

# PRODUCTION AND COSTS WELL WITHIN GUIDANCE AS A\$50M EXPLORATION STRATEGY DELIVERS OUTSTANDING RESULTS

## KEY POINTS

- ▶ Record 152,446oz sold in the June Quarter and 580,784oz in FY15 - well within full year guidance of 550,000-600,000oz
- ▶ All-in sustaining costs (AISC) for the June Quarter A\$983/oz and AISC for FY15 of A\$1,065/oz, both at lower end of guidance range (A\$1,050-A\$1,100/oz)
- ▶ Normalised free cash flow for FY15 a record A\$183 million after spending A\$50 million on exploration
- ▶ A\$178 million in cash, bullion and investments on hand at 30 June 2015, up from A\$96 million a year ago. In addition, Northern Star has now repaid its bank debt with the remaining A\$20 million repaid in April 2015
- ▶ Paid interim dividends totalling A\$12 million (2¢ a share)
- ▶ June Quarter and FY15 production:
  - Jundee Gold Operations:
    - 56,545oz mined and 59,014oz sold;
    - FY15 237,883oz mined and 223,727oz sold at AISC A\$1,008/oz
  - Kundana Gold Operations:
    - 29,898oz mined and 27,022oz sold;
    - FY15 111,493oz mined and 103,051oz sold at AISC A\$711/oz
  - Kanowna Belle Gold Operations:
    - 29,379oz mined and 27,276oz sold;
    - FY15 101,149oz mined and 96,223oz sold at AISC A\$1,021/oz
  - Plutonic Gold Operations:
    - 24,068oz mined and 19,287oz sold;
    - FY15 95,550oz mined and 80,141oz sold at AISC A\$1,550/oz
  - Paulsens Gold Operations:
    - 21,918oz mined and 19,848oz sold;
    - FY15 75,607oz mined and 77,642oz sold at AISC A\$1,264/oz
- ▶ A\$50 million exploration campaign for FY15 has generated outstanding results with several discoveries and substantial extensions to known deposits
- ▶ The results show that the strategy to grow mineral inventories and mine lives is well on track
- ▶ Particularly strong exploration success at the Kalgoorlie Operations, which include the Kundana and Kanowna Belle mines, highlight a pipeline of feed sources
- ▶ At Paulsens, development of the high-grade Voyager 2 lode resulted in a 20% increase in mill grade from the previous quarter
- ▶ Resource/Reserve drilling completed at the ~300koz Hermes gold project, which will provide additional mill feed for the Plutonic Gold Operations
- ▶ Central Tanami joint venture settlement proceeding to plan with Ministerial approval received
- ▶ Northern Star will host a Quarterly conference call today at 7.30am WST (9.30am EST), Monday, 27 July 2015. The call can be accessed at <http://www.brrmedia.com/event/139581>

### ASX ANNOUNCEMENT 27 July 2015

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 Carpena  
Company Secretary

