

# RECORD RESULT REFLECTS KEY STRENGTHS OF SIZE, LOW COSTS AND ASSET SPREAD

**Final dividend steady at 2.5c, fully-franked**

## KEY POINTS

- ▶ Record underlying profit of \$38.6m for FY14, up 36% from \$28.3m previously, highlights Northern Star's new status as an Australian gold miner with scale, low costs, low debt and asset diversity
- ▶ Record revenue of \$297m up 106% (FY13 \$144.2m) stemming from record production of 215,419oz (FY13 88,614oz); AISC of A\$1,094/oz, inc A\$30/oz non-cash charge
- ▶ Record result was achieved despite an average realised gold price 9% lower at A\$1,410/oz (FY13 \$1,552)
- ▶ NPAT of \$24m (FY13 \$28.3m) after one-off acquisition and redundancy costs of \$7.4m and \$7.2m respectively
- ▶ Underlying EBITDA up 56% to \$100m generating Company free cash flow of A\$49m
- ▶ \$96m in cash and investments, no bank debt at 30 June 30 2014
- ▶ FY15 guidance maintained at 550-600,000oz at AISC of A\$1,050-A\$1,100/oz
- ▶ Core focus now on growing mine lives, with exploration budget increased from \$15m in FY14 to \$50m in FY15
- ▶ Final dividend declared of 2.5c puts Northern Star on a gross yield of ~3% for FY14
- ▶ **Managing Director & CFO will deliver a briefing on the results at 10am WST (noon EST) today. This can be heard at <http://www.brr.com.au/event/125697>**

Northern Star Resources Limited (ASX: NST) is pleased to provide its full-year financial results, which demonstrate the benefits of the Company's significantly expanded asset base, the high-grade nature of its operations and its strong commitment to growing mine lives through exploration.

Northern Star posted a record \$38.6 million underlying profit for the year to 30 June 2014, up 36% from \$28.3 million in the previous year.

After allowing for one-off acquisition and redundancy costs of \$7.4 million and \$7.2 million respectively, net profit after tax for the year was \$24 million versus \$28.3 in FY13.

FY14 Underlying EBITDA was up 56% to \$100m generating Company free cash flow of A\$49m.

The final dividend has been maintained at 2.5c a share fully-franked, keeping the full-year payout steady at 3.5c a share fully-franked. The dividend will be declared to all Shareholders on the register at 15 September 2014 and is expected to be paid on 3 October 2014.

The strong result stems from 12 months' production at the Paulsens mine, five months' production at the Plutonic mine and four months' production from the Kunduna and Kanowna Belle mines. Northern Star settled the acquisition of the Jundee mine on 1 July 2014.

## ASX ANNOUNCEMENT 28 August 2014

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 587M

Options 1.5M

Current Share Price \$1.75

Market Capitalisation  
\$1 billion

Cash/Bullion and Investments  
30 June 14 - \$96.2 million

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# ASX ANNOUNCEMENT - 28 AUGUST 2014

Northern Star's share of production for the year totalled 215,419 ounces, up from 88,614oz previously, at an all-in sustaining cost of A\$1,094/oz. This includes a \$30/oz non-cash item relating to the newly acquired site rehabilitation liabilities in compliance with the World Gold Council Reporting Standard.

The average realised gold price for the year was A\$1,410, down 9% from FY13. Despite this, revenue more than doubled to \$297 million on the back of the increased production.

Northern Star aims to produce a total of 550,000-600,000ozpa at an AISC of A\$1,050-A\$1,100/oz from all its mines, including Jundee.

Northern Star had \$96 million in cash, bullion and investments as at 30 June 2014. Subsequent to year end to accommodate the Jundee acquisition on 1 July, the Company drew down debt of \$70 million which has since been reduced to \$50 million.

Northern Star Managing Director Bill Beament said the results demonstrated the substantial cashflow-generating capacity of the Company's expanded asset base.

He said this strong cashflow and robust balance sheet enabled Northern Star to maintain its dividend despite funding the four recent acquisitions and increasing its exploration budget from \$15 million to \$50 million this financial year.

"These results show clearly that our recent acquisitions have delivered critical mass at both the production and cashflow levels," Mr Beament said. "In addition, we have the reduced risk associated with the expanded asset base and the financial muscle to take full advantage of our opportunities to grow mine lives through exploration.

"In light of our strong position, we have committed \$50 million to exploration at and around our five projects. We are confident that this will result in significant increases in gold inventories."

Capital expenditure for FY15 will be \$100-110 million, 95% of which will be "sustaining capital". Only \$5 million is for "one-off" capital to bring the Pegasus deposit at Kundana into production.

Yours faithfully



**BILL BEAMENT**  
**Managing Director**  
**Northern Star Resources Limited**

Refer: Appendix 4E: Preliminary Final Report for the Year Ended 30 June 2014 released 27 August 2014. The Report is based on accounts which are in the process of being audited.