



NORTHERN STAR
RESOURCES LIMITED

An Australian gold miner - for global investors

1H FY2019 Financial Results -
February 2019



Resources & Reserves, Forward Looking Statement and Notes to Financial Overview Table

Mineral Resources and Ore Reserves

The Mineral Resources information in this presentation is extracted from the reports entitled "Reserve and Resource Update and Corporate Outlook" dated 2 August 2018, and "Pogo JORC Resource" dated 16 October 2018, both available at www.nsrld.com and www.asx.com. Northern Star confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Northern Star confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The Ore Reserves information in this presentation is extracted from the report entitled "Reserve and Resource Update and Corporate Outlook" dated 2 August 2018, available at www.nsrld.com and www.asx.com. Northern Star confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Northern Star confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

No reserves are disclosed in this presentation in relation to the Pogo operations. Information on Pogo reserves is included in the ASX announcement entitled "Northern Star acquires Pogo Gold Mine in Alaska" dated 30 August 2018. The reserves are estimated as at 31 December 2017 and according to the Canadian NI 43-101 standards, but are not fully compliant with those standards. Accordingly, they do not purport to be JORC Code compliant. A cautionary statement in respect of such resources and reserves appears in the ASX announcement dated 30 August 2018.

Forward Looking Statements

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This announcement is not an offer, invitation, solicitation or other recommendation with respect to the subscription for, purchase or sale of any security, and neither this announcement nor anything in it shall form the basis of any contract or commitment whatsoever. This announcement may contain forward looking statements that are subject to risk factors associated with gold exploration, mining and production businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but

not limited to price fluctuations, actual demand, currency fluctuations, drilling and production results, Resource and Reserve estimations, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory changes, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

Footnotes to Financial Overview Table (Slide 7)

- (1) Unless otherwise stated, the metrics for the period ended 31 December 2018 as presented in the Financial Overview Table are inclusive of the December 18 quarter results of Pogo operations only.
- (2) EBITDA is earnings before interest, tax, depreciation, amortisation and impairment and is calculated as follows: 31 Dec 18 - Profit before Income tax (\$113.6 million) plus depreciation (\$33.6 million), amortisation (\$70.3 million), impairment (\$2.0 million) and finance costs (\$5.2 million) less interest income (\$2.9 million). 31 Dec 17 - Profit before Income tax (\$111.4 million) plus depreciation (\$28.2 million), amortisation (\$62.7 million), impairment (\$1.9 million) and finance costs (\$1.4 million) less interest income (\$3.9 million).
- (3) Underlying net profit is calculated as follows: 31 Dec 18 - Net profit (\$82.1 million) plus acquisition and integration costs (\$10.0 million), less tax effect (\$3.0 million). 31 Dec 17 - Net profit (\$79.1 million) plus acquisition and integration costs (\$1.5 million), less tax effect (\$0.4 million).
- (4) Underlying Free Cash Flow is calculated as follows: 31 Dec 18 - free cash flow (-\$349.0 million), plus net payment to acquire business (\$350.5 million), plus stamp duty (\$1.2 million), plus payment for investments (\$5.2 million), payment to Tanami Gold NL for exercise of put option (\$20.0 million), plus FY18 tax (\$2.7 million), plus loan to Venturix Resources Ltd (\$1.0 million), plus bullion awaiting settlement (\$5.2 million), plus working capital adjustment (\$4.9 million). 31 Dec 2017 - free cash flow (\$0.7 million) plus financial assets at fair value through OCI (\$26.0 million), plus M&A (\$4.0 million), plus FY17 tax (\$35.2 million), plus working capital adjustment (\$7.7 million), less bullion awaiting settlement (\$12.5 million).
- (5) Gold mined, Gold sold & AISC/oz presented are inclusive of September 18 quarter and December 18 quarter results of Pogo operations

EBITDA, underlying net profit, underlying free cash flow and All-in Sustaining Costs (AISC) are unaudited non IFRS measures.

*All currency conversions in this document were converted at a spot conversion rate of USD/AUD of \$0.7286

† GDX 5Yr Average is sourced from Bloomberg all erroneous data points have been removed and companies that have impaired over > \$300m off their balance sheets

1H FY2019 – Key Financial Highlights

Underlying net profit
of A\$89.1M up 11%
on pcp

Cash flow from
operating activities up
33% to A\$169M on
pcp

Interim dividend up
33% from pcp to A6¢
(fully-franked)

