade	gpt Au	5.0	5.0	4.9	4.9
Ounces Produced	Oz	118,759	136,755	136,673	392,190
Recovery	%	93	91	92	92
Gold Recovered	Oz	109,995	124,871	125,753	360,619
Ounces Sold	Oz	106,519	120,089	132,558	359,166
Average Gold Price	A\$/oz	1,720	1,645	1,651	1,669
Revenue	A\$M	183.2	197.5	218.9	599.6
Cash Operating Cost	A\$/oz	796	780	763	779
All-in Sustaining Cost	A\$/oz	1,091	1,063	988	1,044
Total Stockpiles Contained Gold	Oz	81,540	84,121	75,101	75,101
Gold in Circuit (GIC)	Oz	16,065	20,715	13,858	13,858
Gold in Transit (GIT)	Oz	-	-	-	-

Table 1: Key Group Performance Figures (Quarterly) from Continuing Operations

Northern Star	Units	Sep-16 Qtr	Dec-16 Qtr	Mar-17 Qtr	FYTD
Mining	A\$/oz	508	487	443	477
Processing	A\$/oz	283	194	167	210
Site Services	A\$/oz	59	51	50	53
Ore Stock & GIC Movements	A\$/oz	(87)	11	65	2
Royalties	A\$/oz	38	40	40	40
By Product Credits	A\$/oz	(5)	(4)	(4)	(4)
Rehabilitation-Accretion & Amortisation	A\$/oz	5	5	4	4
Corporate Overheads	A\$/oz	54	37	39	43
Mine Development/Sustaining CAPEX	A\$/oz	209	208	165	193
Mine Exploration	A\$/oz	27	34	19	26
All-in Sustaining Costs	A\$/oz	1,091	1,063	988	1,044
Depreciation & Amortisation	A\$/oz	316	302	245	285

Table 2: Key Group Cost per Ounce Measures from Continuing Operations

Production KPIs Mar Quarter	Units	Paulsens	Kalgoorlie Operations	Jundee	Total
Total Ore Hoisted	Tonnes	73,232	319,922	356,573	749,727
Mine Grade	gpt Au	5.3	5.7	4.8	5.3
Gold in Ore Hoisted	Oz	12,454	58,857	55,438	126,749
Milled Tonnes	Tonnes	107,766	360,082	403,613	871,461
Head Grade	gpt Au	4.2	5.6	4.5	4.9
Recovery	%	87	95	90	92
Gold Recovered	Oz	12,697	61,130	51,926	125,753
Gold Sold	Oz	13,112	65,532	53,914	132,558
Cash Operating Costs	A\$/oz	992	661	830	763
All-In Sustaining Costs	A\$/oz	1,370	867	1,043	988
Depreciation & Amortisation	A\$/oz	417	210	247	245

Table 3: Key Quarterly Mine Production Performance from Continuing Operations

FINANCE

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

		Sep-16 Qtr	Dec-16 Qtr	Mar-17 Qtr
Cash at bank	A\$M	\$311.3	\$282.1	\$351.2
Bullion awaiting settlement ⁽¹⁾	A\$M	\$25.7	\$12.5	\$13.2
Investments ⁽²⁾	A\$M	\$12.6	\$8.4	\$28.5
Total	A\$M	\$349.6	\$303.0	\$392.9

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

⁽²⁾ Following the successful IPO of Superior Gold Inc on the TSXV, the market value of the shares held by NST are now included in the value of investments.

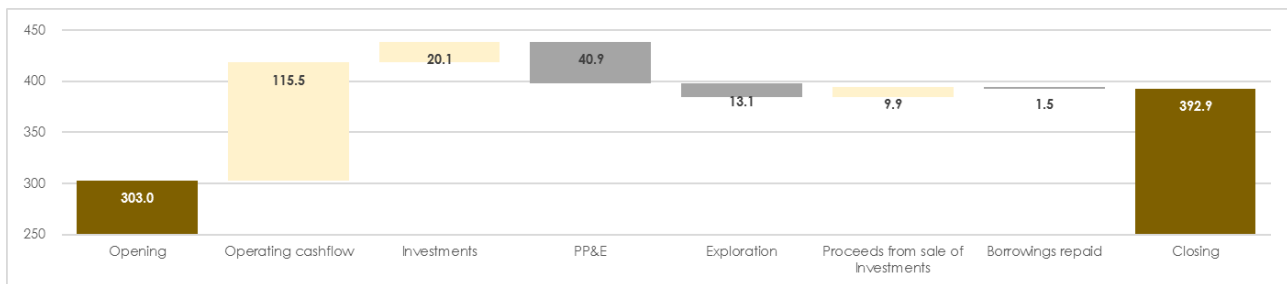
Table 4: Cash, Bullion and ASX equity investments

