



NORTHERN STAR
RESOURCES LIMITED



2017 SUSTAINABILITY REPORT

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Journey from Explorer to Sustainable Miner

Introduction

Northern Star's journey as a gold producer began in 2010 with the acquisition of the Paulsens Gold Mine in the Pilbara region of Western Australia.

The Company quickly established a strong reputation for delivering value to Shareholders by turning a struggling asset with a very limited mine life into a significant cash generating business, lifting Northern Star into the ASX200 in November 2012.

In 2014, the Company went on the acquisition trail purchasing three assets from the majors, being the Plutonic Gold Mine, the Kalgoorlie Operations (Kanowna Belle and the East Kundana Joint Venture) and the Jundee Gold Mine. The Company quickly integrated these operations into the Northern Star family and set about extending the longevity of the operations, and providing security of employment for its much-expanded workforce.

Northern Star entered a joint venture arrangement in 2015 over a development project when it acquired a 25% interest in the Central Tanami Project in the Northern Territory. This joint venture remains in place and work is ongoing.

In 2016, Northern Star undertook a year of consolidation, focussing its efforts in and around its existing tenure and developing its concentrated centres strategy. It was during this period that it divested the Plutonic Gold Mine to a Canadian listed company enabling the future of that operation under new owners.

In August that year, Northern Star was elevated into the ASX100 and is now a global-scale Australian gold producer with world-class projects located in highly prospective and low sovereign risk regions of Western Australia and the Northern Territory.

Northern Star continues to invest significant sums of money in exploration to extend the mine lives across its operations.

Northern Star is governed by the philosophy that people, not money, build companies. This approach has been the key to the Company's success, enabling it to grow from a corporate shell to the status it enjoys today. Northern Star now generates employment for more than 1,600 people. In turn, these people underpin our strong brand and culture.

Since becoming a producer in 2010, the Company has been constantly evolving and adapting to changing environments and is committed to being a long-term sustainable miner. As part of this process, the Company is pleased to release this Sustainability Report with the aim of adopting fully-integrated reporting for the FY2018 period.

Company Strategy

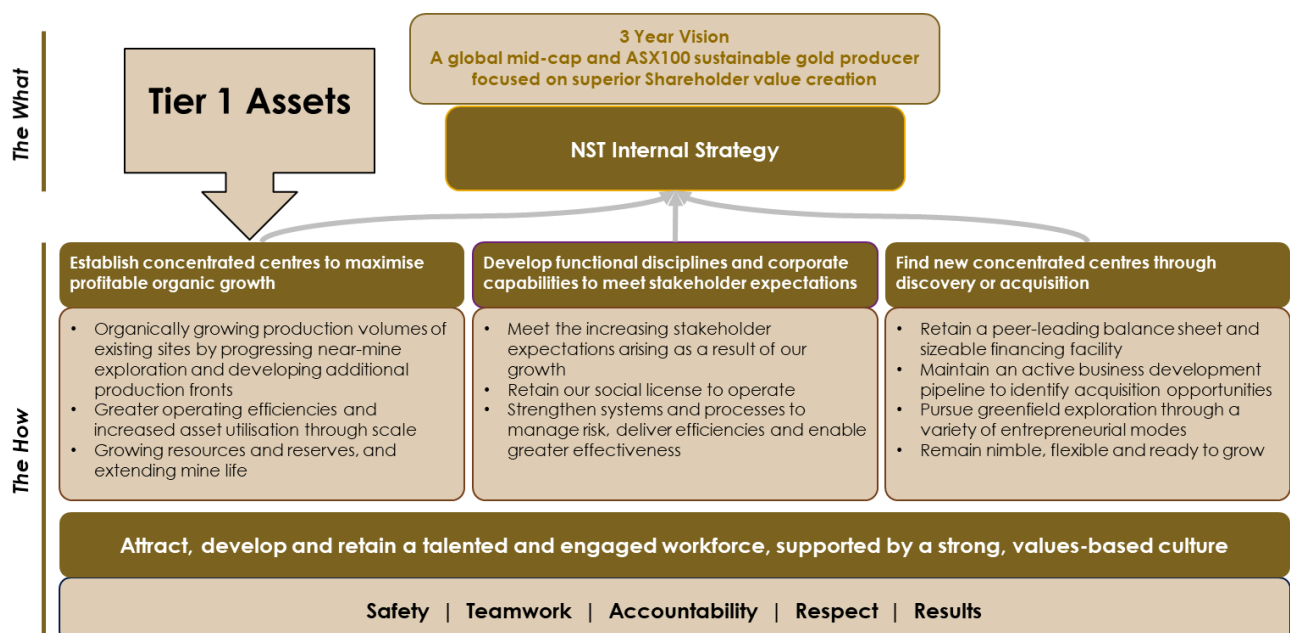
Northern Star's strategy is to grow its business as a sustainable gold producer on the back of strong operational performance, significant investment in exploration and drilling to support mine-life extensions across the portfolio, and targeted acquisitions.

The Company is cognisant that it will not achieve this strategy without the right people in the business, and without embracing the needs of all other Stakeholders.

Our **VISION** is to continue to build a safe, quality mining and exploration company focussed on creating value for Shareholders.

Our **MISSION** is to generate earnings accretive value for our Shareholders through operational effectiveness, growth opportunities and exploration with a prime focus on success to deliver on our targets.

At Northern Star, our mantra is "**we do what we say we will do**".



STARR Core Values: It's what we stand for

Northern Star has been built on strong STARR Core Values.



In 2012, these STARR Core Values were developed collaboratively by our people as the key values to live and work by. The STARR Core Values are the cornerstone of our culture at Northern Star, and are utilised in every decision and action we take. All employees and contractors are expected to embrace the STARR Core Values, and are encouraged to challenge behaviours which are inconsistent with these values.

Management is committed to operating at all levels in accordance with our Code of Conduct (NSR-COR-001-POL) and our STARR Core Values.

The Board believes that our STARR Core Values epitomise the Northern Star culture and represents the fundamental building blocks required to create and maintain a sustainable gold miner, and have therefore designed this inaugural Sustainability Report to align with our STARR framework.

This Report is prepared for the 2017 financial year, and should be read in conjunction with the Company's 2017 Annual Report and Corporate Governance Statement.



On behalf of the Board and Management, I am pleased to provide this inaugural Sustainability Report which demonstrates our commitment to operating our business responsibly, and reflects our sustainability vision of delivering responsible environmental and social business practices that lead to both the creation of strong economic returns for our Shareholders, and shared value for our Stakeholders.

Bill Beament
Executive Chairman
16 November 2017

Safety: It matters and starts with you

Northern Star values the health and safety of its employees, contractors and Stakeholders within our community. Safety is our number one STARR Core Value: **SAFETY: It matters and starts with you.**

Whilst Northern Star acknowledges that it is important to consider lagging indicators of safety measure (ie. LTIFR), the Company is focussed on how we are developing the workforce's ownership for their own safety and that of their co-workers. Our focus is centred on delivering safety leadership at all levels of the business to strengthen the culture of awareness and zero harm.

Northern Star maintains a simple yet effective approach to the health and safety of its employees, their families and the general community: the identification and control of hazards and ongoing management of the risk associated with them. This approach has seen a significant reduction in harm to people, and further mitigates risk to the environment and damage to property. We recognise the important role the workforce plays in this process, so the Company is ensuring that we have a strong support framework in place to help all people reduce harm and manage risk.

Executive responsibility for safety sits with the Chief Executive Officer. All meetings, from the Board to the workshop floor, start with safety to ensure that it is at the forefront of everyone's minds. To ensure compliance with our Safety and Health Policy (NSR-COR-002-POL) and the related Standards, the Principal – Health and Safety and dedicated operational safety professionals are tasked with promoting a strong safety culture to deliver zero harm outcomes, both in and around our operations.



Production meeting at the EKJV Operations.

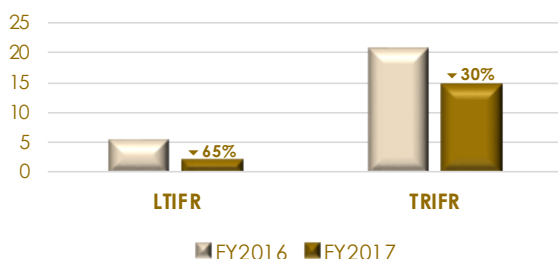
Performance

The health and safety of our workforce is a core value for Northern Star. The management of risks through the verification of critical controls, simplification of processes and improved investigation has been key in the improvement during FY2017. Our continued focus on visible field leadership, reducing all injuries and health impacts, and the commitment of the entire workforce is paramount in every aspect of the business.

During the FY2017 period, Northern Star reduced the Lost Time Injury Frequency Rate (LTIFR) by 65% to 1.8 (FY2016: 5.1), which compares to an industry LTIFR of 2.7. Given the improvement seen, the focus on leadership across all levels will continue to ensure the right message is being received by all team members. Providing the leaders with the right tools and information to lead by example, positively engage workers and make proactive decisions in the work area is critical, and this will benefit all team members across the Company.

Northern Star has committed to reducing the Company's FY2017 Total Recordable Injury Frequency Rate (TRIFR) of 14.3 during the FY2018 year by ≥15%.

Lagging Indicators



Programs & Leadership

Northern Star is committed to providing a workplace where safety is the accepted norm, and is supported by the best systems that are fit for purpose for our business.