EBITDA of A\$221.8M
up 10% on pcp

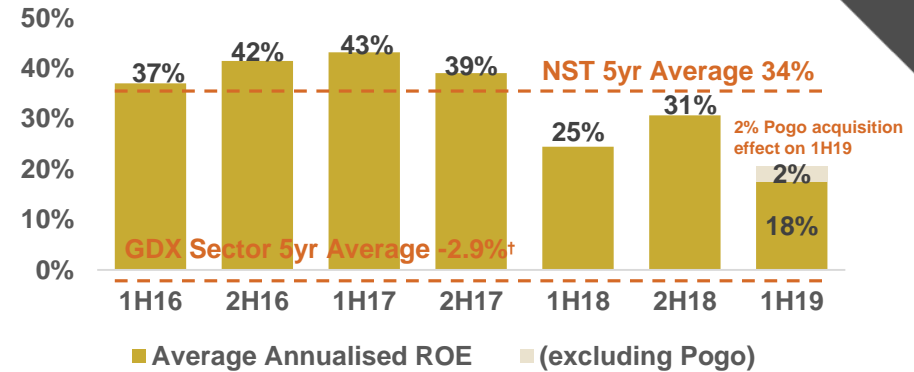
18% Return on Equity
and 14% Return on
Invested Capital

Strong Balance
Sheet; Cash, Bullion
& Investments of
A\$292M and no debt

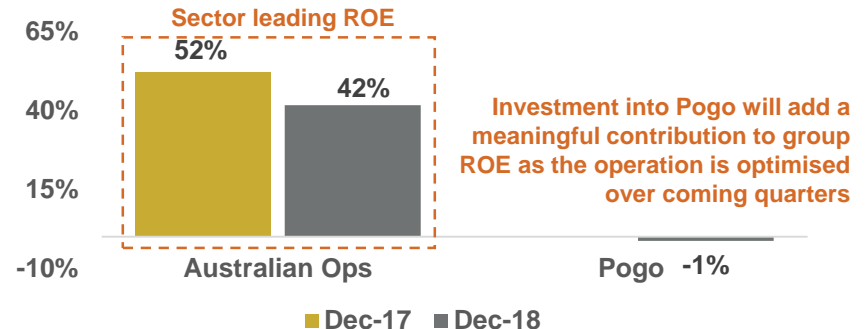
NST continues to generate favourable ROE and ROIC

- For the past five years NST has delivered an average annualised Return on Equity (ROE) of 34% versus the GDX sector average of -2.9%
- In 1H19 NST delivered an annualised ROE of 18% and 20% exclusive of the Pogo acquisition
- 1H19 includes the acquisition and integration of Pogo that provides a platform for profitable growth at sector leading rates of return as the Pogo operation is optimised
- NST's Australian operations have generated a 42% annualised ROE in 1H19
- Capital is forced to compete internally for project funding to ensure NST continues to generate sector leading returns

Average Annualised Return on Equity

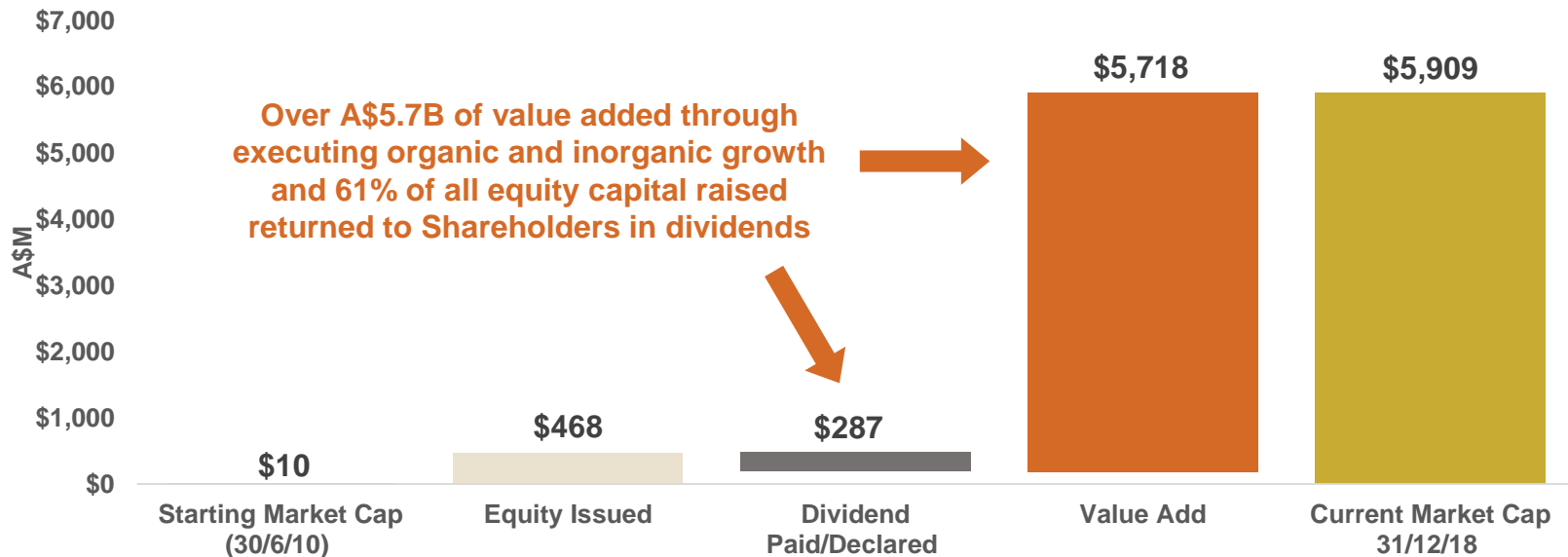


Segment ROE



Value Creation – delivering returns to Shareholders

- NST's strategy of balancing organic growth with well executed M&A has generated over A\$5.7B of value for Shareholders since the first acquisition in 2010 and <10% of this value uplift has been from equity raised
- This strategy has been achieved through operational excellence, investing heavily into exploration, growing production, optimising assets and financially disciplined inorganic growth; NST has returned 61% of all equity capital raised in the form dividends to its Shareholders

