

NORTHERN STAR ACQUIRES THE TIER-1 POGO GOLD MINE IN ALASKA FOR US\$260M

The deal, which will be funded via combination of current cash reserves and A\$175M share placement, sets up Northern Star to be 1Mozpa producer from three Tier-1 mines in Tier-1 jurisdictions

Not for release to US wire services or distribution in the United States

KEY POINTS

- ▶ Northern Star has agreed to acquire the high-grade 4.1Moz Pogo underground gold mine in Alaska for US\$260M (A\$347M)
- ▶ Pogo is currently owned by long-established Japanese multi-national Sumitomo Metal Mining Co., Ltd (85% JV interest and the mine operator) and Sumitomo Corporation (15% JV interest)
- ▶ Pogo is a world-class ~8Moz gold endowment¹; It has produced 3.8Moz at an average mine grade of 13.6gpt over the past 12 years; Average annual production is ~300,000oz
- ▶ In CY2017, Pogo produced 271,273oz at AISC of US\$882/oz at a head grade average of 10.8gpt; making it the 8th largest gold mine in the US
- ▶ Pogo has a non-JORC reserves and resources of 4.1Moz at 12.2gpt (based on NI 43-101 guidelines); This total reserve and resource has been sustained around this level for the past 12 years despite depletion; This includes reserves of 760,000oz at 11.9gpt, the third-highest reserve grade in North America²
- ▶ Acquisition price equates to US\$63 per ounce³ (based on US\$260M price and Pogo's non-JORC reserves and resources)
- ▶ Northern Star will receive the full financial benefit of Pogo from July 1, 2018, putting it on track to add 250,000-260,000oz to Northern Star's FY2019 production at an AISC of ~A\$1,175/oz (US\$880/oz)*
- ▶ As a result, Northern Star's FY2019 guidance has been increased to 850,000-900,000oz at an AISC of A\$1,050-1,150/oz (US\$787-862/oz)*
- ▶ Acquisition will be funded from existing cash and a fully underwritten A\$175 million placement to institutional investors
- ▶ Pogo has several key parallels with Jundee at the time of that project's acquisition by Northern Star in July 2014
- ▶ Alaska is rated tenth in the global Fraser Index of "Investment Attractiveness" – well ahead of every Australian state except Western Australia; It is rated fifth in the index for "Best Practices Mineral Potential"
- ▶ The Pogo due diligence team was the same team which conducted the Jundee DD four years ago; The Jundee integration team will oversee the Pogo integration
- ▶ Northern Star intends to conduct a Jundee-style program of investment at Pogo, utilising its extensive exploration and underground mining expertise

ASX ANNOUNCEMENT 30 August 2018

Australian Securities
Exchange Code: NST

Board of Directors

Mr Bill Beament
Executive Chairman

Mr John Fitzgerald
Lead Independent Director

Mr Chris Rowe
Non-Executive Director

Mr Peter O'Connor
Non-Executive Director

Ms Shirley In't Veld
Non-Executive Director

Issued Capital

Shares 613.3 million
Performance Rights 10.4 million

Current Share Price A\$6.96

Market Capitalisation
A\$4.3 billion

Cash and Cash Equivalents
30 Jun 2018 - A\$512 million

Projects

Jundee Operations
Kalgoorlie Operations
Paulsens Mine
Central Tanami (25% of JV)
Western Tanami

www.nsrld.com

ABN: 43 092 832 892

¹ Calculated on the basis of Pogo's current resources and reserves and past production.

² Source: Wood Mackenzie 2018 Gold Cost Curve Constituents for North America for mines with >200kozpa production.

³ Calculated on the basis of total reserve and resource ounces.

- ▶ **As part of this strategy, Northern Star will immediately start re-modelling Pogo to convert the resources and reserves to JORC-compliant status**
- ▶ **“Pogo presents Northern Star with the same opportunity we encountered at Jundee four years ago. By investing in exploration and development, we are confident we can grow the resource, production and mine life for the benefit of the mine’s employees, contractors, the local community and our Shareholders.” – Northern Star Executive Chairman Bill Beament**
- ▶ **Northern Star will be hosting a conference call today at 9:00am AWST (11:00am AEST). The call can be accessed at <http://webcasting.brrmedia.com/broadcast/5b84c2b032350f0dbf7daf4b>**

Northern Star Resources (ASX: NST) is pleased to announce that it has agreed to acquire the high-grade Pogo gold project in Alaska from Sumitomo Metal Mining Co., Ltd (85% interest and the mine operator) and Sumitomo Corporation (15% interest)⁴ for US\$260 million (A\$347 million).⁵

Northern Star seized what it believes is an outstanding opportunity because Pogo meets all its key criteria, which centres on maximising financial returns by owning and investing in Tier-1 projects in Tier-1 jurisdictions.