To support this aim, the Company continues to focus on hazard identification and management as this is key to understanding how to control or eliminate hazards in the workplace. The management aspect of identifying and implementing controls to reduce the likelihood of harm in terms of people, the environment and property is key, and all personnel are expected to engage in continuous hazard identification and management at all levels of the business.

Whilst the Company strongly believes that all injuries are preventable, it acknowledges that musculoskeletal injuries are prevalent in heavy duty work environments and that this represents a risk to its workforce. The Company has introduced the Manual Tasking and Musculoskeletal Health Project to work with individuals to identify causes and prevention of musculoskeletal injuries. Northern Star also recognises the role individual health plays in personal wellbeing and injury prevention, and has committed that this project will extend to an individual Healthy Lifestyle program during FY2018.

In order to target an improved injury management process for its workforce, Northern Star has engaged the services of an external injury management provider as part of the approach to harm reduction. It is recognised that sound and consistent injury management helps people remain engaged and promotes their recovery. By use of the provider, Northern Star can provide a focussed expert service to assist injured workers to overcome injuries and return to normal life.

Northern Star has adopted an aligned approach to safety management and systems across the business which will provide managers and supervisors with the ability to provide a consistent approach to the identification and management of hazards thus improving the likelihood of reducing harm to people, the environment and property. The integrity of the systems is being supplemented with the development of internal audit tools based on Company processes and procedures to ensure we are doing what we say we will do.

Awareness of safety issues and incidents does not sit solely at the operational level. The Board receives monthly briefings on all safety related activities and incidents as part of our Board reporting system.

Training & Technology

The Northern Star Learning Management System (LMS) provides for a centralised source of information and training. The development, training and performance content can be offered anywhere and anytime to the target beneficiaries from the same source, thus allowing multiple users to access the learning tools at the same time. Our organisation can ensure consistency in the delivery of the materials from the formulation to the evaluation of the system.

The simplified learning process was made more responsive to our employees' specific needs and industry requirements. These benefits have been highlighted and assist with geographically independent learning which increases productivity and decreases downtime, both of which will benefit the employee and the business. Engagement from our employees has increased, with our personnel having greater control and freedom over their training, giving them the opportunity to set their own pace while still complying with deadlines.

New users are able to access the system easily, with the system accommodating multiple features for interactive delivery of the learning modules including; documenting, recording, and tracking. Its scalable platforms also mean that the learning modules can be adapted depending on present and future requirements.

The LMS has made blended learning possible and created the opportunity to combine multiple forms of learning including assessment, simulation and mobile-based learning platforms. The advantage of iPads enables the mobility of training, be it in a classroom environment or underground.

This has significantly improved on the learning rates of employees, managers, and executives. The more reliable and relevant knowledge and skills our employees acquire, the more productive and profitable our organisation as a whole can be.

With the addition of SharePoint, we have increased our platforms for communication, introducing interactive videos and presentations, industry relevant links and a library of current training documentation expanding our employees' resources and making collaborative learning possible.

Workforce Management

Northern Star requires all employees and contractors to undergo the same induction and safety training to work at any of our sites. Contractors are regarded as integral to the success of the Northern Star's business and for that reason the approach to health and safety is the same for a contractor as it is for an employee. Contractors are required to work to the same levels of safety and skills as Northern Star's Standards. Where smaller local contractors

are utilised, the Company will assist the contractor to adopt the relevant safety Standards.

Auditing of contractors commenced late in FY2017, and will be an ongoing process. The focus is to ensure that our contractors continue to deliver strong performance for the duration of their involvement with Northern Star.



General Manager, Bill Stirling, addressing a pre-start meeting.

Training & Emergency Preparedness

Northern Star is committed to providing a safe and healthy work environment for our employees, contractors and visitors. This commitment is fully supported by management and extensive competency based training has been developed. To support this goal, Northern Star provides education, and on-the-job training appropriate for each site and for the roles that our personnel are engaged in.

To build internal leadership across all levels of the organisation we have implemented programs and a performance culture of line ownership, co-worker involvement and systems integration, and ensure co-workers are trained and engaged to identify and eliminate workplace risks. These action plans build upon the processes, resourcing and infrastructure already in place.

Our Standards provide a Company-wide best practice approach that defines the minimum performance expectations for each of our sites. The Standards provide a risk-based approach to identifying deficiencies and prioritising action.

Northern Star's occupational health and safety (OH&S) auditing program involves annual internal audits and third-party, risk-based audits of each site every three years. This year we commenced a review of the program to standardise the capture, interpretation and reporting of audit information. The revised audit program will be rolled out later this year.

With the implementation of our online training system and the development of our internal SharePoint, we facilitate knowledge sharing, ensure the consistent application of Policies, Standards and Procedures, and ensure compliance with Standards across all of our operations.

Our Emergency Response training and compliance structure has been standardised, and provides committed team representatives with leadership development opportunities



L-R: Dario Rudez (Graduate Mine Surveyor), Nathan Byrne (Mine Surveyor),

Emergency Response

Northern Star uses prevention of emergency events through sound risk management as its key approach in emergency management, and recognises that all personnel have a part to play in maintaining a safe work environment, be it through the day-to-day management of hazards in the work place or as part of the Emergency Response Team.

As part of our preparedness, our management teams and emergency responders are provided with current and industry specific training.

This training also extends to collaborating with industry through competition and camaraderie. In November 2016, Northern Star hosted the Underground Mine Emergency Response Competition at its Kanowna Belle Operations. This included closing parts of the mining and processing operations to provide a realistic environment for the 12 competing teams from various mining companies to come together and hone their mine rescue and emergency management skills.

These experiential events provide valuable opportunities for the experienced and not so experienced responders to learn from each other in a controlled environment.



Above and below: Northern Star's Team, one of 12, competing in the Underground Mine Emergency Response Competition at Kanowna Belle in November 2016.



Teamwork: Together we can

Our People, Our Culture

Our people are the most important aspect of our business. As the Company continues to evolve, it is critical that we have a healthy and engaged workforce to expand and sustain our operations.

Northern Star wants to be a preferred employer of choice and seeks to provide an inclusive and entrepreneurial environment in which people can thrive and really make a difference, influencing shared goals and outcomes. We believe that our future leaders will be developed from within our diverse workforce, and we will continue to invest in our people and provide opportunities for career advancement where possible.

During the year, Northern Star initiated a high-performance leadership development program to further align and drive ongoing sustainable performance in our business, and is empowering the workforce to embrace innovation and new technologies to ensure that the Company is at the forefront of driving change in the mining industry.

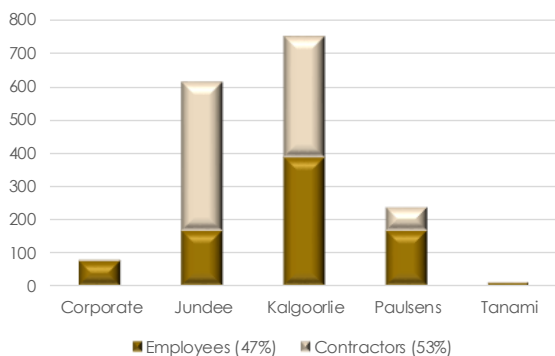


Bilby awareness and fundraiser at the Subiaco Office in April 2017.

Workforce Profile

Northern Star proudly provided employment for 1,682 employees and contractors across its operations as at 30 June 2017.

Total Workforce by Location



Diversity and Inclusion

Northern Star firmly believes that managing diversity will aid the Company's performance by recognising and utilising the contribution of diverse skills, attributes and talents across the business. Diversity may result from a range of factors including age, gender, ethnicity, cultural background or other personal factors.

The Company values the differences between its people and the contribution these differences can make to the Company. We consider that all people should be treated with fairness and respect, and as such, Northern Star recruits, develops and promotes personnel based on merit. All personnel have the right to work in an environment based on mutual respect and free from discrimination and harassment.

The Company has a Diversity Policy (NSR-COR-013-POL) and an Equal Employment Opportunity Policy (NSR-HR-005-POL) which sets the tone for the organisation. These Policies form part of the general induction and are located on the Company's website.



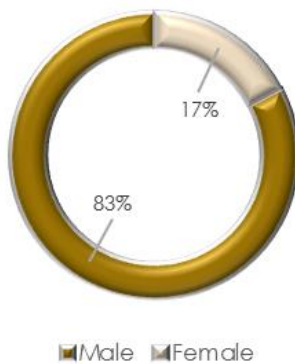
Mine rescue team training at Jundee.

As part of our commitment to increasing diversity and inclusion within our workforce, the Company openly encourages increased female and Aboriginal participation through our recruitment process in line with our meritocratic approach.

At the end of FY2017:

- women represented 17% of Northern Star's direct employees; and
- 1.5% of Northern Star's direct employees identify as Aboriginal and Torres Strait Islander peoples.

Gender Statistics



Outside of direct employment, Northern Star is a strong advocate for engaging local Aboriginal Rangers at its operations, thereby providing further employment for local Aboriginal people on a fee-for-service basis delivering environmental compliance work.



L-R: Kathryn King (HR Advisor) and Elaine Taylor (HR Principal)

As Northern Star is a significant employer of people, the Company participates in the Workplace Gender Equality Agency's annual employee survey. A copy of Northern Star's public report is available on our website.

Ethics

One of the most important documents at Northern Star is our Code of Conduct. This document defines how we act, both in and outside Australia, and ensures employee awareness of the behavioural expectations in being part of the Northern Star family.