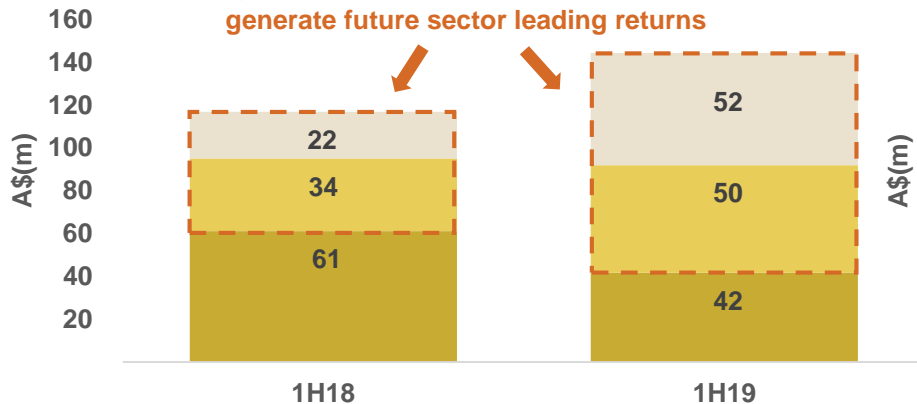


Acquiring a world class asset and a significant capital investment into the Australian Operations in 1H19

- Whilst acquiring the world class Pogo Operation in 1H19 for A\$351M, NST has also invested heavily into organic growth with an additional A\$36M investment into its Australian Operations in 1H19 vs the pcip in exploration and expansionary capital
- Despite significant investment and growing dividends to Shareholders, balance sheet strength maintained with sufficient liquidity (including undrawn financing facilities) to take advantage of future opportunities and to deliver further sector leading returns

