



NORTHERN STAR DOUBLES INTERIM DIVIDEND AND SHAREHOLDER RETURNS AS NET PROFIT SOARS 573% TO A\$51M

KEY POINTS

- ▶ Northern Star records outstanding growth in production and profit while return on equity has soared, showing expansion has not come at the expense of Shareholder returns
- ▶ Revenue rises 471 per cent to A\$412m compared with previous corresponding period (PCP); net profit after tax up from \$7.6m to A\$51.1m
- ▶ EBITDA of A\$153.2m, up 552 per cent from PCP
- ▶ Earnings per share up from 1.8¢ to 8.7¢; interim fully-franked dividend doubled from 1¢ to 2¢
- ▶ Return on equity jumps from 7 per cent to 17.6 per cent (35.2 per cent on an annualised basis)
- ▶ Underlying free cashflow generation jumps from A\$6.5m in the December 2013 half to A\$106.7m
- ▶ Gold sold of 292,840oz at all-in sustaining cost (AISC) of A\$1,057/oz; inclusive of A\$49/oz non-cash rehabilitation expense (latest result incorporates all five Northern Star mines compared with just one mine in the PCP)
- ▶ Cash and cash equivalents on hand at 31 December, together with gold sold on 31 December (T+2 days basis) and investments increased to A\$119.1m (A\$49.2m at December 2013)
- ▶ Investec debt facility reduced to just A\$35m by 31 December; subsequent to the half-year end the facility has been further reduced to A\$20m
- ▶ Northern Star will be hosting a half yearly conference call today at 8.30am WST (11.30am EST). The call can be accessed at <http://www.brrmedia.com/event/133834>

Northern Star Resources Limited (ASX: NST) is pleased to report on what has been a defining six months for the Company, marked by outstanding growth in production, profits, free cashflow, dividends and return on equity.

The results, for the six months to 31 December 2014, incorporate for the first time all of Northern Star's recent acquisitions. The Jundee gold mine was transferred to Northern Star on 1 July last year while the Plutonic mine became part of Northern Star in February, and Kundana and Kanowna Belle in March.

These acquisitions underpinned gold sold of 292,840oz in the six months, up from 50,927oz in the previous corresponding period. The Company received an average price of A\$1,407/oz and AISC were A\$1,057 an ounce, inclusive of a A\$49/oz non-cash rehabilitation expense.

ASX ANNOUNCEMENT 17 February 2015

**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 592.3 million

Options 4.2 million

Current Share Price A\$2.06

Market Capitalisation
A\$1.22 billion

Cash and Cash Equivalents
31 Dec 2014 - A\$119.1 million

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Revenue was 471 per cent higher at A\$412.1 million and net profit after tax rose 573 per cent to A\$51.1 million. This was despite incurring acquisition and restructuring costs of A\$11.3 million in the period.

The strong result enabled Northern Star to double its fully-franked interim dividend to 2¢ a share (to be paid Friday, 3 April 2015 with a record date of Tuesday, 31 March 2015 – shares will go ex-dividend on Friday, 27 March 2015). Northern Star paid a fully-franked final dividend of 2.5¢ for the full year in recent years. The Board of Northern Star is intending to announce a formal dividend policy with its FY2015 full-year accounts.

The doubling of the dividend reflects Northern Star's surging cashflow and robust balance sheet.

During the period, the Company reduced its bank debt from A\$70 million to just A\$35 million. Subsequent to the half year end, the facility has been further reduced to A\$20m. It expects to retire this facility early in the June Quarter.

Northern Star Managing Director Bill Beament said the growth in production and free cashflow was extremely satisfying because it showed the Company had achieved a key goal of becoming a major Australian gold miner with scale and asset diversity.

"The increased dividend and rise in the Company's return on equity from 7 per cent to 17.6 per cent half-on-half are the most important measures of Northern Star's achievements," Mr Beament said.

"Free cash flow, dividends and return on equity are the ultimate gauges of any Company's performance. By contrast, growing production and revenue are of limited value if they don't generate increased returns for Shareholders.

"The sharp increase in return on equity, along with the rise in earnings per share from 1.8¢ to 8.7¢ and the 100 per cent increase in the interim dividend demonstrates that we haven't generated growth for the sake of it.

"Instead, we have pursued growth purely as a means of delivering increased returns for Shareholders. Our Company and its people can derive much satisfaction in what we have delivered to Shareholders."

Northern Star aimed to maintain production at an annual rate of 550,000-600,000ozpa at an AISC of ~A\$1,050/oz to A\$1,100/oz.

This financial performance underpins the Company's aggressive exploration budget to maximise resources growth and mine lives across its portfolio.

The results came after spending A\$14 million on exploration in the past six months. Northern Star has budgeted a total of A\$50 million for this calendar year.

This exploration campaign is already generating outstanding results, as shown by yesterday's ASX announcements on the increased resource estimate of 1.1moz at the Pegasus deposit within the Kundana project and the revised resource estimate for the Jundee project.

"We aim to maximise Shareholder returns by generating strong cashflow from our operations and growth from exploration," Mr Beament said.

"Today's announcement demonstrates that we are achieving these objectives."

Yours faithfully



BILL BEAMENT
Managing Director
Northern Star Resources Limited

Competent Persons Statements

The information in this announcement that relates to the Pegasus Mineral Resource estimations, exploration results, data quality, geological interpretations and potential for eventual economic extraction, is based on information compiled by Darren Cooke, (Member Australian Institute of Geoscientists), who is a full-time employee of Northern Star Resources Limited. Mr Cooke has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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 Pegasus, Rubicon and Hornet Deposit and the Ambition prospect. Mr Cooke 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 the Jundee Mineral Resource estimations, exploration results, data quality, geological interpretations and potential for eventual economic extraction, is based on information compiled by Brook Ekers, (Member Australian Institute of Geoscientists), who is a full-time employee of Northern Star Resources Limited. Mr Ekers has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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 Jundee Gold Deposit. 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.

Information in this announcement that relates to the Jundee Ore Reserves has been compiled by or under the supervision of William Stirling, Senior Mining Engineer, who is a full-time employee of Northern Star Resources Limited. Mr Stirling has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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 Stirling is a Member of the Australasian Institute of Mining and Metallurgy and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

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