The Board requires that the Code of Conduct is to be enacted by all employees and contractors, and through its application can positively influence relationships with community, corporate and individual Stakeholders.

As a minimum, we commit to:

- undertaking every task in a safe and responsible manner;
- working together to achieve desired results;
- being accountable for our actions and their consequences;
- treating each other with respect and dignity;
- respecting the law and acting accordingly;

- being fair, transparent and honest in our dealings;
- striving to achieve beneficial outcomes for our people and the communities in which we operate;
- using the environment and Northern Star property responsibly; and
- delivering on expected outcomes.

Being fair, transparent and honest in all of our business dealings relates to our ethical position, and the immense value we place on it.

Another key document relating to ethics is our recently introduced Anti-Bribery and Anti-Corruption Policy (NSR-COR-026-POL). High standards of ethical behaviour and compliance with laws and regulations are essential to protecting the reputation and long-term success of our business. Any instances of bribery or corruption involving, or relating to the Company will damage our reputation, diminish Stakeholder trust and our ability to grow the business. This document sets the accepted thresholds for receiving gifts, and defines an open and transparent process which applies across the organisation. Mandatory compliance with this document supports the maintenance of a robust culture of integrity, transparency and compliance, which is critical to the long-term success and value preservation of our business.

Health and Wellbeing

Northern Star operates under a Safety and Health Policy that seeks to ensure that all practical steps are taken to provide a safe and healthy work environment for anyone working at, living near or visiting our sites or offices as the only acceptable outcome is zero harm.

Employee health and wellbeing extends beyond the workplace, and Northern Star recognises the increasing importance of not only responding appropriately to the mental health of its employees but also the importance of arming each person with the skills to recognise and manage these issues themselves. Northern Star provides a confidential Employee Assistance Program that can be accessed by all employees and their immediate families.

As part of the fulltime remuneration package, Northern Star provides medical insurance to enable our employees to receive the best medical attention where possible to improve their general health and wellbeing. In addition, the Company runs general health and wellness programs at site as we see the importance of being fit and healthy for work and home life. Income protection insurance is also provided to all fulltime employees to further support our employees, and provide peace of mind.

Northern Star's insurance delivery provides access to the Best Doctors service free of charge. This service covers the employee, their partner, both sets of parents, the employee's children and the employee's step-children (see next page).

As a large contingent of our workforce are engaged at FIFO Operations and spend significant time away from family and friends, Northern Star ensures that it provides high quality facilities including well equipped accommodation units, healthy dining facilities, gyms, swimming pools, recreational facilities, mobile phone and internet cover, and broad television options.

Best Doctors Service:

Best Doctors provides access to medical advice and second opinions from a global network of leading specialists – ensuring that our employees have the right diagnosis and treatment plan. Best Doctors provides exclusive access to a global network of medical specialists nominated as leading experts in their field, by their own peers. If faced with an illness, injury or condition, our employees can connect with specialist doctors to:

- conduct an in-depth medical review and second opinion;
- confirm a diagnosis;
- decide on treatment options;
- check information given by their doctor; and
- receive quick answers to basic health questions.

If an employee has had a health scare or diagnosis that they are unsure about, they can use Best Doctors to answer any lingering questions or concerns. Employees can also use the service for on ongoing treatment.



Shooting hoops with local PKKP Children at the Paulsens' Village facilities.

Accountability: The responsibility lies with you

Governance

In order to operate sustainably, the Company acts with sound business ethics and strong governance to ensure long-term success for our Company, our people, our Shareholders, the communities in which we operate, and the land on which we work.

Sustainability is central to how we operate at Northern Star, and by making the right decisions today in every part of our business, we can ensure we maintain our reputation as a valued and respected business for tomorrow, and deliver greater economic and social outcomes, and Shareholder value.

Sustainability Vision:

"Delivering responsible environmental and social business practices that lead to both the creation of strong economic returns for our Shareholders, and shared value for our Stakeholders."

Our Sustainability Vision aligns with our Code of Conduct and our STARR Core Values of: **Safety, Teamwork, Accountability, Respect** and **Results**.

We uphold our Sustainability Vision by always:

- operating as a respectful and transparent Company;
- demonstrating strong environmental stewardship;
- respecting the traditional rights and values of Aboriginal and Torres Strait Islander peoples;
- respecting, listening to, and empowering host communities;
- valuing diversity within our workforce;
- ensuring the ongoing health and safety of our people;
- respecting all legal and regulatory requirements; and
- driving commercial innovation and cost savings.

Our performance in these areas shape our Social Licence to Operate – something we value and rely on to run a profitable and valued business over the short and long-term.

Social Licence to Operate

commonly refers to the ongoing acceptance of a company's standard business practices by its employees and Stakeholders.

Our Social Licence to Operate is not something the Company takes for granted. We understand that it can only exist by maintaining respectful and trust-based relationships with the communities and governments that host our activities.

By delivering on our Sustainability Vision, and maintaining a Social Licence to Operate, there is much we can contribute, not only to our Shareholders, but also to society, the broader economy and the environment.

Northern Star is committed to strong stewardship, long-term investment, Shareholder investment/rights and engagement, and is focussed on delivering returns to Shareholders through responsible decision making, utilisation of efficient modern mining practices, and the early adoption of innovation and technology.

Management Structure

Northern Star has a strong Board and Management Team committed to the success and longevity of the business.

In the latter part of 2016, the Board underwent a change as part of a long-planned development and succession plan to support the growth strategy and future direction of the Company. Chris Rowe, Northern Star's founding Chairman since 2003, stepped aside paving the way for Bill Beament to assume the position of Executive Chairman. Mr Rowe remains on the Board as a valued Non-Executive Director.

The Company also welcomed Shirley In'tVeld and David Flanagan, two highly experienced and credentialed Non-Executive Directors to the Board.

The Board now consists of: Bill Beament (Executive Chairman), John Fitzgerald (Lead Independent Director), Chris Rowe, Peter O'Connor, Shirley In'tVeld and David Flanagan. Five out of the six directors are Independent Non-Executive Directors.



L-R: David Flanagan, Shirley In'tVeld, Bill Beament, Christopher Rowe, Peter O'Connor and John Fitzgerald.

With the expansion of the Board, the Company undertook a redistribution of responsibilities during the year which saw a change in the composition of the Audit and Risk Committee and the Remuneration Committee. All Directors are members of the Nomination Committee. In addition to these committees, the Non-Executive Directors meet independently on a regular and formal basis.

Board Members	Bill Beament	John Fitzgerald	Christopher Rowe	Peter O'Connor	Shirley In'tVeld	David Flanagan
Position	Executive Chairman	Lead Independent Director	Non-Executive Director	Non-Executive Director	Non-Executive Director	Non-Executive Director
Status	Non-Independent	Independent	Independent	Independent	Independent	Independent
Committees	Nomination	Nomination (Chair) Audit & Risk (Chair) Remuneration	Nomination Remuneration	Nomination Audit & Risk	Nomination Audit & Risk	Nomination Remuneration (Chair)



The Company has a strong culture of internal development and promotion, and believes that the future leaders in our business are grown internally.

With Mr Beament stepping into the role of Executive Chairman, the Board was pleased to announce the internal promotion of Stuart Tonkin into the position of Chief Executive Officer (CEO).



L-R: Stuart Tonkin (CEO), Bill Beament (Executive Chairman)

The delineation of responsibilities for this new Board and Management structure has been defined by clear role descriptions, and provides for a concentrated focus and strong executive and non-executive leadership to drive the future success of the business.

Framework

The Company operates under a Governance Framework which sets out the parameters by which our business is conducted and controlled. Northern Star is a nimble business, which prides itself on being innovative and flexible in changing environments as the business evolves.

Northern Star embraces the changing requirements of its external Stakeholders and is committed to developing a fully integrated Sustainability Reporting structure that meets the needs of the business and the broader investment community.

The Board meet annually to review its environmental, social and governance strategy and framework, and to review the annual Corporate Governance Statement prior to its release. This Statement is located on the Company's website. Governance matters are also considered on an ongoing basis at regular monthly Board meetings as required.

Risk Management

Northern Star acknowledges that there is risk associated with all business activity and that the assessment, management and considered acceptance of risk ensures both the sustainability and growth of our business. The Company has a strong risk management focus across the

organisation, based on a structured and layered review process to drive awareness and improvement, and operates under a Risk Management Policy (NSR-COR-019-POL) complemented with a detailed Risk Management Standard (NSR-COR-019A-ST). The Company focusses on the identification and management of risks to eliminate or mitigate impacts to our business activities, our employees and contractors, the environment, Shareholders and other Stakeholders.

Northern Star acknowledges that climate change is occurring and its effects have the potential to impact our business. Accordingly, we ensure that climate change risks and associated risk management strategies are included within our corporate risk register, to ensure we adequately consider and mitigate the potential for a change in current climate conditions to impact our ability to efficiently and effectively operate our business.

Our Environmental Management System contains an Energy and Climate Change Standard, specifically to address our interface with climate changes. A forthcoming Water Management Standard will add to the Company's management system and will further support our position of operating in an environmentally responsible manner.

Disclosure and External Engagement

Northern Star is committed to transparent and timely reporting, and disclosure in accordance with ASX Listing Rules and good corporate governance practices. The Company communicates its business activities through the normal channels of announcements, annual reports, quarterly conference calls, investor conferences, roadshows, general meetings, Corporate Governance Statement and our website. All announcements and presentations are lodged with the ASX prior to release of information in line with our Policy on Continuous Disclosure and our Compliance Procedures. These documents are published on the Company's website.