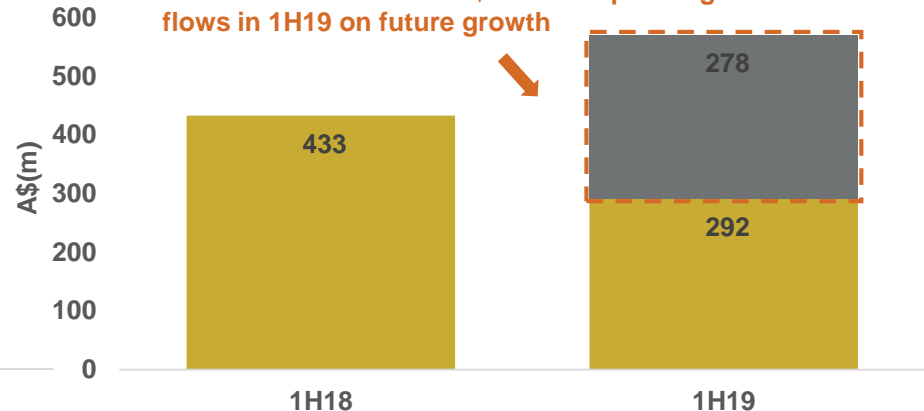
FCF vs Growth Capex Spend

A\$46M increased investment in 1H19 to generate future sector leading returns



Cash, Bullion & Investments

NST has invested over A\$278M of operating cash flows in 1H19 on future growth



1H FY2019 - Financial Overview Table

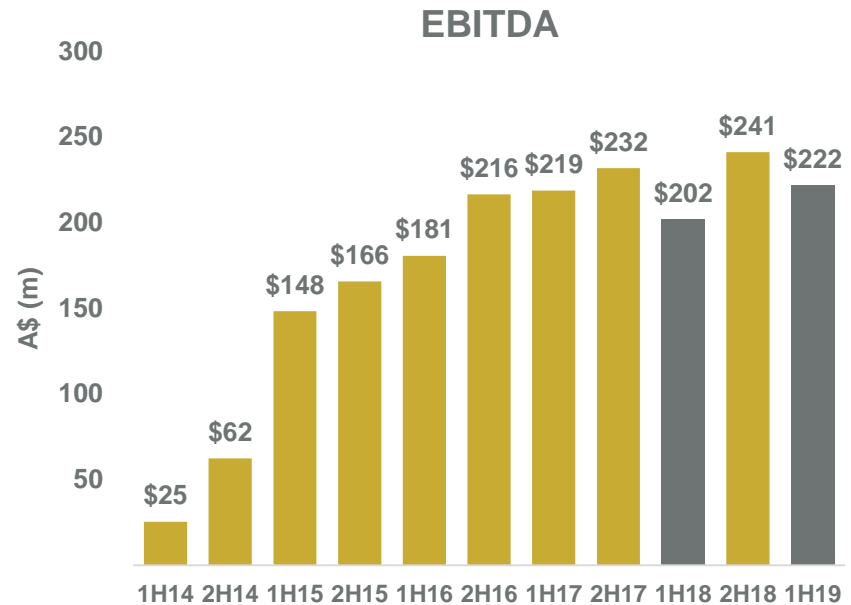
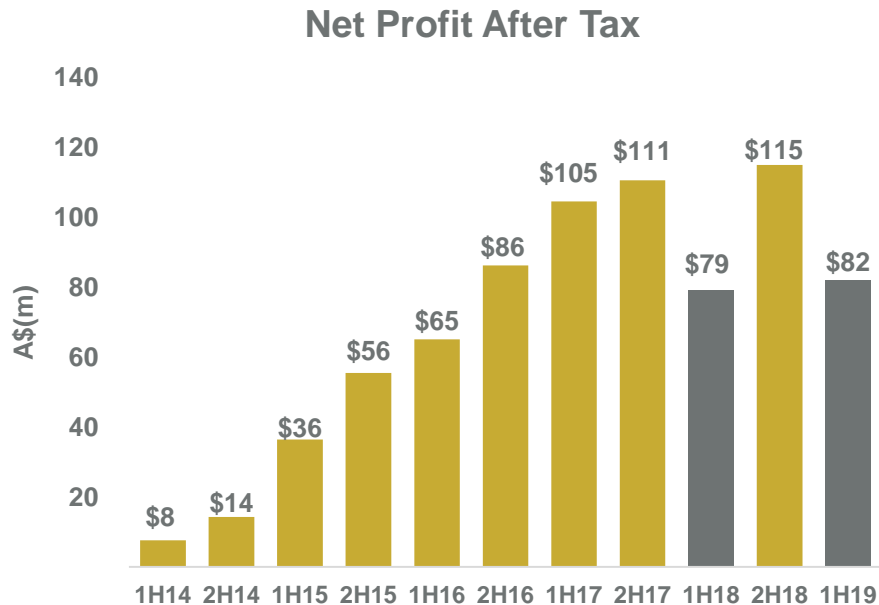
- Cash flow from operating activities grew 33% and underlying net profit by 11% in 1H19

A\$'000	Half Year End 31 Dec 2018 ⁽¹⁾	Half Year End 31 Dec 2017	\$'000 Change	% Change
Revenue	633,515	443,696	189,819	43
EBITDA ⁽²⁾	221,795	201,738	20,057	10
Net profit	82,090	79,090	3,000	4
Underlying net profit ⁽³⁾	89,101	80,168	8,933	11
Cash flow from operating activities	169,134	126,787	42,347	33
Cash flow used in investing activities	(518,099)	(126,067)	(392,032)	311
Sustaining capital	(60,822)	(41,139)	(19,683)	48
Non sustaining capital	(50,164)	(33,982)	(16,182)	48
Exploration	(52,414)	(21,804)	(30,610)	140
Payments for investments	(5,163)	(26,007)	20,844	(80)
Acquisition of businesses/assets	(350,550)	(4,000)	(346,550)	8,664
Other investing	1,014	865	149	17
Underlying free cash flow ⁽⁴⁾	41,724	61,098	(19,374)	(32)
Average gold price per ounce (A\$)	1,700	1,678	22	1
Gold mined (ounces) ⁽⁵⁾	453,883	293,990	159,893	54
Gold sold (ounces) ⁽⁵⁾	423,243	267,278	155,965	58
All-in sustaining costs (AISC) per ounce sold (A\$) ⁽⁵⁾	1,295	1,043	252	24
Cash and cash equivalents	229,825	368,054	(138,229)	(38)
Earnings per share (cents)	13.0	13.1	(0.1)	(1)

Refer to footnotes for Financial Overview Table on slide 2.