Northern Star Executive Chairman Bill Beament said Pogo is a world-class project with an 8Moz gold endowment⁶, producing 3.8Moz at 13.6gpt over the past 12 years at an average rate of ~300,000ozpa.

Mr Beament said the acquisition opportunity was made particularly compelling by its location in Alaska, a Tier-1 jurisdiction which was independently rated in the Fraser Institute Annual Survey of Mining Companies 2017 as a Top-Ten destination in the world for “Investment Attractiveness and Top-Five for Best Practices Mineral Potential”.

Pogo is in the Tintina Mineral Belt, the metal province is a 200km wide, 1,200km long arc stretching across much of interior Alaska through to the south-eastern Yukon. The region is host to mostly gold deposits, where over 50Moz of gold resources have been defined in the last 20 years, but also hosts copper, lead, zinc, silver and tungsten.

The Tintina Mineral Belt was the focus of the 1890's Klondike gold rush and has experienced a resurgence of activity since the late 1990's, stemming from major discoveries such as 45Moz Donlin Creek, 12Moz Fort Knox and 18Moz Casino deposits. Also, major miners including Barrick, Teck, South 32 and Newmont are extremely active in the region.

Mr Beament said the terms of the acquisition and the potential to grow Pogo's resources and reserves, mine life, production and cashflow made it an exceptional deal.

“All the metrics of this acquisition are enviable,” he said. “The price, at US\$63 per ounce, creates an opportunity to generate substantial value.

“We will also invest in growing the resources and reserves, as we have done at our Tier-1 projects in Western Australia, with a particular focus on upgrading it to JORC-2012 status.

Mr Beament said the Pogo acquisition had numerous parallels with Northern Star's acquisition of Jundee in 2014.

⁴ The vendors pursuant to the sale agreement are wholly-owned subsidiaries of Sumitomo Metal Mining Co., Ltd and Sumitomo Corporation. Refer to page 6 for further details.

⁵ Purchase price of A\$347 million calculated using an AUD:USD exchange rate of 0.75

⁶ Calculated on the basis of Pogo's current resources and reserves and past production.

“We require any acquisition to meet all our criteria, without exception,” Mr Beament said. “Pogo is a Tier-1 project in a Tier-1 jurisdiction with a long track record of producing ~300,000oz a year.

“Globally, there are only 17 mines that produce more than 300,000oz a year in the Tier-1 jurisdictions of Australia, US and Canada.

“Pogo, along with our Jundee and Kalgoorlie operations, gives Northern Star the potential to have three mines in that exclusive club in the coming years.

“Pogo is also an absolutely perfect project for Northern Star to apply its highly-successful recipe of investment in extensive exploration and development, which in turn drives increases in resources and reserves, mine life, production and free cashflow.”

Mr Beament said the team which worked on Northern Star's integration of Jundee would be put in place at Pogo.

“We are confident that the combination of Pogo's skilled workforce, our highly experienced exploration and underground mining team and the investment we will inject will unlock significant value at Pogo as it has done at our Jundee and Kalgoorlie operations,” he said.

Northern Star intends to raise approximately A\$175 million through a fully underwritten placement to certain eligible institutional investors to partly fund the Pogo acquisition (the "Placement"). The balance of the purchase price will be funded by the Company's existing cash reserves which stood at A\$443 million at June 30, 2018.

Mr Beament said Sumitomo was handing over Pogo in outstanding condition.

“The Sumitomo team has done a superb job in developing and operating this exceptional asset,” he said.

“Their track record in replacing the ounces they mined and their consistent production results without compromising social licence, over their 12 years' custodianship of the mine, is testimony to their skills, strong culture and diligence.”

Pogo Overview

The Pogo Gold Mine is located 145km south-east of the city of Fairbanks in the US state of Alaska. Underground production began in 2006 and ore is processed through a 1mtpa capacity plant.