The Company is pleased to include this Sustainability Report as another avenue for further delivering transparent information to Shareholders and other interested parties.

All disclosure or media related communications on behalf of the Company are handled by designated Investor Relations staff or members of the Executive (all Media Officers) who are authorised to communicate on behalf of the Company across all aspects of the business. In addition, the Company engages Read Corporate to assist with general media queries and to monitor media activity.

Northern Star encourages proactive external engagement as long as it is in accordance with the Company's policies and procedures, and is conducted by appropriately authorised and knowledgeable representatives of the Company.

Holistic disclosure is vital for external Stakeholders to effectively assess our corporate governance framework and overall company performance. In 2017, Northern Star has significantly increased our reporting transparency of non-financial information. The Company introduced and

RISK REGISTER REVIEW FLOW CHART





conducted an inaugural Corporate Strategy Day in early August 2017 which delivered a “whole of Company” information presentation which was very well received by the investment community. This inaugural Sustainability Report, together with the 2017 Annual Report, contains greater detail on the various key-functions of our business, and the systems and standards used to drive them. Also disclosed are various performance metrics that Stakeholders can use to benchmark the Company's overall performance, acknowledging that Stakeholders' points of interest vary greatly.

Linked to this increase in overall transparency, we recently participated in two external sustainability benchmarking initiatives; the Dow Jones Sustainability Index (DJSI) (refer <http://www.sustainability-indices.com/>) and the Carbon Disclosure Project (CDP) (refer <https://www.cdp.net/en>).

As we progress our sustainability journey, we will review participating in a range of other external initiatives to help both Shareholders and other Stakeholders assess our sustainability performance.

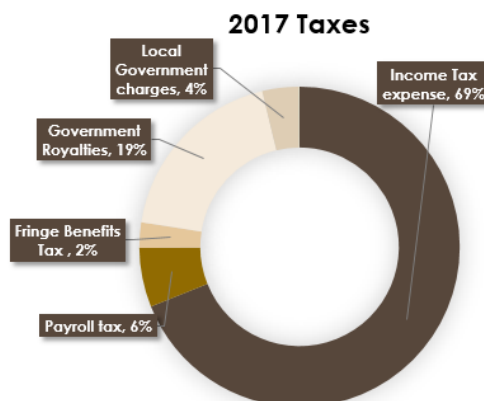
Financial Management

The Company operates under strong financial management, executed by experienced individuals utilising well developed processes and systems. The Company reports in accordance with its disclosure obligations under the ASX Listing Rules and all other regulatory authorities as required. Northern Star's financial results are audited by Deloitte Touche Tohmatsu and reported in the 2017 Annual Report released to the ASX on 22 August 2017. The Annual Report is located on the Company's website.

At the conclusion of FY2017, the Board elected to voluntarily publish the Company's 2017 Tax Corporate Governance Statement as part of Northern Star's commitment to tax transparency. This statement includes information recommended to be disclosed under the Australian Voluntary Tax Transparency Code, and is located on Northern Star's website under Corporate Governance - Rules and Special Reports.

In FY2017, Northern Star contributed A\$112.6M in taxes and fees to local, state and federal government departments, an increase of 17.5% on the previous corresponding period.

	FY2016 000s	FY2017 000s
Income Tax Expense	57,515	77,628
Payroll Tax	9,175	6,723
Fringe Benefits Tax	3,426	2,890
Government Royalties	19,689	21,185
Local Government Charges	4,708	4,134
Stamp Duty	1,331	83
Total	A\$95,844	A\$112,643



Legal Compliance

Northern Star is subject to a wide range of compliance obligations including:

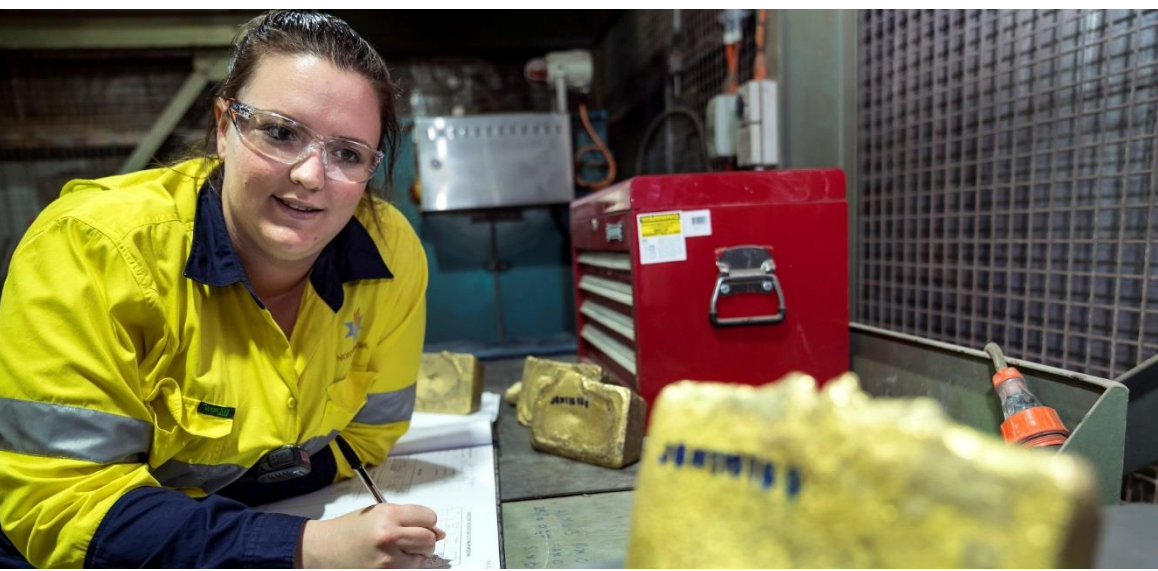
- laws and regulations at Federal, State and local government level;
- decisions of Courts and Tribunals;
- obligations arising under contracts with our joint venture partners, suppliers and other third parties; and
- our own organisational requirements, including policies and procedures mentioned in this Report.

We are committed to managing legal compliance risk effectively and efficiently, with Northern Star's General Counsel reporting to the Chief Executive Officer. In our view, a pragmatic respectful approach to all of our legal negotiations and dispute resolution is pivotal to the ongoing sustainable growth and success of our business. Legal compliance risk management is embedded within our broader risk management and governance frameworks, and integrated daily into our business operations to drive clear, consistent, effective, ethical and accountable decision making.

The Company empowers all employees to be accountable for their own personal actions, and those on behalf of the Company, by doing the right thing at all times. The Company has a non-negotiable attitude when it comes to compliance.

Audit

Northern Star operates under an environment of internal monitoring and audit, and maintains full compliance with external regulatory requirements and reporting regimes. Currently Northern Star engages independent third parties to audit our financial and emissions data. As the business evolves, Northern Star will expand our fit for purpose audit processes.



Amy Periman
Jundee Gold Pour



Environment

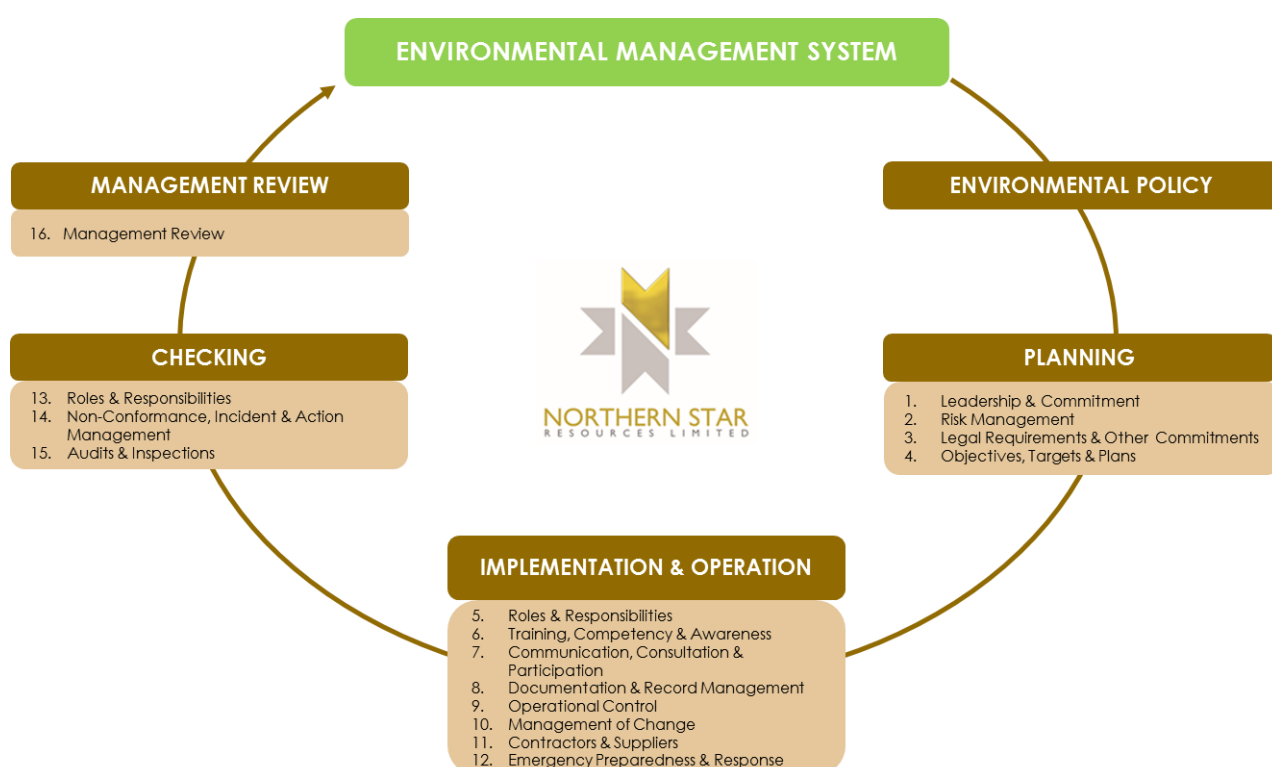
Northern Star acknowledges that the practice of resource extraction will always result in environmental impacts.