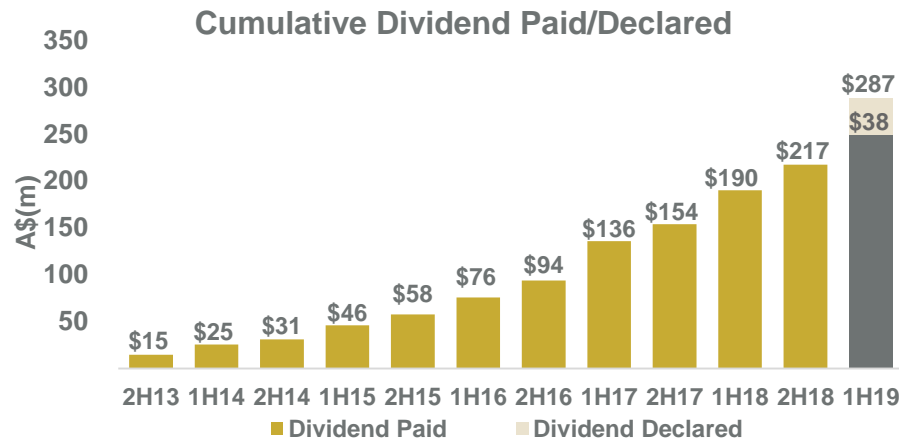
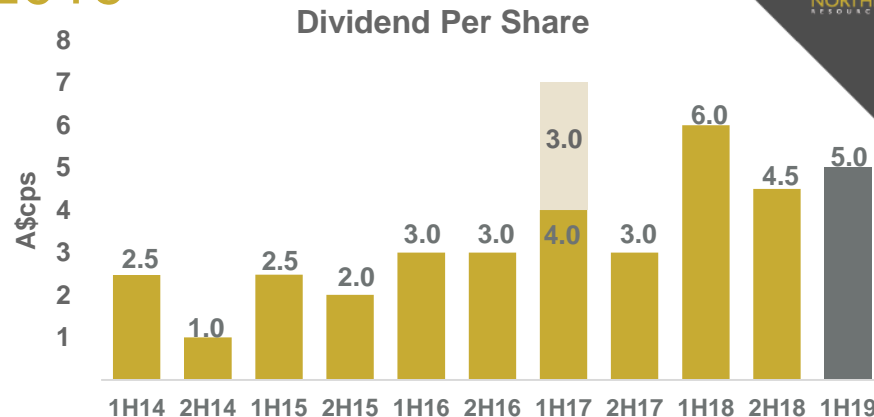
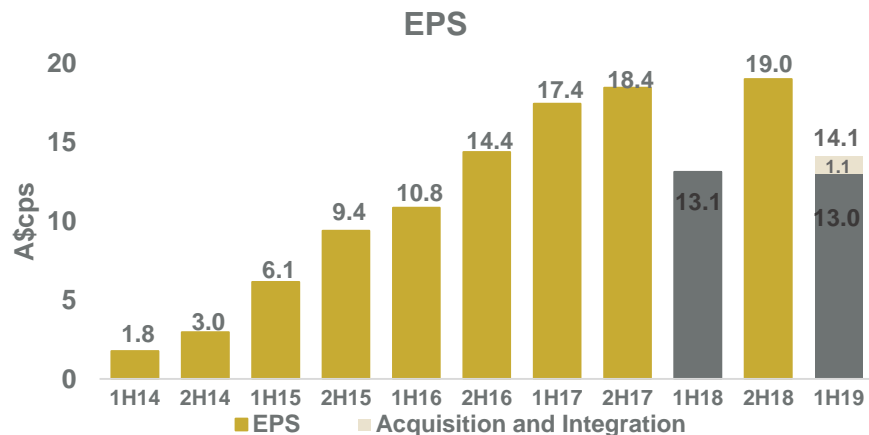
1H FY2019 Highlights

- Underlying NPAT of A\$89M was up 11% on the pcp; statutory NPAT of A\$82M up 4% on pcp
- Group EBITDA of A\$222M grew 10% against pcp of A\$202M
- Group EBITDA margin excluding Pogo and integration costs was 41%



Financial Highlights for 1H FY2019

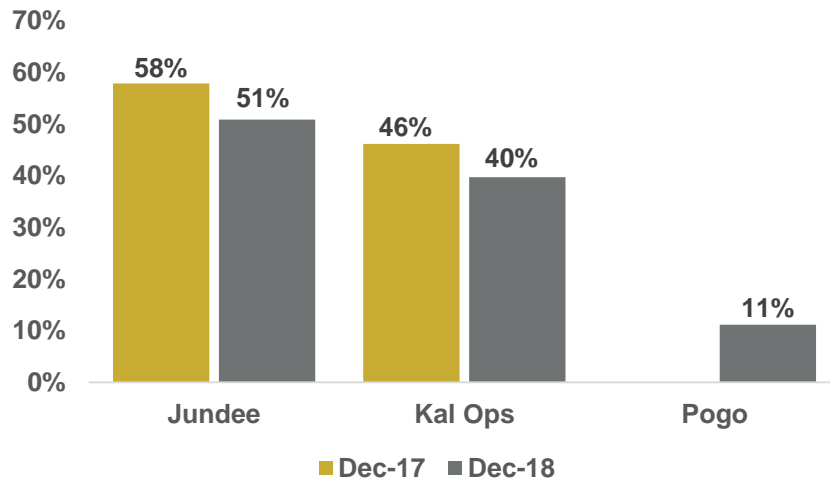
- EPS of A13cps in 1H19, on an underlying basis EPS is up 6% to A14.1cps (excluding acquisition & integration costs)
- Dividend up: interim dividend up 33% to A6cps fully franked in line with 6% of revenue
- Since 2014 NST has been able to consistently grow earnings and payouts to Shareholders while continuing to invest in the future