Under this change of control transaction, all Pogo employees and contractors become Northern Star employees and contractors.

In calendar year 2017, Pogo produced 271,273oz at an AISC of ~US\$882/oz from an average head grade of 10.8gpt.

As at 31 December 2017, Pogo had resources (Non-JORC and exclusive of reserves) of 3.34Moz at 12.3gpt and reserves of 760,000oz at 11.9gpt.

Acquisition Funding:

The US\$260 million (A\$347 million) cash consideration will be funded through a combination of:

- existing cash reserves of A\$443 million (as at 30 June 2018), which are expected to stand at ~A\$263 million on a proforma basis, assuming completion of the Pogo acquisition had occurred at that point in time; and
- a fully underwritten Placement to certain eligible institutional investors, to raise approximately A\$175 million.

Placement Details:

The Pogo acquisition will be partly funded via a fully underwritten Placement of new fully paid ordinary Northern Star shares ("New Shares") to certain eligible institutional investors to raise approximately A\$175 million at an issue price of A\$6.70 per share.

The issue price represents:

- a 3.74% discount to the closing price of Northern Star shares of A\$6.96 on Wednesday, 29 August 2018, being the last trading day prior to announcement of the Placement; and
- a 3.5% discount to the A\$6.94 5-day VWAP of Northern Star's shares for the period ending on Wednesday, 29 August 2018.

Funds and accounts under management by BlackRock Investment Management (UK) Limited currently have a substantial holding in Northern Star and intends to subscribe for New Shares in the Placement at the issue price.

The Placement is within Northern Star's existing capacity under ASX Listing Rule 7.1 and accordingly no shareholder approval is required in connection with the equity raising. It is expected that Northern Star's trading halt will be lifted upon announcement of the completion of the Placement, which is expected to occur on Monday, 3 September 2018. Settlement of the Placement is expected to occur on Wednesday, 5 September 2018, with the New Shares to be allotted and commence trading on ASX on Thursday, 6 September 2018. Pursuant to the Placement, 26,119,402 New Shares will be issued. The New Shares will rank pari passu with Northern Star's existing shares with effect from their issue. The New Shares will be eligible to participate in the FY2018 full year dividend of 5¢ per share announced by Northern Star on 23 August 2018.

Important information regarding the Placement, including the offer restrictions applicable to the Placement, are outlined in the accompanying investor presentation.

Timetable and Next Steps:

Completion of the acquisition is subject to minimal closing conditions with the acquisition expected to close in October 2018. For a summary of the key terms of the acquisition, please see page 6.

Upon closing, Northern Star's priorities at the Pogo mine will be:

1. Maintain continuity of operations with existing staff and contractors complemented by Northern Star integration team. Leverage off the existing strong operational performance to generate strong operating cashflow.
2. Invest in targeted intensive drilling programs to extend mine life through resource growth and reserve conversion with a focus on completing JORC-2012 Mineral Resources and Ore Reserves by August 2019.
3. Develop opportunities to increase productivities and efficiencies including unit cost improvement to strengthen margins and cashflow generation. Share knowledge between Alaskan and Australian operations to enhance group performance.

Advisers

BMO Capital Markets is acting as financial adviser to Northern Star with respect to the acquisition, with Fasken Martineau DuMoulin LLP and Stoel Rives LLP acting as Northern Star's legal counsel on the acquisition.

Ashurst is acting as Northern Star's Australian legal counsel in respect of the Placement. Macquarie Capital (Australia) Limited is acting as sole lead manager, bookrunner and underwriter to the Placement.

RCI Capital Group acted as financial adviser and DLA Piper (Canada) LLP acted as legal adviser to Sumitomo Metal Mining Co., Ltd. in the sale of Pogo.

Important Information:

Please ensure that you read the important information below regarding Northern Star, the Pogo mine and the acquisition.