At Northern Star, our goal is to minimise and manage the short and long-term environmental impacts of our operations. We are constantly looking for opportunities to deliver lasting environmental shared-value, both in and around our operations.

Northern Star's commitment to environmental responsibility is embodied in our Code of Conduct, and underpinning the achievement of this goal is our Company-wide Environmental Policy (NSR-COR-003-POL) which directs our environmental management practices across all of our business areas.

Ensuring compliance with our Environmental Management System (EMS) (NSR-ENV-001-STA) allows us to advance our environmental performance, and deliver more resilient environmental management methods to remove, reduce, mitigate and remediate environmental impacts.

Northern Star's beyond compliance EMS was designed with reference to ISO 14001 (Environmental Management) and is based on the concept of a "Plan-Do-Check-Act" continuous improvement model, as shown in the diagram below.



Within our EMS, we maintain Environmental Standards for key elements of the natural environment that may intersect with our business activities and related management processes, these are:

- Incident Reporting Standard (NSR-ENV-002-STA)
- Mine Closure Standard (NSR-ENV-003-STA)
- Energy and Climate Change Standard (NSR-ENV-004-STA)
- Biodiversity Management Standard (NSR-ENV-005-STA)
- Environmental Risk Management Standard (NSR-ENV-006-STA)

To ensure compliance with our Environmental Policy, EMS and related Standards, each Northern Star operation has dedicated teams of suitably qualified environmental staff whose role is to ensure the Company delivers lasting environmental shared-value, both in and around our operations. The Environment and Social Responsibility function is represented at the Corporate level by the Company Secretary, and the Principal – Environment, Social Responsibility and Government Relations.





Energy and Emissions

The process of gold exploration, mining and processing requires energy inputs. Our energy needs are met by a range of means dictated by the quantity of energy required to perform the activity and the location of the activity in proximity to reliable energy sources.

For the FY2017 period, Northern Star's total energy consumption was 4,518,888 GJ.

For those projects located in remote regions (ie. Paulsens, Jundee, Central Tanami) grid electricity is not available and Northern Star generate electricity independent of the grid system, through the combustion of LPG, natural gas and diesel.

Our Kalgoorlie Operations utilise a hybrid of grid and self-generated electricity to meet the needs of our expanding operations.

With the rapid advancement of renewable energy technology, Northern Star is constantly reviewing the ability to incorporate emissions friendly means of generating electricity into our business. An example of this was the replacement of diesel pastoral bores at the Jundee Station with solar/battery systems.

Northern Star recognises that mining is progressively becoming increasingly remote and autonomous, electric and data driven. This applies to processing, open pit and underground operations.

Northern Star continues to stay at the leading edge of underground mine development. In June 2017, the Company undertook what is believed to be a world first, 4G LTE network trial in an operating underground mine to confirm a communication platform that facilitates increased autonomy and a smarter, safer mine. The Company continues to work with industry partners in the remote and automation space to ensure our requirements are met to enable larger scale rollout of the technology. Some of the many benefits include reduced personnel exposure to potentially hazardous environments, increased productivity and utilisation of our capital and available resources, and the profitable mining of ore that might currently be left behind as uneconomic.

Over the FY2017 period, 294,853 tonnes of carbon dioxide equivalent emissions (t CO₂-e) were generated. Northern Star tracks, independently audits and reports on these figures as required by the Australian Government's National Greenhouse Emissions Reporting Scheme (NGERS), and the National Pollution Inventory (NPI).

Total Energy Produced (GJ)	739,510
Total Energy Consumed (GJ)	4,518,888

Beyond carbon dioxide, the Company's other direct and indirect emissions can have impacts on air quality, and the Company ensures compliance with all regulatory requirements regarding emissions including sulphur and nitrogen oxides.

Total Scope 1 GHG Emissions (t CO ₂ -e)	196,410
Total Scope 2 GHG Emissions (t CO ₂ -e)	98,443

Our Kanowna Belle processing plant incorporates roasting of ore in the overall gold extraction process. Roasting is required due to the geochemical composition of the ore being treated at Kanowna Belle. Refractory ore requires a pre-treatment of roasting at high temperatures to free the gold particles up and allow cyanidation to be effective. Northern Star stringently complies with all Australian legislative requirements regarding the emission of mercury.

Air quality monitoring is conducted 24 hours a day/365 days a year, and utilises cutting edge sonar technology to monitor airborne particulates and wind direction to ensure that operations are always in accordance with statutory operating conditions.

Water

Water is a finite and shared natural resource that all living organisms require in order to maintain life on earth. Efficient and responsible use of water, especially fresh water, is fundamental to Northern Star's Environmental Policy that requires both the efficient use of natural resources, and that future generations have the right to enjoy the world as it is today.

Water is used in all stages of the mining process: from early stage exploration to mining and processing. Efficient and effective water usage at all of our operations is important for us and our Stakeholders. The Company operates in areas of low annual rainfall, especially at our Jundee Operations near Wiluna. Water responsibility ensures other water users, such as pastoralists, Traditional Owners and regional communities, are not impacted by our activities.

At a minimum, the Company maintains full compliance to all water related statutory requirements in Western Australia and the Northern Territory.

Total Fresh Water Consumption (KL)	3,490,709
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Solar power at Jundee Pastoral Station.



Water Efficiency:

Freshwater is a limited commodity in the Goldfields of Western Australia, with the majority piped in from Perth via the famous Goldfields Water Supply Scheme designed by C.Y O'Connor. Thankfully Northern Star can incorporate the use of hypersaline groundwater to exclusively supply the processing plant at Kanowna Belle.

Similarly, the mine dewatering process at Kanowna Belle sees the naturally occurring hypersaline water discharged into the nearby White Flag Salt Lake (seasonal habitat for a range of migratory birds), all closely monitored, and approved by relevant authorities.

In line with our commitment to ensure environmental responsibility through our Environmental Policy, Northern Star will roll out two new Environmental Standards for Water Management and Waste Management.

Waste

The largest volumes of waste resulting from the Company's mining activities are waste-rock and process tailings. However, most of Northern Star's mines are underground mines, which in comparison to open pit mines, tend to produce a lower ratio of waste to gold due to the higher grades of ore being mined.

Total Waste Rock Produced (t)	2,383,333
Total Tailings Material Produced (wet t)	3,795,632

Standard methods of managing waste rock and tailings material is to create waste rock dumps and tailings storage facilities respectively on the surface, and rehabilitate them into permanent features of the landscape through the seeding of local plant species.

All of our waste rock dumps and tailings storage facilities are designed by field-expert engineers, and comply to all statutory obligations.

Northern Star further minimises the impacts of these waste products by backfilling underground stopes (ie. mine tunnels) with crushed waste rock and 'paste-filling', a process that combines tailings material with cement to back fill older mines. This practice reduces the environmental and visual impacts on the surface environment, and helps to stabilise old underground mine areas.

The Company has initiated recycling programs at all operations for other forms of waste produced, such as scrap steel, plastic, aluminium, glass, batteries and printer cartridges.

In FY2017, the Jundee mine raised ~A\$73,000 through recycling of scrap metal which will be distributed in FY2018. In FY2016, this initiative raised A\$25,000 which was donated to the Ruggies Recycling Program and resulted in much needed equipment being purchased for the Princess Margaret Hospital for Children.

Waste Recycling:

Our Paulsens Operation undertook a waste reduction project in FY2017 to increase on-site recycling and target a reduction of non-mining waste as much as possible. Everyday items such as printer cartridge and aluminium can recycling systems were developed, as well as increasing the volume of scrap metal recycling.



Ant hill at the Central Tanami Project.

Land & Biodiversity

Our Biodiversity Management Standard ensures effective management and protection of biodiversity values through its Plan-Consult-Manage approach. Beyond ensuring full statutory compliance, Northern Star commits to;

- Undertake environmental impact assessments to identify potential impacts on biodiversity through business activity.
- Consult with relevant Stakeholders on the findings of the assessment, including regulatory authorities, local communities, Traditional Owners, pastoralists and conservation groups.
- Where any risks to biodiversity from business activities are identified, targeted measures will be implemented to minimise and manage these impacts. This may include detailed flora and fauna surveys, additional studies, and if required, the development of species/habitat specific management plans.
- Undertake regular reviews of biodiversity programs undertaken by the Company, to ensure they incorporate evolving scientific theory.
- Where appropriate, the Company will look to engage in partnerships with Stakeholders to address scientific and practical challenges relating to biodiversity protection.