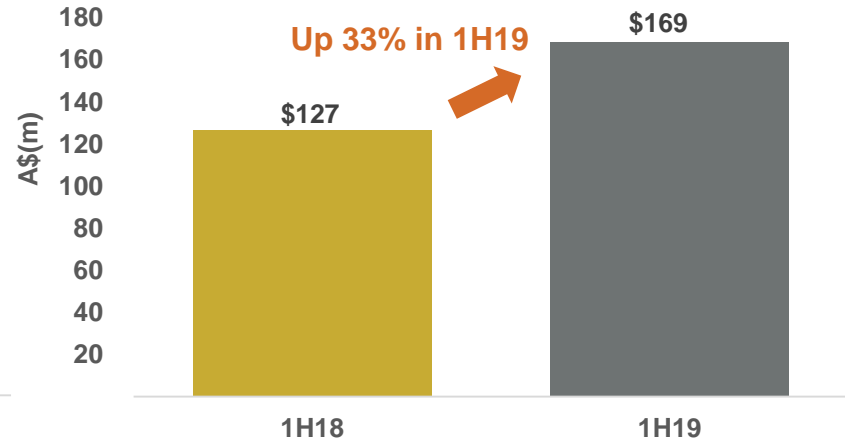
Strong EBITDA and operating cash flow maintained

- Jundee and Kalgoorlie Operations continue to produce strong EBITDA margins of 51% and 40% respectively
- Pogo integration began in Q2 with work commencing to rationalise costs and optimise operations
- Solid cash generation helps fund strategic growth opportunities. 33% growth in group operating cash flows of A\$169M up compared to pcip of A\$127M

Segment EBITDA Margin



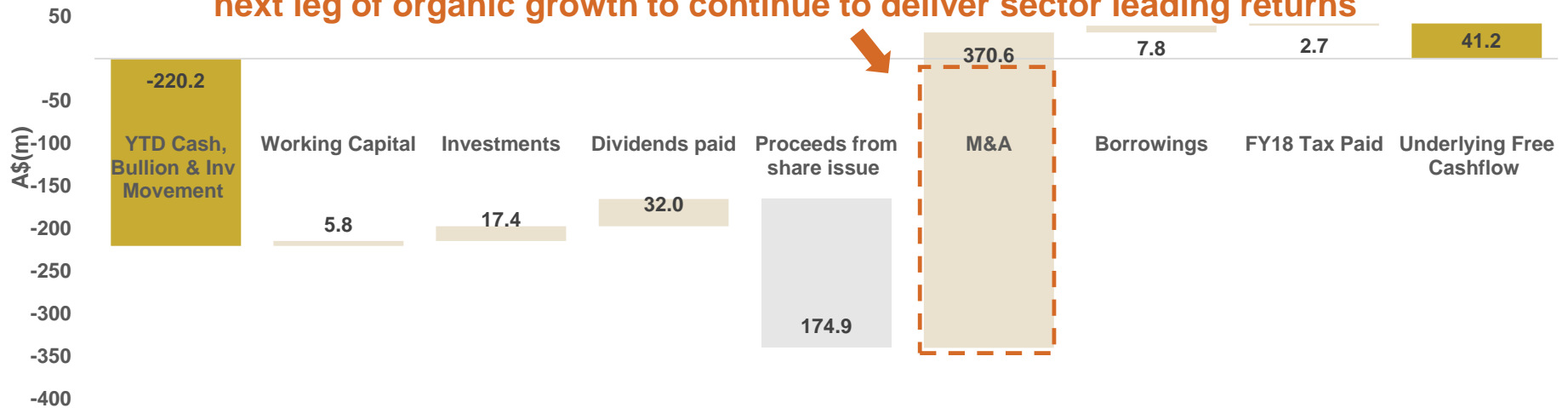
Group Operating Cash Flow



Another leg of growth added to the portfolio in 1H19

- NST generated A\$41.7M in underlying free cash flow and invested over A\$370M in 1H19 to provide the next level of value creation in the portfolio
- NST also paid out A\$32M to Shareholders in dividends in 1H19

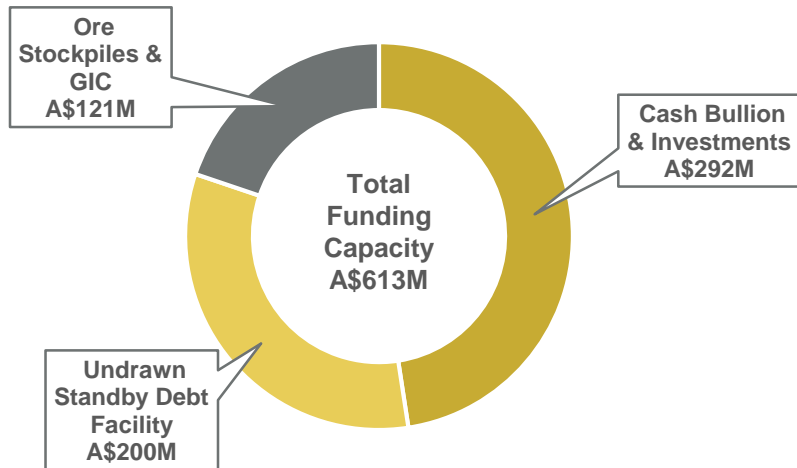
NST's investment into the world class Pogo operation will provide the next leg of organic growth to continue to deliver sector leading returns