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

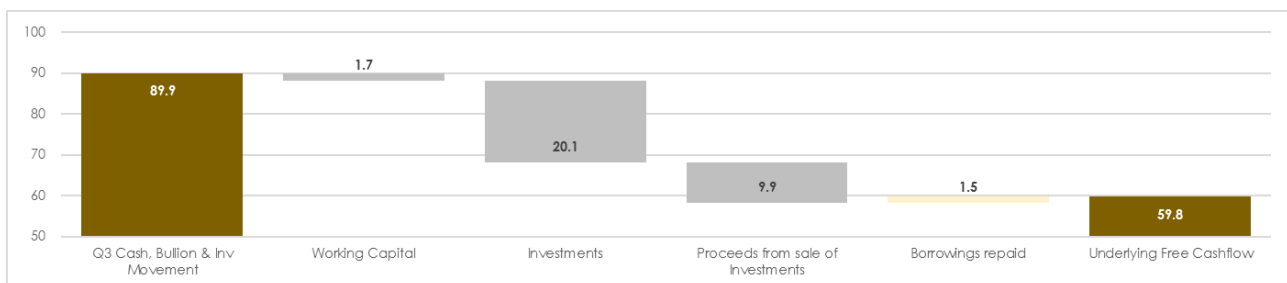
Gold Inventories	Sep-16 Qtr	Dec-16 Qtr	Mar-17 Qtr
Stockpiles contained gold (oz)	81,540	84,121	75,101
Gold in circuit (oz)	16,065	20,715	13,858
Gold in transit (oz)	-	-	-
Total Gold Inventories (oz)	97,605	104,836	88,959

Table 5: Gold Inventories

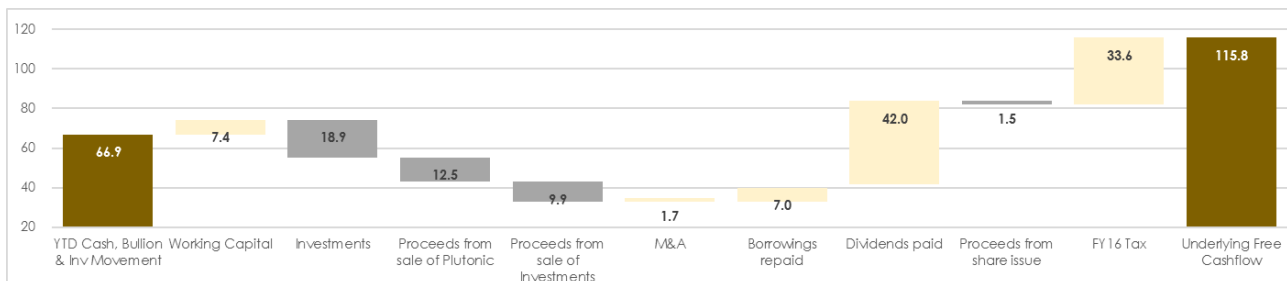
The below waterfall chart highlights the March Quarter's operating cash flow together with movements in cash, bullion and investments (A\$M):



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



The below waterfall chart provides an overview of 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	Jun-17 Half	Dec-17 Half	Jun-18 Half	Dec-18 Half	Jun-19 Half	Dec-19 Half	Total
Ounces	49,500	95,000	77,000	73,500	64,000	50,000	409,000
Gold Price	A\$1,707	A\$1,737	A\$1,773	A\$1,756	A\$1,730	A\$1,739	A\$1,743