The Company is privileged to operate within landscapes of high biodiversity value. The degree of remoteness at our Paulsens, Jundee and Central Tanami Projects sees the immediate and surrounding areas host some very special native flora and fauna. Both the Jundee and Central Tanami Projects host habitat for the Bilby (*Macrotis lagotis*) and Brush-tailed Mulgara (*Dasyurus blythi*).



Fresh Bilby tracks (above) and a burrow (below) located at the Central Tanami Project in 2017.



While populations of Bilby are widespread in the Tanami Region, they have not been sighted on Jundee Station for many years due to the prolonged impacts of pastoralism. However, through an enduring partnership with the Wiluna Martu Traditional Owners, Northern Star voluntarily handed over environmental management authority of the Jundee Pastoral lease to the Wiluna Martu Rangers who have since (re)implemented a traditional fire regime, feral flora/fauna monitoring and control, and erosion management. Earlier this year, the Martu Rangers identified fresh Bilby burrows on the Jundee pastoral lease, no doubt due to their excellent knowledge and work over the last six years.

Our Central Tanami Project is located within a Site of Botanical Significance and a Site of Conservation Significance (NT), and as such, we work closely with relevant Northern Territory regulatory authorities, Traditional Owners and field-specialist scientists to develop biodiversity management plans that ensure any activity undertaken in this region will not impose a risk to any threatened or endangered species or their habitats.

Rehabilitation and Closure - KBULG Snapshot:

Northern Star's Kalgoorlie Operations has a long standing and productive relationship with the Kalgoorlie Boulder Urban Landcare Group (KBULG). Established in 1994, the KBULG is a community based environment and conservation organisation that works tirelessly to improve the natural environment of the Kalgoorlie and Boulder regions under the vision of a "better environment and better lifestyle". Our staff are proud to work hand in hand with the KBULG to increase community involvement in developing educational programs and activities that promote community awareness of land care.

Rehabilitation & Closure

Adequately planning for the closure of a mine is an important part of day to day business at Northern Star. The Company maintains its Mine Closure Standard to provide firm guidance on the minimum requirements for mine closure planning and financial liability estimates. In FY2017, our Company-wide closure liability was A\$79.9M. Northern Star's strong financial position of being debt free, maintaining a strong cash balance and with highly profitable mines, means the Company is able to meet its closure cost obligations.

The Company's closure liability is reviewed annually and reported in our Annual Report.

Wherever required, the Company maintains regulator-approved mine closure plans that are reviewed every five years as a minimum, or as required by the relevant regulatory requirements.

As part of the overall closure planning process, the Company looks to conduct research trials to identify the most effective methods of rehabilitating areas impacted by our activities.



Aerial view of naturally recruited Salsola (tumbleweed) plants following Bentonite trials.



Ashleigh Shelton, Environment and Social Responsibility Advisor, Jundee

As a company and as part of the community, we also support land regeneration outside our operating footprint, and employees at our Kalgoorlie Operations continue to support the work of Kalgoorlie Boulder Urban Landcare Group (KBULG) by participating in tree planting days in public open spaces.

Compliance

Northern Star acknowledges and respects all Australian federal, state and territory statutory obligations and strives to ensure full legal compliance at all times.

Environmental Compliance FY2017

Total number of materially adverse environmental incidents	0
Total number of regulatory fines for environmental incident/non-conformance	0
Total value of regulatory fines for environmental incident/non-conformance (A\$)	0

Our EMS, Incident Reporting Standard and Environmental Risk Management Standard, provide a holistic management and reporting framework to ensure Northern Star meets and maintains all environmental compliance obligations. Our dedicated environmental staff, whom ensure the broader Company workforce and contractor base are fully aware, engaged and supportive of meeting these obligations, drive the process of managing environmental risks and monitor the environmental incident reporting systems. All of our environmental incidents are recorded electronically and reported throughout the organisation in a systematic way to ensure the cause of the incident is swiftly determined and controls put in place to prevent the incident from reoccurring.

Awareness of environmental incidents does not sit solely at the operational level. The Board receives quarterly summaries on environmental activities and material environmental incidents as part of our Board reporting system.

Kalgoorlie Community Tree Planting with Kalgoorlie Boulder Urban Landcare Group.



Respect: To get it, you must give it

Social Responsibility

Northern Star operates on the belief that as an organisation, its activities must be guided by a purpose beyond profit and that the support and trust of its activities by the communities in which it operates is fundamental to the Company's long-term success and the creation of a strong Social License to Operate.

Stakeholder trust and respect is only gained through the acknowledgement of the organisation's impacts on the environmental, economic and social landscapes; both positive and negative. With this in mind, Northern Star seeks to identify opportunities for the creation of shared-value for Stakeholders, in return for the opportunity to extract mineral wealth, and create economic value for our Shareholders.

Our Stakeholders are defined as any individual or collective of people who may be impacted, either positively or negatively by our business activities, and may include communities neighbouring our operations, Traditional Owners, Shareholders, pastoralists, industry peers, contractors/suppliers, and special interest groups including environmental NGOs, regulatory authorities and elected members.

In order to identify our key Stakeholder base, and to establish firm guidance on how they will be respectfully engaged, Northern Star adheres to our Stakeholder Policy (NSR-COR-004-POL). Coupled with our Code of Conduct, our Stakeholder Policy becomes the platform on which we were able to subsequently define key Social Responsibility Standards:

- Management of Cultural and Heritage Sites Standard (NSR-ER-001-STAJ)
- Stakeholder Mapping Standard (NSR-ER-002-STAJ)
- Stakeholder Engagement Standard (NSR-ER-003-STAJ)
- Complaint and Grievance Management Standard (NSR-ER-004-STAJ)

These Policies and Standards form our Social Responsibility Management System (SRMS), and are the tools we use to ensure the Company can both develop and maintain a robust Social Licence to Operate.



Meeting with Puutu Kuntj Kurrama and Pinikura (PKKP) People at the Paulsens Gold Mine celebrating Paulsens' one millionth ounce.

Community Engagement

Northern Star understands every Stakeholder is unique, as is their point of interest in and exposure to our activity.

To accommodate this reality, the Company employs a tiered Stakeholder engagement process, where individual and collectives' points of interest are identified so we can align our engagement with their interests. At the highest level, Stakeholders are separated into three primary categories:

1. Operational Stakeholders
2. Regulatory Stakeholders
3. Shareholders and Investment Stakeholders

Specific resources are allocated within the Company to manage the engagement of each Stakeholder group.

Our dedicated teams of site-base Environment and Social Responsibility staff manage the day to day relationships with Operational Stakeholders.

Regulatory Stakeholder engagement generally sits with the Company Secretary and Principal – Environment, Social Responsibility and Government Relations.

Shareholders and Investment Stakeholder engagement is supported by our Investor Relations staff and members of the Executive Team who are authorised to communicate on behalf of the Company across all aspects of the business, in accordance with our disclosure obligations and compliance procedures.

Listening to our Stakeholders:

A natural part of any human relationship, including that between businesses and communities can include disputes. A complaint that is left unresolved or unmanaged can lead to increased risk of conflict and breakdown of trust. An integrated and active approach to resolving and managing complaints and grievances will significantly reduce these risks.

Acknowledging Article 29 of the United Nations Guiding Principles on Business and Human Rights, Northern Star has introduced a Complaint and Grievance Management Standard across the Company.

"Article 29. To make it possible for grievances to be addressed early and remediated directly, business enterprises should establish or participate in effective operational-level grievance mechanisms for individuals and communities who may be adversely impacted." (Article 29. UN-GPBHR p.36).

Each of our operations has a site-specific Complaint and Grievance procedure with dedicated staff to act as first points of contact for Stakeholders to raise their concerns with the Company, knowing they will be systematically considered. This mechanism covers all cycles of our business activity, from early stage exploration, operation and closure.

Our Stakeholder Mapping and Stakeholder Engagement Standards provide guidance on the minimum requirements for the identification of Stakeholders and subsequent foundation for planning, implementing and monitoring Stakeholder's interests, as the basis for developing and maintaining constructive, long-term relationships.

Community Investment

Northern Star understands the importance of investing in social and environmental causes that are directly and indirectly linked to our core business activities. This allows us to assist some of the country's best not for profit groups achieve their objectives in making the world a better place. You do not have to be a large organisation to gain our support, and in FY2017, the Company supported groups ranging from leading national health research organisations, through to small community groups and employee initiatives to support reputable causes.

Aside from providing financial support, Northern Star actively provides in-kind benefits to charitable causes and the Company encourages employee volunteering or cause raising activities.

As we grow as a Company, so does our ability to provide community support. With this in mind, a review was undertaken in FY2017 of the types of donations and sponsorship that best align with the Company's business, Code of Conduct, Environmental and Stakeholder Policies, and its belief that the organisation must be guided by a purpose beyond profit.

As part of this review, the Company has amended its Donations and Sponsorship Policy (NSR-COR-014-POL) based on a newly developed Community Investment Framework. In setting the structure for the Community Investment Framework, the following key areas have been identified as important to Northern Star and its business, as well as to its external and internal Stakeholders: **Community, Health & Wellness, Environment, Indigenous Advancement, Education & Development, and Employee Initiatives.**

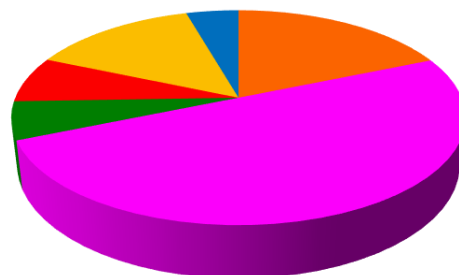
These six categories, as shown in the diagram below, highlight the different types of Community Investment that Northern Star currently makes, or intends to make in the future, in a more controlled and strategic manner. All categories will be appropriately budgeted for at the Corporate or Site level, and all investments will be processed according to our Donations and Sponsorship Policy.