Yours faithfully



BILL BEAMENT
Executive Chairman
Northern Star Resources Limited

Investor Enquiries:

Luke Gleeson, Investor Relations
Northern Star Resources Limited
T: +61 8 6188 2103
E: lgleeson@nsrltd.com

**All currency conversions have been converted at a currency of AUD/USD conversion rate of \$0.75.*

IMPORTANT INFORMATION

Summary of key terms of the acquisition

- Sumitomo Metal Mining America Inc., and SC Minerals America Inc (**Sellers**) have agreed to sell all the shares on issue in Sumitomo Metal Mining Pogo LLC, (an Alaskan limited liability company) (**SMM Pogo**) and SC Pogo, LLC (an Alaskan limited liability company), (**SC Pogo**) respectively;
- The purchaser is Golden Opportunity Ventures I LLC (a Delaware limited liability company) (**Purchaser**), a wholly owned subsidiary of Northern Star Resources Limited (Purchaser will be re-named **Northern Star (Alaska) LLC** at closing);
- SMM Pogo holds an 85% interest and SC Pogo holds a 15% interest in the unincorporated Pogo joint venture (**Joint Venture**); the Joint Venture will dissolve at closing;
- SMM Pogo is the operator of the Pogo mine for the Joint Venture;
- Purchase Agreement was executed after close of market on 29 August 2018;
- Purchase price is US\$260M;
- Financial benefits relating to SMM Pogo, SC Pogo and the Joint Venture transfer to the Purchaser on and from 1 July 2018 (provided closing occurs); title to and risk in the shares in SMM Pogo and SC Pogo and the Joint Venture assets passes to the Purchaser at closing;
- Conditions to be satisfied before closing can occur:
 - Filing by the Sellers and the Purchaser required under the Hart Scott Rodino Antitrust Improvements Act of 1976 (**HSR Act**), and the termination or expiration of the waiting period associated with such filing, and
 - Purchaser to agree with the Alaska Department of Natural Resources the draft form of replacement sureties, letters of credit and reclamation bonds (US\$72M), securing the Purchaser's performance of Pogo environmental obligations;
- Closing expected in October 2018, to be agreed by the Seller and the Purchaser subject to satisfaction of the conditions of closing;
- Usual and appropriate representations and warranties are given by the Sellers to the Purchaser in relation to SMM Pogo, SC Pogo and the assets and liabilities of the Joint Venture, including a tax indemnity, and provisions whereby all accrued statutory entitlements of employees at the Pogo mine will continue to be observed by the employing entity SMM Pogo, and Northern Star, and all past and future environmental obligations associated with operation of the Pogo mine continue to be observed by SMM Pogo and SC Pogo, and by Northern Star;
- Customary protocols apply in relation to decisions made by the Sellers in relation to the operation of the Pogo mine prior to closing;
- Purchaser has access rights to the Pogo operations and personnel with immediate effect, and a three month transitional services arrangement at cost will apply from closing, in order to facilitate a smooth transition from closing;
- Deposit of \$26M is payable on the execution date, refundable if the HSR Act condition is not satisfied, or if the Sellers fail to complete, or if a Material Adverse Effect to the Pogo mine occurs (market standard provisions - excludes gold price or foreign exchange fluctuations, includes an earthquake or seismic event at the Pogo mine).

Pogo Mine “mineral resources” and “mineral reserves”

The mineral resources for the Pogo mine, as at 31 December 2017, are estimated at 8.45 million tonnes at 12.3g/t Au for 3.34 million ounces and are reported exclusive of any mineral reserves. The mineral reserves for the Pogo mine, as at 31 December 2017, are estimated at 1.99 million tonnes at 11.9g/t Au for 0.76 million ounces.

The information in this announcement relating to the Pogo mine's mineral resources and mineral reserves is reported in accordance with the requirements applying to foreign estimates in the ASX Listing Rules and, as such, is not reported in accordance with the 2012 edition of the Joint Ore Reserves Committee's Australasian Code for Reporting of Mineral Resources and Ore Reserves ("JORC Code").



Pogo Mineral Resources - December 2017											
Measured			Indicated			Inferred			Total		
Tonnes (kt)	Gold Grade (g/t)	Contained Gold (kcozs)	Tonnes (kt)	Gold Grade (g/t)	Contained Gold (kcozs)	Tonnes (kt)	Gold Grade (g/t)	Contained Gold (kcozs)	Tonnes (kt)	Gold Grade (g/t)	Contained Gold (kcozs)
1,723	16.1	892	3,198	15.2	1,558	3,531	7.8	890	8,451	12.3	3,340