Table 6: Hedging commitments

QUARTERLY ACTIVITIES REPORT

For the Quarter ended 31 March 2017

OPERATIONS

Paulsens Gold Operations

Production Summary Paulsens		Sep-16 Qtr	Dec-16 Qtr	Mar-17 Qtr	FYTD
Ore Mined	Tonnes	88,467	82,754	73,232	244,454
Mined Grade	gpt Au	5.5	5.8	5.3	5.5
Ounces Mined	Oz	15,722	15,335	12,454	43,511
Milled Tonnes	Tonnes	96,759	109,661	107,766	314,186
Head Grade	gpt Au	5.5	5.0	4.2	4.9
Recovery	%	89	89	87	88
Gold Recovered	Oz	15,047	15,657	12,697	43,401
Gold Sold	Oz	15,111	15,031	13,112	43,254
Cost per Ounce					
Mining	A\$/oz	601	519	471	532
Processing	A\$/oz	290	296	347	310
Site Services	A\$/oz	83	94	112	96
Ore Stock Movements	A\$/oz	(24)	45	24	15
Royalties	A\$/oz	37	40	40	39
By Product Credits	A\$/oz	(3)	(2)	(2)	(3)
Cash Operating Costs	A\$/oz	984	992	992	989
Rehabilitation - Accretion & Amortisation	A\$/oz	5	8	4	6
Corporate Overheads	A\$/oz	53	37	38	43
Mine Development / Sustaining CAPEX	A\$/oz	352	410	335	368
Paulsens Mine Exploration	A\$/oz	12	15	1	9
All-in Sustaining Costs	A\$/oz	1,406	1,462	1,370	1,415
Depreciation & Amortisation	A\$/oz	416	429	417	421

Table 7: Summary Details – Paulsens

Kalgoorlie Gold Operations

Production Summary Kalgoorlie Operations		Sep-16 Qtr	Dec-16 Qtr	Mar-17 Qtr	FYTD
Ore Mined	Tonnes	334,486	328,013	319,922	982,421
Mined Grade	gpt Au	4.4	5.9	5.7	5.3
Ounces Mined	Oz	47,235	62,169	58,857	168,262
Milled Tonnes	Tonnes	348,181	355,144	360,082	1,063,407
Head Grade	gpt Au	4.9	5.2	5.6	5.2
Recovery	%	94	93	95	94
Gold Recovered	Oz	51,725	55,660	61,130	168,515
Gold Sold	Oz	49,188	53,531	65,532	168,251
Cost per Ounce					
Mining	A\$/oz	449	487	377	432
Processing	A\$/oz	324	174	100	189
Site Services	A\$/oz	57	44	34	44
Ore Stock Movements	A\$/oz	(130)	32	115	17
Royalties	A\$/oz	36	40	40	39
By Product Credits	A\$/oz	(7)	(5)	(5)	(5)
Cash Operating Costs	A\$/oz	729	772	661	716
Rehabilitation - Accretion & Amortisation	A\$/oz	5	4	4	4
Corporate Overheads	A\$/oz	55	35	40	43
Mine Development / Sustaining CAPEX	A\$/oz	108	180	136	142
Kalgoorlie Operations Mine Exploration	A\$/oz	31	54	26	36
All-in Sustaining Costs	A\$/oz	928	1,045	867	941
Depreciation & Amortisation	A\$/oz	209	249	210	222