A Donations Committee will work with the individual sites in respect to budgeting processes and achieving outcomes under this new framework.

In FY2017, Northern Star's Corporate Community Investment totalled A\$525,000, made up of a combination of financial and in-kind contributions as detailed in the following table.

FY2017 Corporate Community Investment

Community	18.7%	98,172
Health & Wellness	50.0%	262,727
Environment	5.7%	30,000
Indigenous Advancement	7.0%	36,554
Education & Development	14.1%	74,154
Employee Initiatives	4.5%	23,393
		A\$524,999



Fighting the War on Childhood Cancer:

The Telethon Adventurers' (now known as The Adventurers) work is tireless as they remain focussed on their fundraising efforts with the sole aim of improving the chances of finding cures for childhood cancer. In support of this aim, The Adventurers have an ongoing commitment to operating a brain tumour research laboratory and drug discovery program based at the Telethon Kids Institute located in Subiaco.

Childhood cancer impacts so many of us in our everyday lives through our personal networks of family, friends and work colleagues, and in our broader local communities.

Whilst there is one child still suffering from cancer without a cure, then the battle continues.

Northern Star was again proud to donate A\$250,000 in FY2017 to this very worthy cause.

In addition, we were pleased to support three employees who took on the personal challenge in September 2016 of climbing Bali's highest peak, Mt Agung, in order to raise money for The Adventurers to continue to fund important research into childhood cancer.

We acknowledge Lauren Elliott (centre), Charlie Munson (left) and Ioanna Papantoniou (right) for their individual spirit and generosity.



Providing community support does not always mean handing out money. It can be through in-kind means, such as volunteering of time and resources.

The team at Jundee supports student attendance at the Wiluna Remote Community School by providing the school with weekly ingredients that make up their daily lunch menu. Those students who maintain or exceed a term attendance rate of 80% are invited out to the Jundee mine for dinner at the end of the term, and receive an award certificate for their great work. Feedback from the School Principal indicates these simple initiatives make a difference to the education and development of children in a very remote part of Western Australia.



Wiluna School Food Program:

"The food donation that is provided fortnightly to Wiluna Remote Community School from Northern Star has an immeasurable impact on students' attendance, health and learning at school and beyond. This donation allows the school to ensure student wellbeing through provision of quality nutrition to students who may not have had access otherwise. It enables children to be ready for learning in ways that the school cannot offer.

The Food Program consists of a breakfast of Weetbix, a hot recess meal, fruit and vegetable snacks, and a healthy lunch. The meals are planned based on recommendations from a qualified dietician, as well as student and some family feedback.

The Northern Star School Food Program ensures that all students are provided with fruit and vegetables, meat and fish and other essential foods for the healthy development of children. For some students, these meals may be the only fruit and vegetables they eat during the day or the week. Students need good nutrition to ensure proper cognitive functioning and physical development. Given the often prohibitive cost of fruit and vegetables in Wiluna, the school would be unable to supply quality prepared, cooked and varied foods to students. Programs such as 'Crunch and Sip' (a break during the day to drink water and eat fruit and vegetables) increase students' fruit and vegetable knowledge and intake. The school meals that are provided are an incentive for students to come to school, rather than food being a barrier to coming to school. When children are hungry, they cannot learn. The Northern Star School Food Program is therefore a key factor in ensuring health and educational outcomes for Wiluna RCS students."

*Adriano Truscott – Principal
Wiluna Remote Community School*

Saint Barbara's Festival:

Each year, the Kalgoorlie-Boulder Community come together to attend the Miners' Memorial in honour of the men and women who have lost their lives servicing the mining industry over the past century. Following this service, a symbolic miner's lamp is lit to signify the beginning of the Saint Barbara's Festival.

The festival is steeped in tradition as Saint Barbara has long been revered as the patron saint of miners. Each year the festival grows with a bigger fleet of equipment flooding the streets with colour, and an even bigger crowd to cheer them on. The festival recognises the ongoing socioeconomic contributions the mining sector makes to the region, and all of those who make our industry great.

Northern Star is honoured to be part of this local community event and to stand as one with our mining peers, contractors, suppliers, family and friends. The parade through the streets is a highlight on the annual calendar.



Saint Barbara's Festival in Kalgoorlie-Boulder.



Indigenous Peoples

Indigenous peoples are both globally unique and locally diverse. However, they often possess a shared characteristic through a strong affinity for the natural environment and cultural connection to their traditional lands.

Noting this, the International Council on Mining and Metals (ICMM) Indigenous peoples and mining position statement sets out a vision for *"constructive relationships between mining and metals companies and indigenous peoples that are based on mutual respect, meaningful engagement, trust and mutual benefit."*

Northern Star's Core Values of Safety, Teamwork Accountability, Respect and Results support the ICMM position statement, and frame the way we relate to all Indigenous peoples when planning or conducting business activities.

Australia's Aboriginal peoples have occupied the lands on which we operate for over 50,000 years. Northern Star pays its respects to all Aboriginal Traditional Owners, and especially those whose land we are privileged to work on. The Company respects their rights under the Native Title Act 1993 and Aboriginal Land Rights (Northern Territory) Act 1976, and consider them one of the most important groups of Stakeholders for the successful operation of our business.

At a minimum, the Company commits to ensuring Traditional Owners' various statutory rights are afforded, and most importantly that our business activity does not negatively impact their ability to continue practicing their unique cultures.

Northern Star proactively engages Aboriginal Rangers at our operations to conduct fee-for-service environmental compliance works.



L-R: Jayden Donaldson and Matthew Dimer of Goldfields Land and Sea Council Rangers performing environmental works at Kanowna Belle.



General Manager Kalgoorlie Operations Jim Coxon with the inaugural Goldfields Land and Sea Council Rangers Team at Kanowna Belle.



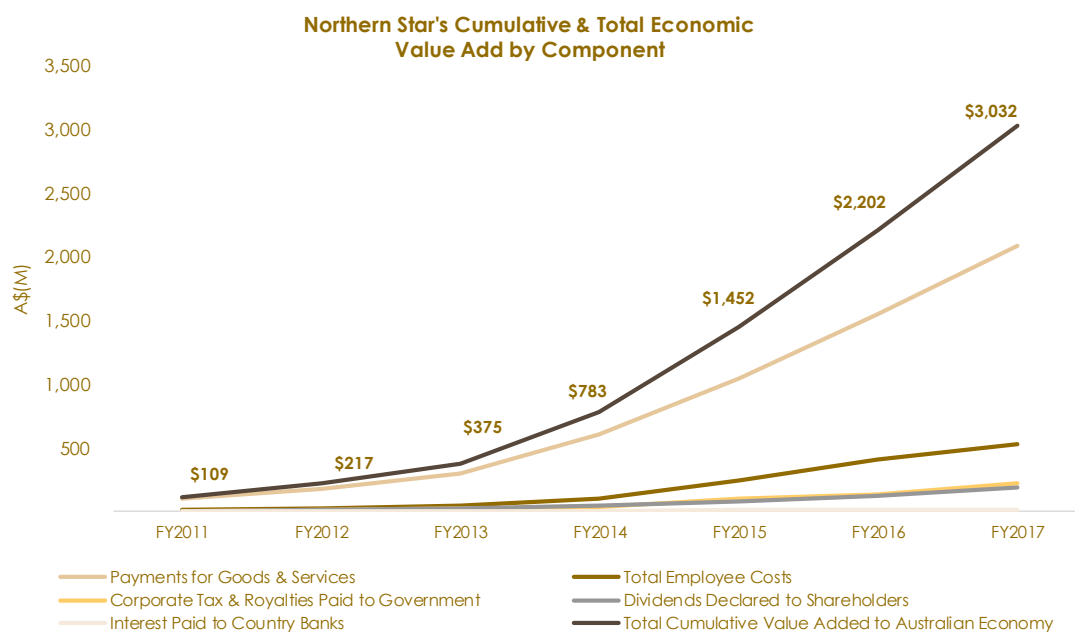
Socioeconomic Contribution

Since the acquisition of the Paulsens Gold Mine in 2010, Northern Star has been very cognisant of the importance of generating economic value not just for its Shareholders but for all Stakeholders. This concept of shared value aligns with Northern Star's STARR Core Values. These socioeconomic outcomes are enhanced through disciplined financial management that is driven within the business. This fiscal management drives the Northern Star mantra of being "a business first and a mining company second".

This approach has seen Northern Star generate some of the highest returns to Shareholders of any company within the mining sector. Whilst these returns are sector leading in class, they are a shorter-term measure of success and only measure the financial performance of the business and do not capture the value created in the community from the business. The concept of shared value in a financial context aims to capture the broader value created in the community by the business and aligns Northern Star's longer term goals of generating economic value for all Stakeholders.

Since the first Company making acquisition in 2010, Northern Star has made significant socioeconomic contributions to the broader community and has cumulatively contributed over A\$3B in economic value add to the Australian economy.

The breakdown of these payments can be seen in the table below. In FY2017, Northern Star's contribution totalled over A\$829M into the economy.



