

Dividend up 50% as net profit rises 79% to A\$65.1m

On track to lift production to 700,000ozpa in 2018, underpinning another step-change in cash generation

KEY POINTS

- ▶ Revenue of A\$425.3m, up 3% from previous corresponding period (pcp); 283,573oz sold at average price of A\$1,497/oz; current spot price ~A\$200/oz higher at ~A\$1,700/oz
- ▶ Net profit after tax of A\$65.1m, up 79% from pcp
- ▶ Interim dividend increased 50% to 3¢, fully-franked; Earnings per share of 10.9¢, up 76% from 6.2¢
- ▶ Return on equity sustained at an exceptionally high 17% (34% on an annualised basis)
- ▶ All-in sustaining costs were A\$1,062/oz. This is at the lower end of guidance and reflects the flat cost environment amid resources downturn
- ▶ EBITDA of A\$182.4m up 22%
- ▶ Cashflow from operations up 35% to A\$173.4m
- ▶ Underlying Company free cashflow of A\$96.7m despite investing \$35m in the half to grow group production to 700,000ozpa in 2018 and A\$18m in dividends
- ▶ A\$226m in cash, bullion and investments on hand at 31 December, up from A\$119.1m a year ago; no debt
- ▶ Results highlight Northern Star's substantial cash generating capacity when production increases to 700,000ozpa in 2018
- ▶ Northern Star will be hosting a half-yearly conference call today at 8.30am WST (11.30am EST). The call can be accessed at <http://boardroom.media/broadcast/?refid=&eid=56b90c97c23d9659538e1b1a>

Northern Star Resources Managing Director Bill Beament said:

"These results demonstrate the cash generating capacity of Northern Star based on our current production rate of ~570,000 ounces a year.

"But more importantly, they highlight the free cashflow Northern Star is set to generate as production grows to 700,000oz a year over the next two years.

"This growing cashflow is also being underpinned by the increasingly favourable cost environment stemming from the resources downturn.

"Given our forecast growth in production, combined with today's gold price and our current costs, Northern Star could be well on the way to generating A\$450 million a year in operating cashflow."

ASX ANNOUNCEMENT 19 February 2016

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 600M
Options 4M

Current Share Price A\$3.72

Market Capitalisation
A\$2.2 billion

Cash and Cash Equivalents
31 Dec 2015 - A\$226 million

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Increased Dividend

"In light of our current strong cash position and the outlook for our cashflow as production rises, we have increased the interim dividend by 50% to 3¢, fully-franked.

"This reflects our confidence in the Company's financial prospects and our fundamental commitment to maximising Shareholder returns.

"At the same time, we retain a conservative approach to our balance sheet and, importantly, we have ample cash to fund our outstanding organic growth opportunities.

"This increased payout is the result of our flexible dividend policy, which is aimed at ensuring that our dividends reflect the Company's current financial performance, its need for investing capital at the time and the prevailing market conditions.

"Our strategy to grow production to 700,000ozpa by 2018 is well on track, is fully funded and is poised to drive our cashflow to another level.

The dividend will be declared to all Shareholders on the register at 23 March 2016 and is expected to be paid on 5 April 2016.

Yours faithfully



BILL BEAMENT
Managing Director
Northern Star Resources Limited

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