Table 8: Summary Details – Kalgoorlie Operations

Jundee Gold Operations

Production Summary Jundee		Sep-16 Qtr	Dec-16 Qtr	Mar-17 Qtr	FYTD
Ore Mined	Tonnes	320,030	391,574	356,573	1,068,178
Mined Grade	gpt Au	5.0	4.7	4.8	4.8
Ounces Mined	Oz	51,337	59,527	55,438	166,302
Milled Tonnes	Tonnes	300,485	391,593	403,613	1,095,691
Head Grade	gpt Au	4.8	4.7	4.5	4.7
Recovery	%	92	90	90	91
Gold Recovered	Oz	43,223	53,554	51,926	148,702
Gold Sold	Oz	42,220	51,528	53,914	147,661
Cost per Ounce					
Mining	A\$/oz	545	476	517	511
Processing	A\$/oz	232	186	206	206
Site Services	A\$/oz	54	47	55	52
Ore Stock Movements	A\$/oz	(60)	(20)	15	(19)
Royalties	A\$/oz	41	41	40	41
By Product Credits	A\$/oz	(4)	(3)	(3)	(3)
Cash Operating Costs	A\$/oz	808	727	830	788
Rehabilitation - Accretion & Amortisation	A\$/oz	5	4	4	4
Corporate Overheads	A\$/oz	53	38	39	43
Mine Development / Sustaining CAPEX	A\$/oz	275	178	157	198
Jundee Mine Exploration	A\$/oz	28	18	13	19
All-in Sustaining Costs	A\$/oz	1,168	965	1,043	1,052
Depreciation & Amortisation	A\$/oz	405	319	247	317

Table 9: Summary Details – Jundee

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

EXPLORATION AND DEVELOPMENT - OPERATIONS

Group drilling activity significantly increased across all sites during the quarter with a major focus on converting recent in-mine and exploration success into defined Mineral Resources and Ore Reserves.

Kanowna Belle

Underground drilling increased with four underground diamond drill rigs operating within the Kanowna Belle mine.

Infill and extensional drilling at Velvet (located 600m west of the Lowes orebody) from several platforms achieved strong intersections from holes located north west and north east of the Velvet mining area. Drilling also located potential extensions to the Velvet mineralisation approximately 250-300m down dip along the Fitzroy fault trend.

Drilling at the Lowes E Block Far East target from the 9245 drill platform commenced during the quarter. Initial holes returned strong intersections in both the hangingwall and footwall positions adjacent to the Fitzroy fault indicating significant extensions of the Lowes orebody east of the current E Block mining areas.

Drilling below Lowes E Block West also achieved excellent intersections. Further extension of the 9245 drill drive platform progressed during the quarter to provide future drill locations for the ongoing Lowes Extension target program.

EKJV (NST 51%)

Underground diamond drilling at the Rubicon-Hornet-Pegasus complex continue to accelerate during the quarter with an increase in the underground diamond drilling fleet to four rigs.

Resource definition drilling at Rubicon North returned significant results down-dip on the main K2 structure and provided significant lateral extensions to the "Nugget Lode" mineralisation associated with the K2B structure in a similar position to the "Pode" at Pegasus.

Resource definition drilling at Pegasus North continued to achieve strong intersections on the K2 and Pode structures down plunge from the current mining areas.

Extensional drilling at Hornet recommenced late in the quarter targeting high grade hangingwall lodes and depth extensions to the K2 and K2B structures in the Hornet Central area.

At Raleigh, exploratory underground ore drive development continued on the Raleigh South Main Vein over a significant vertical extent of the mine. Surface diamond drilling successfully outlined up-dip and strike extensions to the Raleigh South Main Vein structure with infill drilling continuing ahead of a Maiden Resource estimate scheduled for mid-year reporting.

Kundana (100% NST)

Underground diamond drilling commenced at the new Millennium mine during the quarter targeting new hangingwall mineralisation intersected in underground development.

An extensive surface diamond drilling program continued during the quarter at the Pope John, Barkers, Christmas and Moonbeam deposits.

At Pope John, infill diamond drilling on the K2 structure extended the mineralisation at depth with excellent intersections returned along the southern edge of the deposit. Revised resource models are in preparation together with future production development designs with underground access planned from the new Millennium decline.

Further south on the K2 structure, diamond drilling at Moonbeam recorded strong intersections at depth highlighting potential for further resource development below 350m vertical depth.

Infill diamond drilling at Barkers North defined modest extensions to the high-grade Barkers deposit. Upgraded resource models are in progress in conjunction with mine planning to re-establish access to these new resource areas from the existing Barkers decline.