DEFINITION OF VALUE ADD (GROUP)	12 months 30 June 2011 A\$(M)	12 months 30 June 2012 A\$(M)	12 months 30 June 2013 A\$(M)	12 months 30 June 2014 A\$(M)	Reclassified 12 months 30 June 2015 A\$(M)	12 months 30 June 2016 A\$(M)	12 months 30 June 2017 A\$(M)
Payments for Goods & Services	97.9	79.8	115.8	313.0	433.3	507.9	540.3
Total Employee Costs	7.4	12.6	17.6	56.3	145.1	165.6	122.6
Corporate Tax Paid	-	2.9	5.3	9.0	38.6	10.9	73.1
Royalties Paid to Government	2.7	2.6	3.4	7.3	21.0	22.2	21.2
Dividends Declared to Shareholders	-	10.1	14.8	20.3	29.6	42.0	72.1
Interest Paid to Country Banks	0.9	0.5	0.8	1.8	1.9	1.3	0.3
Value Added to Australian Economy	109.0	108.4	157.7	407.7	669.5	749.8	829.6

Local Procurement

Northern Star understands that working with local businesses and suppliers is a fundamental way of delivering shared value to our Stakeholder communities, and ensuring that the economic multipliers from our business activities are maximised for those living within the regions in which we operate.

In FY2017, the Company spent a significant amount in and around our operational footprints, utilising local suppliers and contractors where possible.



Ranger Program Partnership:

Our Jundee mine embarked on a voluntary partnership with the Wiluna Martu people to identify a more mutually productive model for employing Traditional Owners at the mine.

Jundee is an underground mine and the Wiluna Martu possess cultural reservations that inhibits people's desire to work below the surface. By reframing our collective assumptions of 'work', we partnered with the Martu and their representatives from Desert Support Services to utilise Martu's 50,000 years of land management experience to develop a fee-for-service Aboriginal Ranger Contract.

The Wiluna Rangers were contracted to undertake core environmental compliance work at our operations, and were paid professional contracting rates in return. The key to this initiative was that it engaged Martu as experts, as opposed to employing them through lower level labouring positions, and that the roster was highly accommodating of their cultural obligations. It was mutually agreed that of the larger pool of ~40 Rangers, the Company would require five individuals for one week per month of work. This gave the Rangers individual flexibility to meet other obligations, knowing there would always be sufficient individuals available to service Jundee's requirements.

The model has been successfully replicated at the Plutonic mine with the Gingirana Traditional Owners' (prior to the sale of the operation), and at our Central Tanami Project with the Central Land Council, and has recently commenced at our Kalgoorlie Operations in partnership with the Goldfields Land and Sea Council. The Company is also working with the PKKP Traditional Owners at our Paulsens Operation to explore the potential to replicate a program in their district.

The Jundee model has been recognised by the UN Global Compact for human rights best practice in the resource sector, was a finalist in the Golden Gecko Awards for environmental excellence in 2013, and was recently named a finalist in the 2017 Community Partnership Awards through the Department of Mines, Industry Regulation and Safety, receiving a special Certificate of Merit for this enduring initiative. We feel this is a powerful example of how a mining company can create shared value, and in turn help to develop a model that can be adopted by both Indigenous peoples and mining companies all over the world.



L-R: Abraham Van Niekerk, Ashleigh Shelton, Richard Gordine, Ray Carbine, Guy Singleton and Clifford Cutter receive Certificate of Merit for Martu Ranger Program in the 2017 Community Partnership Awards.

Millrose Contracting at Jundee:

The Ward family has owned and operated pastoral properties around our Jundee mine for three generations. In fact, one of our pits is named after Henry Ward. Henry's son Rex (pictured on previous page) and his son Chris own the Lake Violet and Millrose pastoral stations, and sub-lease the Jundee Station from Northern Star. Aside from being top notch pastoralists, through their company Millrose Contracting, the Wards deliver a range of professional machinery and earth moving related services to the Jundee Operations. It is hoped this relationship will one day continue through Chris' young family.

Contractor Management Policy

Northern Star's Contracts Policy (NSR-FIN-035-POL) outlines the framework for the tender process to ensure suppliers engaged by Northern Star align with the Company's standards and STARR Core Values, specifically:

- value proposition;
- health and safety history and systems;
- environmental systems;
- previous experience and past performance;
- financial and technical capabilities;
- available resources; and
- Social Responsibility commitment.

As part of the tender process, suppliers are required to answer questions and submit documentation for assessment in accordance with NSR-FIN-039-FOR - Tender Schedule - Health, Safety, Environment & Social Responsibility. This documentation is reviewed by the relevant Stakeholders and tenderers are ranked accordingly via a weighted evaluation matrix. Upon completion of the evaluation, a recommendation is circulated through various levels of approval in accordance with the Contracts Policy which further ensures best practice when engaging a supplier.

Where Directors or employees have a real or perceived conflict of interest between them as individuals and the interests of the Company, Northern Star has processes in place to evaluate individual potential conflicts, and where considered appropriate, those persons are restricted from participating in any preparation, assessment or decision-making processes.

Cultural Heritage

Northern Star commits to maintaining full compliance to all relevant heritage statutory requirements wherever we operate.

Our Management of Cultural and Heritage Sites Standard sets out our requirements for identification, protection and management of sites with cultural or heritage significance to Stakeholders. The Company acknowledges that heritage sites are a key feature of the landscape and that our sensitivity to this cultural asset is a cornerstone of good engagement.

When undertaking surveys to identify areas of cultural and heritage significance, Northern Star commits to being inclusive of appropriate local Stakeholders and cultural heritage custodians, and will be guided by local cultural norms and traditional knowledge.

There were no incidents or breaches of heritage obligations in FY2017.

FY2017 Heritage Incidents

Number of heritage incidents	0
Number of heritage related infringements	0
Cost of heritage related infringements (A\$)	0

Access to Heritage:

Our Jundee mine, and the Company-owned Jundee Pastoral Lease are privileged to house some culturally significant heritage sites for the Wiluna Martu Traditional Owners. From the onset, Northern Star understands that its mining tenure is only one form of tenure held over this area, and that the Wiluna Martu must be able to continue to have meaningful access to these sites in order for both Martu and other Western Desert Cultural Block Traditional Owners to practice their rich cultures. Wiluna Martu know they are welcome to access the vast proportion of mining tenements held by Northern Star over this area, and the broader Jundee Station, with care taken to only limit access to areas that would expose people to unacceptable safety risks.

Ethics & Human Rights

Northern Star acknowledges human rights as a legitimate set of moral principles of which every human being is inherently entitled to regardless of their personal, social, economic, cultural or geographic circumstances. The Company understands that businesses are expected to ensure they are not complicit in any form of human rights breaches, either directly or indirectly, and that operating in a country such as Australia does not negate it from the obligation of monitoring for instances where human rights abuses may occur. Northern Star is guided by and support the foundational UN Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights.

Our Code of Conduct is the most important document issued by the Company. Section 3.4 of this Policy binds all Northern Star employees and contractors to *"Strive to achieve beneficial outcomes for Northern Star personnel and the communities in which we operate by, as a minimum, always complying with the UN Agreements on Human Rights."*

Compliance with Human Rights:

The fact that we operate in a country with a low risk of enduring human rights abuses does not negate our exposure to the fact that our indirect business activity, such as overseas procurement of goods, may well be. Human rights abuses, such as child or forced labour, unfair wages, unacceptably poor working conditions, involuntary resettlement, rights of Indigenous peoples, and the right to safety and security are recognised by the Australian Human Rights Commission as Australian supply chain risks.

In FY2017, Northern Star implemented a first step process in our commitment to preventing human rights violations through contractor screening. As part of the Tender Schedule Process, the Procurement Department requires that all companies tendering for major contracts must disclose key environment, social responsibility, health and safety information. Within this process is the requirement for companies to disclose if they have themselves completed a supply chain audit for human rights abuses within their product chain. This allows us to consider the need to conduct further investigations for those companies who have not, in order to ensure we do not inadvertently support any human rights breaches. The Company acknowledges this is a small step, and it is the first phase to ensuring we adhere to our commitment of zero tolerance for human rights abuse.





Results: We deliver on our promises

Key Achievements in FY2017

- ★ LTIFR - 1.8, reduced by 65%
- ★ TRIFR - 14.3, reduced by 30%
- ★ Female participation rate - 17.1%, increased by 21%
- ★ Aboriginal Ranger Programs activated at Jundee, Kalgoorlie and Central Tanami Project
- ★ Graduate intake - 21 professionals, 29% female
- ★ Board restructure, appointment of first female Director
- ★ Committed to voluntarily publishing the 2017 Tax Corporate Governance Statement
- ★ Contributed A\$112.6M in royalties and taxes¹, increased by 17.5%
- ★ Community Investment of A\$525K
- ★ Reserves 3.5Moz - increased by 52%
- ★ Resources 10.2Moz - increased by 36%
- ★ 514,735koz produced, top of production guidance 485k-515k
- ★ A\$1,013/oz, bottom end of cost guidance A\$1,000-A\$1,050/oz
- ★ Record Net Profit - A\$215.3M – up 42%
- ★ Earnings Per Share - A35.9¢ - up 42%
- ★ Annual Dividends - A9¢ - up 29%
- ★ Return on Equity - 40%
- ★ Return on Invested Capital - 33%
- ★ Sector Leading Balance Sheet - A\$447M cash and equivalents
- ★ No Bank Debt

¹ Refer Page 11 – 2017 Tax Corporate Governance Statement disclosure.