- Canadian Institute of Mining, Metallurgy and Petroleum (CIM) definitions were followed for mineral resources
- Mineral resources are estimated at a variable cut-off grades: $\geq 7.37\text{g/t}$ for vertical vein thicknesses $\geq 2.7\text{m}$ and $\geq 23.4\text{g/m-m}$ for vertical vein thicknesses less than 2.7m
- Mineral resources are estimated using these cut-off grades and were defined by using the Pogo mine budget costs of US\$253/tonne, mill recovery of 89% and an average long-term gold price of US\$1,200 per ounce
- Bulk density of 2.69 t/m³
- Numbers may not reconcile precisely due to rounding

Pogo Mineral Reserves - December 2017								
Proven			Probable			Total		
Tonnes (kt)	Gold Grade (g/t)	Contained Gold (kcozs)	Tonnes (kt)	Gold Grade (g/t)	Contained Gold (kcozs)	Tonnes (kt)	Gold Grade (g/t)	Contained Gold (kcozs)
1,046	13.1	439	944	10.6	322	1,990	11.9	760

- Canadian Institute of Mining, Metallurgy and Petroleum (CIM) definitions were followed for mineral reserves
- Mineral reserves are estimated at a cut-off grade of 8.33g/t based on projected life of mine operating costs at a mill recovery of 88.0%. The projected average long-term gold price is US\$1,200 per ounce.
- Numbers may not reconcile precisely due to rounding

The information in this announcement that relates to the mineral resources and mineral reserves of the Pogo mine has been extracted from SMM Pogo's internal report entitled "End-of-Year 2017 Resource and Reserve Report" dated 29 March 2018 (the "Report"), which sets out the mineral resources and mineral reserves of the Pogo mine as at 31 December 2017.

The mineral resource and mineral reserve estimates for the Pogo mine have been prepared using the National Instrument 43-101 (Standards of Disclosure for Mineral Projects) of the Canadian Securities Administrators (the "Canadian NI 43-101 Standards"), but such estimates are not fully compliant with those standards (see further details below). Accordingly, the mineral reserves and mineral resources estimates for the Pogo mine are not, and do not purport to be, compliant with the JORC Code and are therefore classified as "foreign estimates" under the ASX Listing Rules.

ASX Listing Rule 5.12 requires specific information to be included in a public announcement that contains a foreign estimate. In accordance with ASX Listing Rule 5.12, Northern Star provides the additional information below and the information on pages 10 and 11:

- The Pogo mine's mineral resource and mineral reserve estimates were prepared under the supervision of a Qualified Person (as defined in the Canadian NI 43-101 Standards). The Qualified Person was an employee of SMM Pogo at the date of the report. The Canadian NI 43-101 Standard is a national instrument for the Standards of Disclosure for Mineral Projects within Canada.
- These foreign estimates are the most recent mineral reserve and mineral resource estimates for the Pogo mine provided by the SMM Pogo and SC Pogo.
- Northern Star believes that the categories of mineralisation reported under Canadian NI 43-101 Standards are similar to the JORC Code 2012 categories.
- Northern Star considers these foreign estimates to be material to Northern Star given its intention, through the acquisition of the Pogo mine, to increase its annual rate of gold production, lower Northern Star's cost profile and materially diversify gold production sources. This is consistent with Northern Star's long-standing growth strategy focused on creating a leading, globally relevant, mid-tier gold producer.
- As mentioned above, the foreign estimates are not fully compliant with the Canadian NI 43-101 Standards because they have not been published with all the supporting data or verified by any independent third party, without the application of any of the modifying factors. Based on the information contained in the Report, Northern Star nevertheless considers that the foreign estimates provided by SMM Pogo are sufficiently reliable and consistent with current industry standard estimation methodologies as generally appropriate for resource and reserve estimation.
- Based on the information received by Northern Star to date in relation to the Pogo mine, discussions with Pogo mine personnel on site, physical inspection of site operations and a review of the Pogo mine's

production reconciliation history since 2006, Northern Star believes that the assumptions, parameters and methodology are generally appropriate for resource and reserve estimates and are consistent with the style of mineralisation and mining methods, and that sampling protocols are consistent with industry best practice.