At the Christmas prospect, deep diamond drilling along the Strzelecki-Raleigh structural corridor south of the dormant Strzelecki Mine continued during the quarter. Drilling further extended the Strzelecki Main Vein structure northwards, linking up with the southern limit of the existing Strzelecki Mine infrastructure. Like Raleigh, the Strzelecki Mine was a consistent very high grade gold producer and this discovery at Christmas has added a 350m southern strike extension considerably expanding the future potential of the Strzelecki system at depth.

Paradigm/Carbine

A significant resource definition drilling program with seven surface diamond drill rigs commenced on the high-grade Paradigm system in the Carbine area. Drilling is focussed on extensions to the previously mined Natasha lode and the new Arina lode structure north of the existing Paradigm open pit.

A Maiden Resource estimate for the project will be finalised for mid-year reporting in conjunction with an analysis of future development options. At the end of the quarter, dewatering of the existing Paradigm pit commenced to give access to the existing underground mine.

Jundee

Within the Jundee underground mine, a ten underground drill rig fleet focussed on in-mine resource conversion and exploration programs.

In-mine resource development programs at Gateway, Gringotts, Invicta, Wilson, Nexus, Hughes and Westside areas during the quarter continued to deliver excellent results outlining significant extensions to the known ore systems.

Drilling with up to three underground rigs continued to target the new Armada trend with resource definition (Armada Central) and extensional (Armada North) drilling programs in progress from several platforms ahead of a Maiden Resource estimate scheduled for mid-year reporting.

Paulsens

Underground diamond drilling at Paulsens centred on exploratory and extensional drilling within new mineralised zones at Galileo, Titan and Voyager 2 offset positions. In addition, drilling intersected a new mineralised surface (Miranda) adjacent to the Titan zone to the north of the Jupiter Fault.

Development of the new 160 drill drive commenced during the quarter and will provide the next platform to drill test the down plunge extensions to the Voyager 2 mineralisation.

REGIONAL EXPLORATION

Regional exploration activity during the quarter was restricted by widespread heavy rainfall events across all sites in WA and the onset of the Wet season in the Northern Territory.

Jundee

The regional air core drilling program (25,937m) continued during the quarter despite widespread heavy rainfall in the area.

Within the Gourdis-Vause area, drilling tested identified targets at Whistling Straights, Sahalee, Camino and Ramone prospect areas. Results received to date outlined significant anomalies from the Whistling Straights program to expand the known strike extent of the Gourdis West mineralised trend. At Ramone, initial results highlighted several significant gold anomalies coincident with 'demagnetised zones' in aeromagnetic geophysical data.

Further north at Area 7, drilling continued across the large Spartacus prospect area before moving further north to the El Campo Norte area with the onset of wet weather.

Kanowna

Surface exploration drilling was restricted during the quarter due to several heavy rainfall events in the region.

RC drilling programs were completed at the Red Eye and Scotia prospects, located 8-10km north west of Kanowna Belle Mine. At Red Eye, extensional drilling returned excellent results outlining significant widths of shallow gold mineralisation from well-defined parallel structures.

Additional infill RC drilling in the Shamrock area, located east of Kanowna Belle Mine, intersected further zones of shallow gold mineralisation in the northern part of the prospect area. Full assay results are pending.

EKJV (NST 51%)

Reconnaissance aircore drilling (3,447m) at the Kundana West prospect identified several low order gold anomalies. Reconnaissance aircore drilling at the Papa Bear prospect, located east of the Moonbeam open pit, was hampered by wet conditions however initial assay results have outlined several gold anomalies. Further assays are pending.

Kundana (NST 100%)

The reconnaissance aircore drilling program (5,972m) extended to the Vulcan prospect, located east of the Pegasus underground mine. In addition, a short RC drilling program (1,669m) tested geochemical targets at the adjacent Little Bear prospect located east of the Rubicon underground mine. Assay results from both programs are pending.

Paradigm/Carbine

Regional exploration activity outside of the Paradigm pit area was restricted due to several heavy rainfall events. RC drilling at Eremenco, located between the existing Paradigm and Carbine open pits, continued to outline significant gold mineralisation over a strike of approximately 450m. Full assay results are pending.

An initial RC drill program at the Drago prospect, located 500m south of the Paradigm open pit, testing surface geochemical anomalies returned several significant gold intersections outlining potential significant extensions to the Paradigm mineralisation trend.