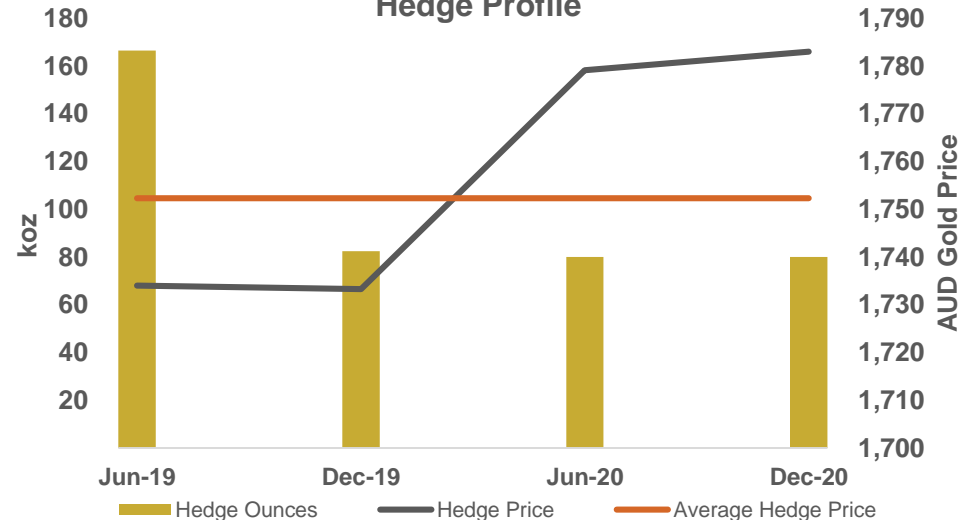
Growing cash generation, balance sheet flexibility

- One of the key differentiators of the NST business is its balance sheet; this strength has allowed for counter cyclical acquisitions and sector leading returns to Shareholders
- NST currently has a sector leading balance sheet to fund opportunistic organic or inorganic growth opportunities
- The business has available liquid resources of A\$613M at 31 December 2018
- Focus on risk management through gold price hedging

