



NORTHERN STAR
RESOURCES LIMITED

AMENDED ANNOUNCEMENT

Northern Star delivers substantial maiden annual profit of \$20 million

Underlying gross operating profit hits \$73m

Highlights

- ▶ **FY11 profit before tax of \$20 million**
- ▶ **Profit comes after deducting \$22m for acquisition of Paulsens gold mine and \$24m in depreciation and amortisation expenditure**
- ▶ **EBITDA of \$67m after deduction of the acquisition royalty**
- ▶ **Result stems from record production at Paulsens of 87,069oz at \$588 cash cost**
- ▶ **\$30m cash on hand as at 27 Sep, 2011**
- ▶ **On-track to exceed calendar 2011 forecast of \$40m surplus cash, 75,000oz production**
- ▶ **Resource upgrade set for early 2012; Increases in mine life, production and cashflow expected**
- ▶ **Significant financial firepower to capitalise on expansion and acquisition opportunities**

ASX ANNOUNCEMENT
27 SEPTEMBER 2011

Australian Securities Exchange
Code: NST

Board of Directors

Mr Chris Rowe
Non-Executive Chairman

Mr Bill Beament
Managing Director

Mr Michael Fotios
Non-Executive Director

Mr Peter Farris
Non-Executive Director

Ms Karen Brown
Company Secretary

Issued Capital

Shares
349 M

Options 27.8M (\$3.5M Funding)

Current Share Price
\$0.43

Market Capitalisation
\$150 million

Cash and Bullion on hand
\$30 million

Projects

Paulsens
Ashburton
Golden Crown
Range
Emull

Commodities

gold
gold
gold
gold, silver
Zn, Cu, gold

Northern Star Resources (ASX: NST) is pleased to advise that it is ideally positioned to become one of Australia's leading gold producers after posting a maiden profit of \$20 million for the 12 months to June 30, 2011.

The result comes after paying \$40 million for the purchase of the Paulsens Gold Mine in WA and outlaying a further \$10 million in capital expenditure to significantly increase mine life.

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) were \$67 million (after deduction of the acquisition royalty). This stems from record production at Paulsens of 87,069oz and an average realised gold price of A\$1367/oz.

At the current price of \$1,650/oz, EBITDA would have totalled \$92 million.

Cash costs for the year averaged \$588/oz with total expenditure costs averaging \$742/oz. Northern Star is on track to beat its forecasts of 75,000oz in production and surplus cashflow of \$40 million for calendar 2011.

The Company had \$30 million in cash as at 27 September, 2011.

The result is the culmination of an outstanding 12 months for Northern Star, during which it unveiled a series of excellent production and exploration results at Paulsens, repaid all debt associated with the acquisition and acquired the neighbouring Ashburton Gold Project.

Northern Star has extended significantly the known depth of the key Voyager 1 lode, which has supplied all the ore mined to date at Paulsens, and discovered the Voyager 2 lode.

These key developments will underpin the resource upgrades scheduled for the new year. Based on the information currently available, the Company believes Paulsens has the potential for at least another five years of life. The resource upgrades are also expected to lead to increases in production and cashflow.

At Ashburton, where the JORC resource stands at 668,000oz, Northern Star has an aggressive drilling campaign underway. This is aimed at expanding the inventory and converting much of this resource to reserves. Ashburton is within trucking distance of the Paulsens processing plant.

Northern Star Managing Director Bill Beament said the Company had enjoyed an exceptional financial year since acquiring Paulsens and was now set to become one of Australia's leading gold miners.

"Paulsens has provided Northern Star with an outstanding financial foundation on which to grow production and profits," Mr Beament said. "We are going to utilise this strength and the flexibility that comes with it to aggressively expand the Company through exploration, organic growth and acquisition."

Yours faithfully,



Bill Beament
Managing Director

Forward Looking Statements

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Competent Persons Statements

The information in this announcement that relates to Paulsens mineral resource estimation, exploration results, data quality, geological interpretations, potential for eventual economic extraction and estimates of exploration potential, is based on information compiled by or under the supervision of Brook Ekers, (Member AIG), who is a full-time employee of Northern Star Resources Ltd. 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 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

The information in this announcement that relates to the Ashburton gold project, mineral resource estimation, exploration results, data quality, geological interpretations and potential for eventual economic extraction, is based on information compiled by or under the supervision of Mike Doepel, (Member AusIMM), who is a full-time employee of Sipa Resources Limited. Mr Doepel have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Doepel consent to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

	Measured			Indicated			Inferred			Total		
	Tonnes (,000)	Grade (g/t)	Oz Au (,000)									
Oxide and Transitional	611	2.40	47	342	2.52	28	237	2.28	18	1,189	2.41	92
Sulphide	901	2.83	82	1,070	2.66	92	3,984	3.14	402	5,956	3.01	576
Total	1,512	2.66	129	1,412	2.63	119	4,221	3.09	420	7,145	2.91	668

¹ Ashburton Resources @ 0.9g/t Au Lower Cut-Off