Acra Joint Venture (NST 25-70%)

Regional exploration commenced on the Acra Joint Venture tenements during the quarter following the completion of access negotiations and heritage surveys.

At the Deep River prospect, a five hole RC drilling program confirmed the presence of minor gold anomalism in the regolith profile.

A nine hole RC drilling program at Kalpini South targeted interpreted extensions to high grade shoot trends and tested further strike potential for the historically defined mineralisation.

Paulsens

Surface geochemical sampling at the Merlin prospect outlined several areas of significant gold anomalism to the east and southwest of the existing Merlin resource area.

Initial surface sampling in the Monster Lode-Gossan Ridge area, located 14km south of Paulsens, also returned anomalous results from several outcropping quartz stockwork zones.

Central Tanami Project (25% NST)

An extensive geological mapping and lithogeochemical sampling program continued over the Central Tanami Mine Corridor to validate and extend existing historical coverage. In addition, detailed geological mapping of existing open pits continued extending from Hurricane-Repulse south to the Jim's deposit.

A planned geochemical sampling program in the Farrand Hills region was delayed to continuing wet conditions in the area.

Commencement of planned drilling programs at Groundrush-Ripcord and Hurricane-Repulse trends is pending completion of statutory approvals for the programs. Sacred site and heritage clearances have been received for the planned programs.

Tanami Regional Project (100% NST)

During the quarter, final approvals were received for an extensive regional airborne geophysical survey over the Tanami Regional Project area. It is anticipated the survey will be completed next quarter subject to suitable weather conditions prevailing.

CORPORATE

- A fully franked final dividend of three cents per share was announced on 20 February 2017, and paid 6 April 2017.
- During the quarter, Northern Star participated in an East Coast institutional investor roadshow through Sydney and Melbourne for the 1H17 financial results, a presentation to the Sydney Mining Club, the annual BMO Resources Conference in Miami, hosted several investor and analyst groups to site, the annual Euroz Rottneest Conference and an investor day in Sydney focussing on exploration. The Company maintains a proactive presentation calendar to stockbroking firms, institutional and retail investors to promote the Company and its activities.
- Issued Capital

The following changes occurred to the issued capital of the Company subsequent to the last Quarterly Report:

- 264,500 FY2017 Performance Rights with a measurement date of 16 October 2019 were issued to three employees and 315,500 FY2017 Performance Rights were cancelled in accordance with the Long Term Incentive Plan approved at the Annual General Meeting held on 29 November 2016;
- 53,466 employee shares were released from voluntary escrow on 30 January 2017 following the expiry of the three-year escrow period;
- 17,222 employee shares were released from voluntary escrow on 5 April 2017 following cessation of employment; and
- 34,015 unlisted employee options issued as part of the FY2016 employee long term incentives were cancelled on 7 March 2017 following cessation of employment in accordance with the Company's 2012 Employee Share Option Plan No. 3.

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

Class of Securities	Issued capital
Fully Paid Ordinary Shares	600,542,315
Unlisted Options (various expiry dates)	2,778,653
Unlisted Performance Rights	9,458,500

Table 12: Issued Capital

Yours faithfully



BILL BEAMENT
Executive Chairman
Northern Star Resources Limited

Investor Enquiries:

Luke Gleeson, Investor Relations, Northern Star Resources Limited
T: +61 8 6188 2103 E: lgleeson@nsr ltd.com

Forward Looking Statements

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APPENDIX 1 – ADDITIONAL INFORMATION - OPERATIONS

Paulsens Gold Operations

► Safety

There was zero (0) Lost Time Injuries (LTI) during the quarter.

► Underground Production

Mine Development:

	Sep-16 Qtr	Dec-16 Qtr	Mar-17 Qtr
Decline	285m	293m	210m
Level	337m	371m	510m
Strike driving	762m	571m	284m
Total (metres)	1,384m	1,235m	1,004m

Table 1: Underground Production – Mine Development

Capital development focussed on advancing the decline towards the 137mRL level and commencing the 160mRL drill drive. Supplementary development was completed in Galileo Access on the 775mRL.