- Information relating to key assumptions, mining and processing parameters, and methods used to prepare the foreign estimates are presented in the Report which has been prepared to Canadian NI 43-101 Standards. Further information about these matters is on pages 10 and 11. The Pogo Mine has been in continuous operation since 2006 with reconciled recovered gold of 3.7 million ounces to December 2017. The key information, assumptions, mining and processing parameters used in the Report reflect the current operating practices and reconciled production performance achieved by the Pogo mine.
- As at the date of this announcement, the foreign estimates reported by SMM Pogo in the Report have not been superseded by any later estimates.
- Following completion of the acquisition (currently expected in October 2018), it is Northern Star's intention to undertake an evaluation of the data to verify the foreign estimate as Mineral Resources or Ore Reserves in accordance with the JORC Code. CSA Global has been engaged by Northern Star to assist in this work, which will involve the full verification of all information and applicable modifying factors used in the 31 December 2017 report together with the addition of information and results from ongoing drilling programs within the mine area.
- The evaluation work is planned to be completed during FY2019 and will be reported in Northern Star's Annual Mineral Resources and Ore Reserves Statement in August 2019. The cost of any external consultants appointed to assist Northern Star with the evaluation work will be funded from Northern Star's existing cash resources.

Cautionary Statements:

- The foreign estimates are not reported in accordance with the JORC Code.
- A Competent Person has not yet done sufficient work to classify the foreign estimates as Mineral Resources or Ore Reserves in accordance with the JORC Code.
- It is uncertain that following evaluation and/or further exploration work that these foreign estimates will be able to be reported as Mineral Resources or Ore Reserves in accordance with the JORC Code.

Competent Person statement

Mr Michael Mulroney confirms that the information in this market announcement that relates to the Pogo mine's mineral resources and mineral reserves provided under ASX Listing Rules 5.12.2 to 5.12.7 is an accurate representation of the available data and studies supplied to Northern Star as a foreign estimate. Mr Mulroney is a full-time employee of Northern Star and is a member of the Australasian Institute of Mining and Metallurgy. Mr Mulroney has sufficient experience that is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Mineral Resources and Ore Reserves. Mr Mulroney consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

Limitation on information relating to the Pogo mine

All information in this announcement in relation to the Pogo mine - including in relation to historical production, mineral resources and mineral reserves, historic costs, and other historical financial information and life of mine plans - has been sourced from Sumitomo and their related bodies corporate (including SMM Pogo and SC Pogo). Additionally, all FY2019 guidance in this announcement in respect of the Pogo mine has been based on this information. Whilst steps have been taken to review that information, no representation or warranty, expressed or implied, is made as to its fairness, accuracy, correctness, completeness or adequacy.

Forward Looking Statements

This announcement contains certain forward-looking statements about Northern Star, and SMM Pogo and SC Pogo, and the Pogo mine. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance", or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production dates, expected costs or production outputs for each of Northern Star and SMM Pogo and SC Pogo, based on (among other things) their respective estimates of their production, and, in relation to the estimated future production of the Pogo mine, the outcome and

effects of the acquisition and the future operation of Northern Star, SMM Pogo and SC Pogo and the Pogo mine. To the extent that this announcement contains forward-looking information, the forward-looking information is subject to a number of risk factors, including those generally associated with the gold industry. Any such forward-looking statement also inherently involves known and unknown risks, uncertainties and other factors that may cause actual results, performance and achievements to be materially greater or less than estimated (refer to the section of the accompanying investor presentation headed "Key Risks" in Section 5 of the investor presentation). These factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations, general economic and share market conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development (including the risks of obtaining necessary licenses and permits and diminishing quantities or grades of reserves), changes to the regulatory framework within which Northern Star and SMM Pogo and SC Pogo operate or may in the future operate, environmental conditions including extreme weather conditions, geological and geotechnical events, and environmental issues, and the recruitment and retention of key personnel. Any such forward-looking statements are also based on current assumptions which may ultimately prove to be materially incorrect. Investors should consider the forward-looking statements contained in this announcement in light of those disclosures and not place reliance on such statements. The forward-looking statements in this announcement are not guarantees or predictions of future performance. The forward-looking statements are based on information available to Northern Star as at the date of this announcement. Except as required by law or regulation (including the ASX Listing Rules), Northern Star undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, and guidance on, future earnings or financial position or performance are also forward-looking statements. To the maximum extent permitted by law, Northern Star and its directors, officers, employees, advisers, agents and intermediaries and the other parties disclaim any obligation or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions. Neither Northern Star, nor any other party, makes any representation or warranty as to the accuracy of any forward-looking statements contained in this announcement.