### Issued Capital

Shares 595.7 million  
Options 4.3 million

Current Share Price \$2.02

Market Capitalisation  
\$1.2 billion

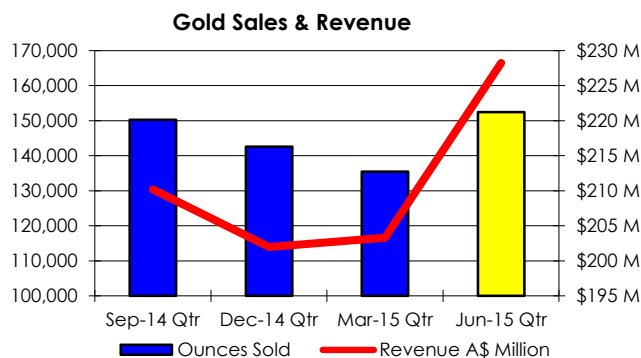
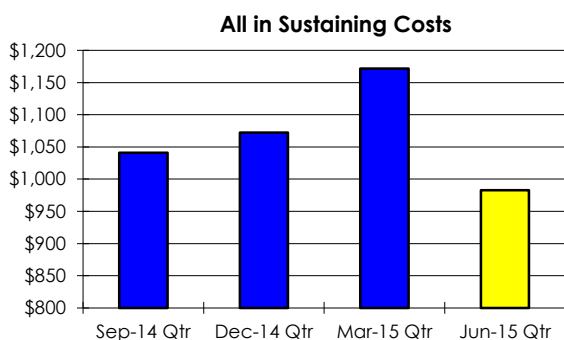
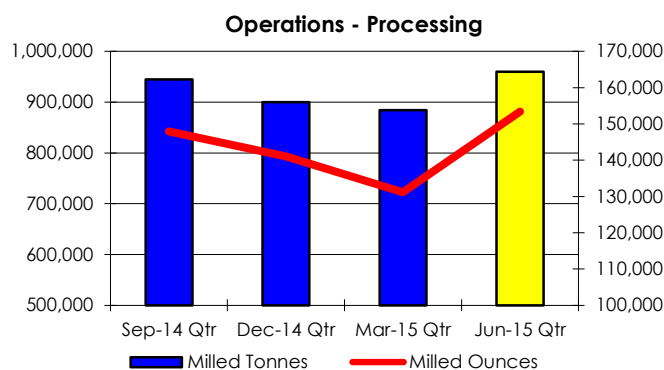
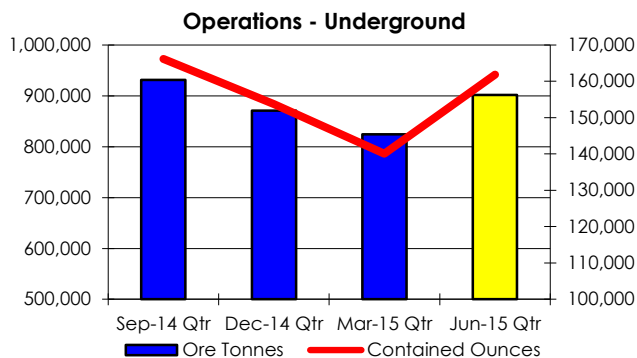
Cash/Bullion and Investments  
30 June 2015 - \$178 million

### Projects

Paulsens Mine  
Plutonic Mine  
Kanowna Belle Mine  
Kundana Mines (51% of EKJV)  
Jundee Mine  
Ashburton

### Listed Investments

VXR, DAU, RND, TBR, ALY



Northern Star Resources Limited (ASX: NST) is pleased to advise that it has continued to deliver strong operational results in the June Quarter, which in turn ensured the Company maintained its record of generating superior financial and Shareholder returns.

Record gold sales of 152,446oz in the June Quarter lifted sales for the past financial year to 580,784oz, comfortably within its guidance range.

AISC for the June Quarter were A\$983/oz and A\$1,065/oz for the year. This was at the lower end of the guidance range of A\$1,050-A\$1,100/oz.

The price received in the June Quarter averaged A\$1,497/oz and A\$1,453/oz for full year compared with the current spot price of ~A\$1,500/oz.

The record production and tight costs enabled Northern Star to generate record normalised free cash flow of A\$183 million in the year to 30 June 2015.

This in turn resulted in Northern Star ending the financial year with A\$178 million in cash, bullion and investments, up from A\$96 million a year earlier. It also retired the last of its bank debt.

The strong growth in Northern Star's net cash position came despite the Company spending A\$82.5 million to acquire the Jundee Gold Mine and A\$50 million on exploration during the year.

The operational performance and resulting cash generation underpinned the payment of a 2¢ interim dividend during the quarter at a total cost of A\$12 million.

Northern Star spent A\$16 million on its extensive drilling and exploration program in the June Quarter, taking this total to A\$50 million for the financial year.

This campaign has generated outstanding results, including a number of discoveries, which have the potential to grow Resources, Reserves and mine lives.

In particular, there were outstanding exploration results at the Company's Kalgoorlie Operations, which include the Kundana and Kanowna Belle mines.

During the quarter, Paulsens started ore development in the high-grade Voyager 2 lode. This resulted in a 20% increase in mill grade from the previous quarter.

# QUARTERLY ACTIVITIES REPORT

## For the Quarter ended 30 June 2015



Resource/Reserve drilling has been completed at the ~300,000oz Hermes gold project which will provide additional mill feed for the Plutonic Gold Operations.

At the Central Tanami joint venture, settlement is proceeding to plan with Ministerial approval received.

Northern Star Managing Director Bill Beament said the June Quarter results showed the Company was extremely well positioned in every respect.

"Our operational results continued to generate outstanding financial and Shareholder returns," Mr Beament said.

"In the past year we have funded a A\$50 million exploration campaign, generated record cashflow, paid two fully-franked dividends, eliminated our bank debt and amassed A\$178 million in cash, bullion and investments.

"We are now focused on maintaining our operational performance and growing our mine lives through the exploration program. Success on these fronts will ensure we maximise our Shareholder returns."