Operating development saw the continued development of high grade Voyager 2 Upper Zone ore body mainly on the 188, 222 and 205mRL levels. Additional operating development was completed in the Cassini ore body on the 1104mRL.

Development yielded 18,523 tonnes at an average reconciled grade of 5.2gpt.

	Sep-16 Qtr	Dec-16 Qtr	Mar-17 Qtr
Development ore (t)	49,115	27,710	18,522
Development grade (gpt)	5.9	5.1	5.2
Stope ore (t)	39,352	55,045	54,709
Stope grade (gpt)	5.1	6.1	5.3
Low grade ore (t)	7,126	6,770	1,241
Low grade (gpt)	2.0	1.7	1.8
Total ore (t)	95,593	89,525	74,473
Total grade (gpt)	5.3	5.5	5.2
Contained gold (oz)	16,183	15,698	15,525

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

Table 2: Ore Development – Mine Development

Stope production was 54,709 tonnes at 5.3gpt sourced predominately from the Voyager 2 upper zone on the 256, 239, 222 and 205mRL levels. Additional stope tonnes were sourced from the Titan orebody at the 358, 341 & 330mRL levels and from Soyuz ore body at the 1110mRL.

► Gold Production

107,766 tonnes were milled during the quarter at 4.2gpt and 87% recovery for 12,697oz produced. Mill feed primarily consisted of Voyager 2 Upper Zone, additional sources included Titan, Soyuz and Cassini.

Ore stocks at the end of the quarter totalled 4,530oz of gold.

► Gold Sales

13,112oz were sold.

Kanowna Belle Gold Operations

► Safety

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

► Underground Production

Mine Development:

	Sep-16 Qtr	Dec-16 Qtr	Mar-17 Qtr
Decline	614m	0m	0m
Level	Nil	275m	509m
Strike driving ⁽¹⁾	340m	605m	456m
Total (metres)	955m	880m	965m

Note (1) includes development through paste-fill

Table 5: Underground Production – Mine Development

Phase two Jumbo development of the 9245 drill drive was completed. Development has also been occurring within Velvet and other remnant mining areas enabling stopes to be brought on line.

	Sep-16 Qtr	Dec-16 Qtr	Mar-17 Qtr
Development ore (t)	13,720	26,446	18,133
Development grade (gpt)	2.1	2.6	2.8
Stope ore (t)	191,638	173,053	169,748
Stope grade (gpt)	3.2	5.8	5.3
Low grade ore (t)	Nil	Nil	Nil
Low grade (gpt)	Nil	Nil	Nil
Total ore (t)	205,358	199,498	187,881
Total grade (gpt)	3.1	5.4	5.0
Contained gold (oz)	20,361	34,632	30,326

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

Table 6: Underground Production – Ore Production

Stope production was 169,748 tonnes at 5.3gpt with Development Ore 18,133 tonnes at 2.8gpt, with the lift in stope grade as a result of positive grade reconciliation across multiple stoping areas.

► Gold Production

Kanowna Belle milled 224,582 tonnes in the March Quarter at 4.5gpt and 93.8% recovery for 30,434oz.

Ore stocks at the end of the quarter totalled 7,391 oz of gold.

► Gold Sales

34,836oz were sold.

Millennium Gold Operations

► Introduction

The Millennium Gold Operation is a development project located on Northern Star's 100% owned Kundana tenements. The operation is currently in the capital development phase with expected production planned in FY2018.

► Safety

There was zero (0) Lost Time Injuries (LTI) during the quarter.

► Underground Production

Mine Development:

	Sep-16 Qtr	Dec-16 Qtr	Mar-17 Qtr
Decline	571m	575m	1,044m
Level		280m	
Strike driving (incl paste)			
Total (metres)	517m	855m	1,044m

Table 7: Underground Production – Mine Development

Development is focussed on the main decline. Millennium currently has one jumbo operating and focussed on providing access to the Millennium ore body. Access to the ore is expected in Q1 FY2018.

Gold Production

Nil gold production. Operation in capital development phase.