Not for distribution of release in the United States

This announcement does not constitute an offer, invitation or recommendation to subscribe for or purchase any securities and neither this announcement nor anything contained in it shall form the basis of any contract or commitment. In particular, this announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to any person acting for the account or benefit of a person in the United States, or in any other jurisdiction in which such an offer would be unlawful. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933 (the "US Securities Act"), or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, within the United States or to any person acting for the account or benefit of a person in the United States, unless the securities have been registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act and applicable US state securities laws is available. This announcement is not for release to US wire services or distribution in the United States.

Financial data

All dollar values are in Australian dollars ("\$" or "A\$") unless stated otherwise. Investors should be aware that financial data in this announcement include "non-IFRS financial information" under ASIC Regulatory Guide 230 Disclosing non-IFRS financial information published by the Australian Securities and Investments Commission and also "non-GAAP financial measures" within the meaning of Regulation G under the U.S. Securities Exchange Act of 1934. Non-IFRS/non-GAAP measures in this announcement include "All-in Sustaining Costs". Northern Star believes this non-IFRS/non-GAAP financial information provides useful information to users in measuring the financial performance and conditions of Northern Star. The non-IFRS financial information do not have a standardised meaning prescribed by Australian Accounting Standards and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS/non-GAAP financial information and ratios included in this announcement. Financial data for SMM Pogo and SC Pogo contained in this announcement has been derived from financial statements and other financial information made available by SMM Pogo and SC Pogo or the Sellers in connection with the proposed acquisition. Such financial information is unaudited and does not purport to be in compliance with Article 3-05 of Regulation S-X.

Additional Technical Information Relating to the Foreign Estimate

ASX LISTING RULE 5.12

Pogo Gold Deposit – Foreign resource and reserve estimate as at 31 December 2017

ASX Listing Rule	ASX Explanation	Commentary
5.12.1	The source and date of the historical estimates or foreign estimates.	The source of the foreign estimate is the report entitled 'End-of-Year 2017 Resource and Reserve Report' by Sumitomo Metal Mining Pogo LLC (SMM Pogo) dated 29 March 2018. The foreign estimate is as at 31 December 2017. This document is not publicly available due to disclosure requirements of the parent company, Sumitomo Metal Mining Co., Ltd.
5.12.2	Whether the historical estimates or foreign estimates use categories of mineralisation other than those defined in Appendix 5A (JORC Code) and if so, and explanation of the differences.	<p>The Pogo foreign estimate of mineral resources and ore reserves have been prepared using the Canadian NI 43-101 reporting guidelines. Northern Star do not consider the foreign estimate to be NI 43-101 compliant (and is therefore not a qualifying foreign estimate within the meaning of the ASX Listing Rules) because it:</p> <ul style="list-style-type: none"> - was not published with all the supporting data; and - has not been verified by independent third parties. <p>The resource estimate contains categories of NI 43-101 'Measured', 'Indicated' and 'Inferred', that are consistent with the terminology of the 'Measured', 'Indicated' and 'Inferred' under the JORC Code 2012. NI 43-101 mineral reserves are reported as proven and probable in the foreign estimate. These classifications are consistent with definitions of Proved and Probable Ore Reserves in the JORC Code 2012.</p>
5.12.3	The relevance and materiality of the historical estimates or foreign estimates to the entity.	<p>The estimate is material to the entities being acquired by Northern Star Resources Limited.</p> <p>Northern Star considers these foreign estimates to be material to Northern Star given its intention, through the acquisition of the Pogo mine, to increase its annual rate of gold production, lower Northern Star's cost profile and materially diversify gold production sources. This is consistent with Northern Star's long-standing growth strategy focused on creating a leading, globally relevant, mid-tier gold producer.</p>
5.12.4	The reliability of historical estimates or foreign estimates to the entity.	<p>The foreign estimate is considered to be reliable by Northern Star for the following reasons:</p> <p>Key criteria, as defined in Table 1 of the JORC Code 2012, has been addressed in the comprehensive due diligence completed by Northern Star and their independent geological consultants.</p> <p>The foreign estimate has been reported in the End-of-Year 2017 Resource and Reserve Report by an individual who is a Qualified Person as defined in the Canadian NI 43-101 Standard, who reported that the End-of-Year 2017 Resource and Reserve Report meets the due diligence and care requirements as set for in the guidelines for Canadian National Instrument 43-101.</p> <p>In the End-of-Year 2017 Resource and Reserve Report, it is stated that the methodology for preparing the mineral resources and mineral reserves have not changed significantly in comparison to previous reporting.</p>
5.12.5	To the extent known, a summary of work programs on which the historical estimates or foreign estimates are based and a summary of the key assumptions, mining and processing parameters and methods used to prepare the historical or foreign estimates.	<ul style="list-style-type: none"> - A total of 3,841 diamond drill holes have been used to complete the estimate. Core size varies between NQ and HQ. - Of the drill holes, some 2,828 holes were considered definition holes by site geologists drilled at 80ft by 80ft spacing (24.3m by 24.3m). - Core was analysed using standard assay techniques (fire assay with AAS finish) by ALS Chemex and Bureau Veritas. - Industry-standard QA/QC programs were completed by SMM Pogo LLC, with QAQC samples accounting for >10% of total assays during 2017. - Data is statistically conditioned prior to estimation (composited, top cut etc.) - Veins are either wireframed manually or implicitly modelled using the Geovia Gems software. - SMM Pogo employ a proportional modelling system, with ore reserve models having a block size of 10ft x by 10ft y by 10ft z (3m x by 3m y by 3m z). Exploration resource models utilise a 50ft block size (15.2m) - Interpolation is generally completed using Ordinary Kriging (OK) or Inverse Distance, depending on data density.

