NORTHERN STAR
RESOURCES LIMITED

ASX ANNOUNCEMENT
20 February 2018
Australian Securities Exchange Code: NST

Board of Directors

Mr Bill Beament
Executive Chairman

Mr Chris Rowe
Non-Executive Director

Mr Peter O'Connor
Non-Executive Director

Mr John Fitzgerald
Non-Executive Director

Ms Shirley In'tVeld
Non-Executive Director

Mr David Flanagan
Non-Executive Director

Issued Capital

Shares 603.2 million
Options 0.8 million
Performance Rights 10 million

Current Share Price A$6.10

Market Capitalisation
A$3.7 billion

Cash, Bullion & Investments
31 Dec 2017 - A$433.1 million

Projects

Paulsens Mine
Kanowna Belle Mine
Kundana Mine
Kundana Mines (51% of EKJV)
Jundee Mine
Central Tanami (25% of JV)
Western Tanami

Listed Investments
ASX: VXR, DAU, RND, TBR, ALY, EAR
TSX-V: SGI

Financial results for six months to 31 December 2017

Strong cash flow funds organic growth and 50% increase in dividend

Operating cash flow jumps 14%, enabling Northern Star to invest A$56M in highly profitable organic growth strategy while also declaring a A4.5¢ fully-franked dividend

KEY POINTS

- **Revenue of A$435.3M*, up 14% from previous corresponding period (pcp)**
- **Underlying free cash flow of A$61.1M*, up 9% from pcp**
- **Net profit after tax of A$79.1M*, down 7% from pcp due to wind-down of Paulsens; Millenium mine is forecast to boost H2 NPAT**
- **Cash flow from operating activities of A$126.8M, up 14% on pcp**
- **Earnings per share of A13.1¢**
- **EBITDA of A$201.7M; EBITDA margin of 46.3% (50% margin when Paulsens mine is excluded)**
- **Industry-leading financial returns sustained: return on equity of 25% on an annualised basis, annualised return on invested capital of 24%**
- **267,278oz gold sold at an average price of A$1,678/oz. All-in sustaining costs (AISC) were A$1,043/oz (US$815/oz[1]).**
- **On track to meet FY2018 guidance of 525,000-575,000oz at AISC of A$1,000-A$1,050/oz**
- **Interim dividend increased 50% to A4.5¢, fully-franked and in line with new capital management policy of paying out 6% of revenue**
- **Invested A$56M in exploration and development in the six months to grow group production to 600,000ozpa in CY2018 and paid A$36M in dividends during the half**
- **To capitalise on the significant growth opportunities, A$25.4M of exploration and development capital has been brought forward into the second half of FY2018 from future years**
- **A$433M in cash, bullion and investments on hand at 31 December, up 43% from A$303M a year ago; no debt**
- **Northern Star will be hosting an interim results conference call today at 8am AWST (11am AEDT). The call can be accessed at http://boardroom.media/broadcast/?eid=5a778e919677b06417eded62**

Northern Star Executive Chairman Bill Beament said the Company had a wealth of organic growth opportunities and the cash flow to capitalise on them.

"Our exploration campaign over the past three years has been extremely successful. We have established a Resource base of more than 10 million ounces and Reserves of 3.5 million ounces and I believe we still have huge opportunities to continue expanding our inventory, our mine lives and our production from organic sources as today's exploration update showed.

"And we have the cash flow from our existing production base and sector-leading balance sheet to unlock these growth opportunities.

"This is an extremely enviable position to be in.

"In the past six months we invested A$56 million in exploration and development, some of which was brought forward because the opportunities were so attractive.

"We will continue to accelerate this growth program, with a further A$25.4 million of exploration and development capital to be brought forward from future years into the current half.

"As a result in FY2018 Northern Star will be investing A$130.4 million in growth capital.

"Bringing forward this investment in exploration and development is the most effective allocation of capital as it generates industry-leading financial returns, as shown by the outstanding 24 per cent return on invested capital we recorded in the past six months and 28 per cent over the past three years.

"As a result of this strategy, we are on track to increase our production rate to 600,000ozpa later this year, with all the growth coming from organic sources.

"We have already established mine life visibility of plus-ten years. And we expect to increase our Reserve estimates after mining depletion again early next financial year.

"Thanks to the significant free cash flow from our Tier One operations, we are also able to declare a 50 per cent increase in our interim dividend to A4.5¢ a share, fully-franked.

"This dividend is worth a total of A$27 million, which compares with our cash and investments at 31 December of A$433 million. With no bank debt, our balance sheet remains in superb shape even after allowing for the dividend and the exploration and development program.

"We believe these results show that our strategy of finding and developing gold in Western Australia, mining and processing it efficiently and re-investing in the next round of that cycle is paying dividends for all our stakeholders, whether they be shareholders, employees, local communities or the wider population which benefits from the royalties and taxes paid by Northern Star."

The interim fully franked dividend record date is the 28 March 2018 with the payment date 13 April 2018.

Bill Beament

BILL BEAMENT
Executive Chairman
Northern Star Resources Limited

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Forward Looking Statements

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**Results from continuing operations, excludes Plutonic on a previous corresponding period basis.*

[1]All currency conversions have been converted at a currency of AUD/USD conversion rate of A$0.78.