► Gold Sales

Nil gold 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 zero (0) Lost Time Injuries (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-16 Qtr	Dec-16 Qtr	Mar-17 Qtr
Decline	443m	349m	428m
Level	1,266m	1,543m	1,290m
Strike driving (incl paste)	2,623m	2,503m	2,523m
Total (metres)	4,332m	4,395m	4,241m

Table 8: Underground Production – Mine Development (physicals represent 100% EKJV)

Development has occurred across all capital headings - Pegasus Incline, Pegasus Decline, Rubicon Decline, Hornet Decline and the Hornet drill drive. Significant strike driving of 2,523m continues to set up and build the operations for continued and future growth.

Development yielded 134,031 tonnes at an average reconciled grade of 4.4gpt.

	Sep-16 Qtr	Dec-16 Qtr	Mar-17 Qtr
Development ore (t)	139,496	132,326	134,031
Development grade (gpt)	5.1	4.1	4.4
Stope ore (t)	114,743	120,487	125,611
Stope grade (gpt)	8.2	9.5	9.2
Low grade ore (t)	NA	NA	NA
Low grade (gpt)	NA	NA	NA
Total ore (t)	254,239	252,813	259,642
Total grade (gpt)	6.5	6.7	6.7
Contained gold (oz)	53,009	54,157	56,097

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

Table 9: Underground Production – Ore production (physicals represent 100% EKJV)

Stope production for the December Quarter was 125,611 tonnes at 9.2gpt.

► Gold Production

Kundana ore that was milled in March Quarter (NST share) was 135,500 tonnes at 7.3gpt and 96% recovery for 30,696 gold ounces.

Ore stocks at the end of the quarter (NST share) totalled 13,412oz of gold.

► Gold Sales

30,696oz were sold (NST share).

Jundee Gold Operations

► Safety

There was zero (0) Lost Time Injuries (LTI) during the quarter.

► Underground Production

Mine Development:

	Sep-16 Qtr	Dec-16 Qtr	Mar-17 Qtr
Decline	923	1,638	558
Level	1,455	814	767
Operating	2,323	2,630	2,890
Total (metres)	4,701	5,082	4,215

Table 9: Underground Production – Mine Development

Decline development for the March quarter focussed on multiple mining fronts along the lower Gateway, Deakin and Revelation mining areas. Level development focussed on the continued progress of two new mining areas, with the Armada access and ventilation drives along with ventilation capital development for the Revelation mining front.

Operating development increased for the quarter with several mining areas entering the operating phase of development.

Two raise bore ventilation rises were completed in the quarter allowing for the set-up of new mining areas at Nexus and Wilson. A third raise bore hole (370m at 5m diameter) was commenced which will provide ventilation for the new Armada mining front.

	Sep-16 Qtr	Dec-16 Qtr	Mar-17 Qtr
Development ore (t)	124,075	167,831	139,647
Development grade (gpt)	4.1	3.5	3.1
Stope ore (t)	195,955	223,743	216,865
Stope grade (gpt)	5.6	5.6	6.0
Total ore (t)	320,030	391,574	356,513
Total grade (gpt)	5.0	4.7	4.8
Contained gold (oz)	51,337	59,527	55,438

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

Table 10: Underground Production – Ore production

Bulk stoping from the Wilson area was completed in February with the majority of stope ore sourced from narrow vein high grade stopes, resulting in an increase in hauled stope grade for the quarter. Stopping rates were increased in the Gateway stope areas and additional stoping fronts were also opened along the upper Nim, Deakin and West Side North mining fronts.

▶ **Gold Production**

Jundee ore milled in the March Quarter was 403,613 tonnes at 4.5gpt and 90% recovery for 51,926 gold ounces.

Improvements in the milling rate over the previous quarter were due to continued 40-50% of hard rock blend being secondary crushed, changes in operational control and crushed ore stockpile management resulting in improved operability and higher milling rates. Oxide ore was removed from the mill feed blend on the 9th of March with no reduction in the milling rate. The result is an increase in underground feed allowing for an increase in ounces per tonne milled.

Ore stocks at the end of the quarter totalled 43,595oz of gold.

▶ **Gold Sales**

53,914oz were sold.