ASX Listing Rule	ASX Explanation	Commentary
		<ul style="list-style-type: none"> - For the OK, variography is used to determine spatial search orientations. - Mineral reserves and mineral resources have been calculated at a gold price of US\$1,200/oz. - Mineral resources have been estimated at a 0.215opt (7.37gpt) cut-off grade. - Mineral reserves have been calculated at a cut-off grade of 0.243opt (8.33gpt) - Resource classification is primarily determined by drill hole spacing (measured must be within 80ft (24m) of 4 drill holes ore within 80ft (24m) of ore development, indicated must be within 140ft (43m) of at least 1 drill hole, and Inferred must be within 200ft (61m) of at least 1 drill hole). - Only measured and indicated resources can be converted to reserves. - Reserves are based on fully-scheduled mine designs, that take into account current production and economic factors such as mining dilution and ore loss, unit mining and processing costs, metallurgical factors, fill costs, G&A costs.
5.12.6	Any more recent estimates or data relevant to the reported mineralisation available to the entity	No more recent estimates have been completed or provided to Northern Star by Sumitomo Metal Mining Pogo LLC.
5.12.7	The evaluation and/or exploration work that needs to be completed to verify the historical estimates or foreign estimates as mineral resources or ore reserves in accordance with ASX Listing Rules Appendix 5A (JORC Code).	<p>Key works proposed to ensure the foreign estimate complies with the JORC Code 2012 includes:</p> <ul style="list-style-type: none"> - Detailed verification and validation of information provided by SMM Pogo - the application of revised modifying factors (underground optimisation study) to the mineral resource.
5.12.8	The proposed timing of any evaluation and/or exploration work that the entity intends to undertake and a comment on how the entity intends to fund that work.	The evaluation work is planned to be completed during FY2019 and will be reported in Northern Star's Annual Mineral Resources and Ore Reserves Statement in August 2019.
5.12.9	<p>A cautionary statement proximate to, and with equal prominence as, the reported historical estimates or foreign estimates stating that:</p> <ul style="list-style-type: none"> - The estimates are historical estimates or foreign estimates and are not reported in accordance with the JORC code; - A competent person has not done sufficient work to classify the historical estimates or foreign estimates as mineral resources or ore reserves in accordance with the JORC Code; and - It is uncertain that following evaluation and/or further exploration work that the historical estimates or foreign estimates will be able to be reported as mineral resource or ore reserves in accordance with the JORC Code. 	Northern Star Resources Limited cautions that mineral resources and mineral reserves for the project are not reported in accordance with the JORC Code 2012. A Competent Person has not yet completed sufficient work to classify the resources as Mineral Resources or mineral reserves as Ore Reserves in accordance with the JORC Code 2012.
5.12.10	A statement by a named competent person or persons that the information in the market announcement provided under rules 5.12.2 to 5.12.7 is an accurate representation of the available data and studies for the material mining project. The statement must include the information referred to in rule 5.22(b) and (c).	See Competent Person statement with this announcement.