Northern Star	Units	Sep-14 Qtr	Dec-14 Qtr	Mar-15 Qtr	Jun-15 Qtr	YTD
Ore Hoisted	Tonnes	931,410	870,850	824,328	901,515	3,528,103
Mined Grade	gpt Au	5.5	5.5	5.3	5.6	5.5
Gold in Ore Hoisted	Oz	166,126	153,706	140,051	161,808	621,691
Milled Tonnes	Tonnes	944,547	899,796	883,969	959,999	3,688,311
Head Grade	gpt Au	5.4	5.3	5.1	5.5	5.3
Ounces Produced	Oz	163,928	153,517	144,044	168,767	630,256
Recovery	%	90	92	91	91	91
Gold Recovered	Oz	<b>147,884</b>	<b>141,052</b>	<b>131,169</b>	<b>153,360</b>	<b>573,465</b>
<b>Ounces Sold</b>	<b>Oz</b>	<b>150,284</b>	<b>142,556</b>	<b>135,498</b>	<b>152,446</b>	<b>580,784</b>
Average Gold Price	A\$/oz	1,399	1,417	1,500	1,497	1,453
<b>Revenue</b>	<b>A\$M</b>	<b>210.2</b>	<b>202.0</b>	<b>203.3</b>	<b>228.3</b>	<b>843.8</b>
<b>Cash Operating Cost<sup>(1)</sup></b>	<b>A\$/oz</b>	<b>822</b>	<b>829</b>	<b>876</b>	<b>900</b>	<b>857</b>
<b>All in Sustaining Cost<sup>(1)</sup></b>	<b>A\$/oz</b>	<b>1,041</b>	<b>1,072</b>	<b>1,172</b>	<b>983</b>	<b>1,065</b>
Total Stockpiles Contained Gold	Oz	83,242	85,253	80,124	73,339	73,339
Gold in Circuit (GIC)	Oz	17,854	21,243	18,333	19,016	19,016
Gold in Transit (GIT)	Oz	6,017	633	-	-	-

Table 1: Key Group Performance Figures (Quarterly)

Northern Star	Units	Sep-14 Qtr	Dec-14 Qtr	Mar-15 Qtr	Jun-15 Qtr	YTD
Mining	\$/oz	544	538	546	510	534
Processing	\$/oz	216	176	195	180	192
Site Services	\$/oz	51	59	57	55	56
Ore Stock & GIC Movements	\$/oz	(19)	24	43	120	42
Royalties	\$/oz	34	35	38	38	36
By Product Credits	\$/oz	(4)	(3)	(3)	(3)	(3)
Rehabilitation-Accretion & Amortisation	\$/oz	50	47	50	(149)	(3)
Corporate Overheads	\$/oz	24	31	23	27	26
Mine Development/Sustaining CAPEX	\$/oz	126	132	184	179	155
Mine Exploration	\$/oz	18	34	39	26	30
<b>All in Sustaining Costs</b>	<b>\$/oz</b>	<b>1,041</b>	<b>1,072</b>	<b>1,172</b>	<b>983</b>	<b>1,065</b>

Table 2: Key Group Cost per Ounce Measures

Note:

1. Prior cost per ounce measures have been reported on a recovered ounce produced basis, all the above cost per ounce metrics are now on an ounce sold basis.
2. AISC does not include acquisition costs and any redundancy payments made.
3. As previously identified, during the June Quarter Northern Star completed the process of reviewing its rehabilitation provisions and its approach to non-cash accretion and amortisation in respect of the assets acquired during the course of FY14 and FY15. The rehabilitation provisions were independently reviewed together with the non-cash accounting treatment. Upon completion of this process, the rehabilitation accretion has been adjusted from the time of acquisition realising a significant credit during the June Quarter given the previously conservative approach adopted by the Company ahead of completion of the review process. Northern Star expects future rehabilitation to be more consistent in nature.