Total Liquidity as at 31 December 2018



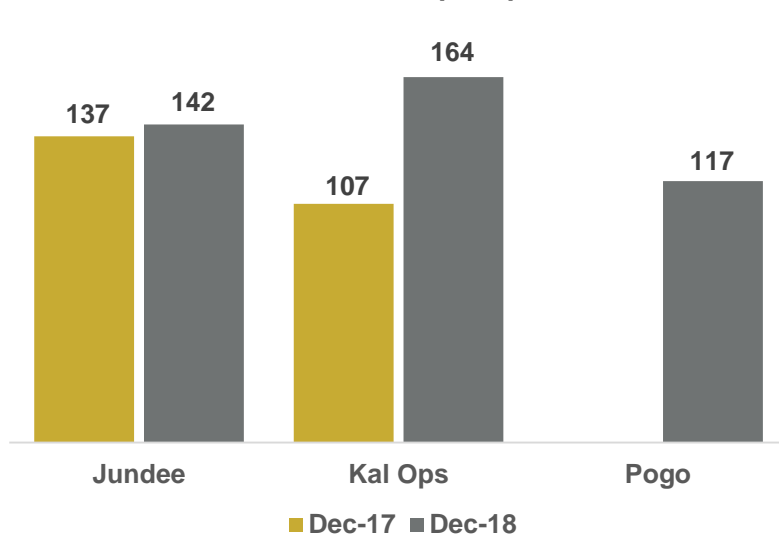
Hedge Profile



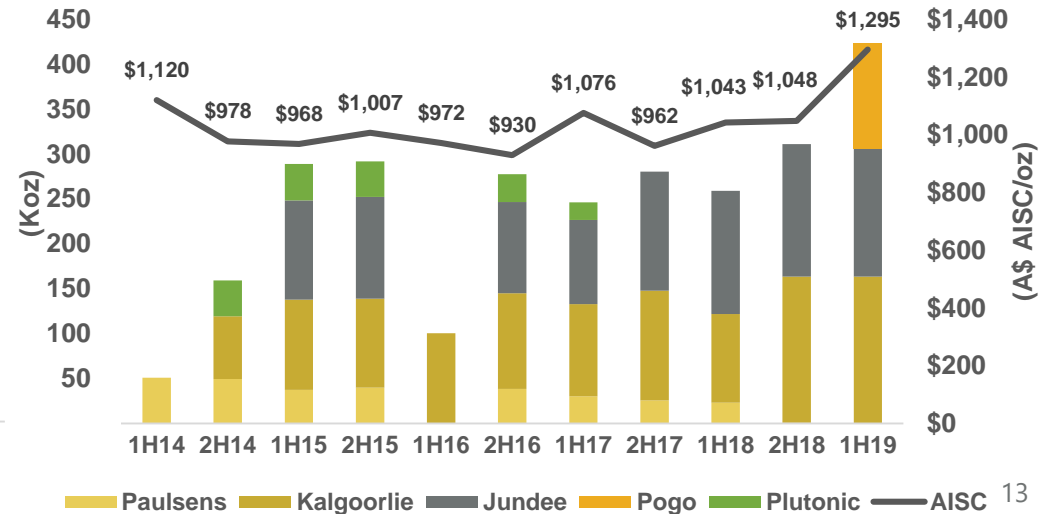
Gold production and sales up

- Gold sold of 423koz in 1H19; an increase of 58% on pcp
- Group AISC of A\$1,295/oz in 1H19
- Jundee: Gold sold of 142koz up 4% on pcp at AISC of A\$978/oz (US\$713*/oz)
- Kalgoorlie Operations: Gold sold of 164koz up 53% at AISC of A\$1,363/oz (US\$993*/oz)
- Pogo: Gold sold 117koz (from 1 July) at AISC of A\$1,586/oz (US\$1,156*/oz)

Gold Sold (koz)



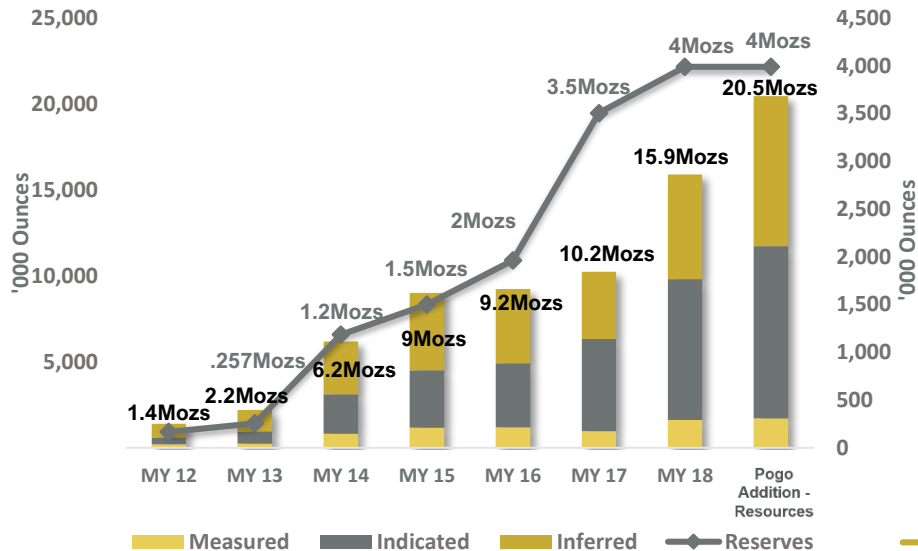
Group Production and AISC



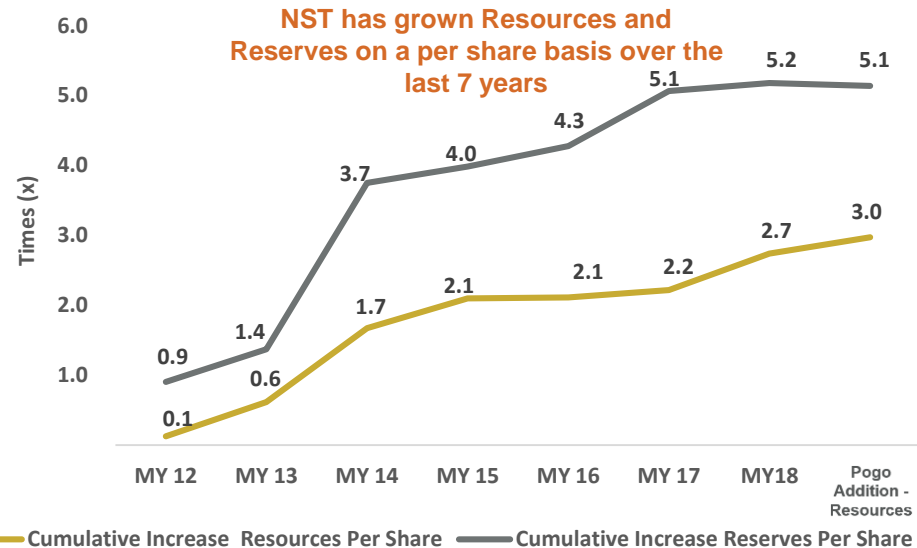
Delivering Reserve and Resource Growth per share

- Through value accretive organic and inorganic growth NST has been able to successfully grow Resource and Reserve life on a per share basis for its Shareholders
- In 1H19 NST announced an updated JORC Group Resource including the Pogo operations with a maiden Reserve due with the Group annual Resource and Reserve statement in mid-year 2019

NST Resource and Reserve Growth



Resource & Reserve Growth per share



Northern Star Resources Limited

ASX Code: NST

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