# QUARTERLY ACTIVITIES REPORT

## For the Quarter ended 30 June 2015



Production KPIs Jun Quarter	Units	Paulsens	Plutonic	Kanowna Belle	Kundana	Jundee	Total
Total Ore Hoisted	Tonnes	115,723	200,549	186,208	108,313	290,722	901,515
Mine Grade	gpt Au	5.9	3.7	4.9	8.6	6.1	5.6
Gold in Ore Hoisted	Oz	21,918	24,068	29,379	29,898	56,545	161,808
Milled Tonnes	Tonnes	110,551	214,359	198,129	99,053	337,907	959,999
Head Grade	gpt Au	6.1	3.6	4.9	8.8	5.8	5.5
Recovery	%	89	79	93	96	93	91
Gold Recovered	Oz	19,260	19,570	28,956	27,024	58,550	153,360
Gold Sold	Oz	19,848	19,287	27,276	27,022	59,014	152,446
<b>Cash Operating Costs</b>	<b>A\$/oz</b>	<b>849</b>	<b>1,511</b>	<b>787</b>	<b>578</b>	<b>916</b>	<b>900</b>
<b>All In Sustaining Costs</b>	<b>A\$/oz</b>	<b>1,165</b>	<b>1,160</b>	<b>800</b>	<b>788</b>	<b>1,037</b>	<b>983</b>

Table 3: Key Quarterly Mine Production Performance

## FINANCE

The following is a table of the cash, bullion and investments held at the end of each quarter.

	Units	Sep-14 Qtr	Dec-14 Qtr	Mar-15 Qtr	Jun-15 Qtr
Cash at bank	A\$M	\$92.3	\$76.3	\$77.4	\$167.5
Bullion awaiting settlement	A\$M	-	\$39.8	\$29.1	\$2.7
Investments	A\$M	\$3.0	\$3.0	\$5.2	\$7.5
<b>Total</b>	<b>A\$M</b>	<b>\$95.3</b>	<b>\$119.1</b>	<b>\$111.7</b>	<b>\$177.7</b>

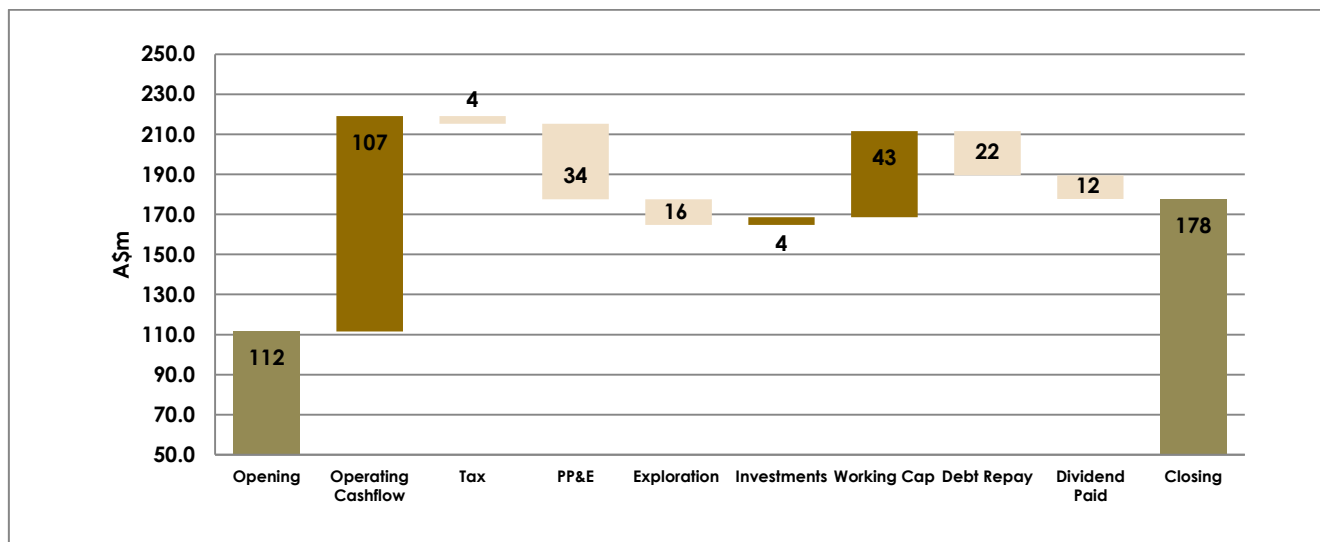
Table 4: Cash, Bullion and Investment holdings

Bullion awaiting settlement is done which has been received by the refiner and is awaiting settlement.

Gold Inventories	Sep-14 Qtr	Dec-14 Qtr	Mar-15 Qtr	Jun-15 Qtr
Stockpiles contained gold (oz)	83,242	85,253	80,124	73,339
Gold In circuit (oz)	17,854	21,243	18,333	19,016
Gold In transit (oz)	6,017	633	-	-
<b>Total Gold Inventories (oz)</b>	<b>107,113</b>	<b>107,129</b>	<b>98,456</b>	<b>92,355</b>

Table 5: Gold Inventories

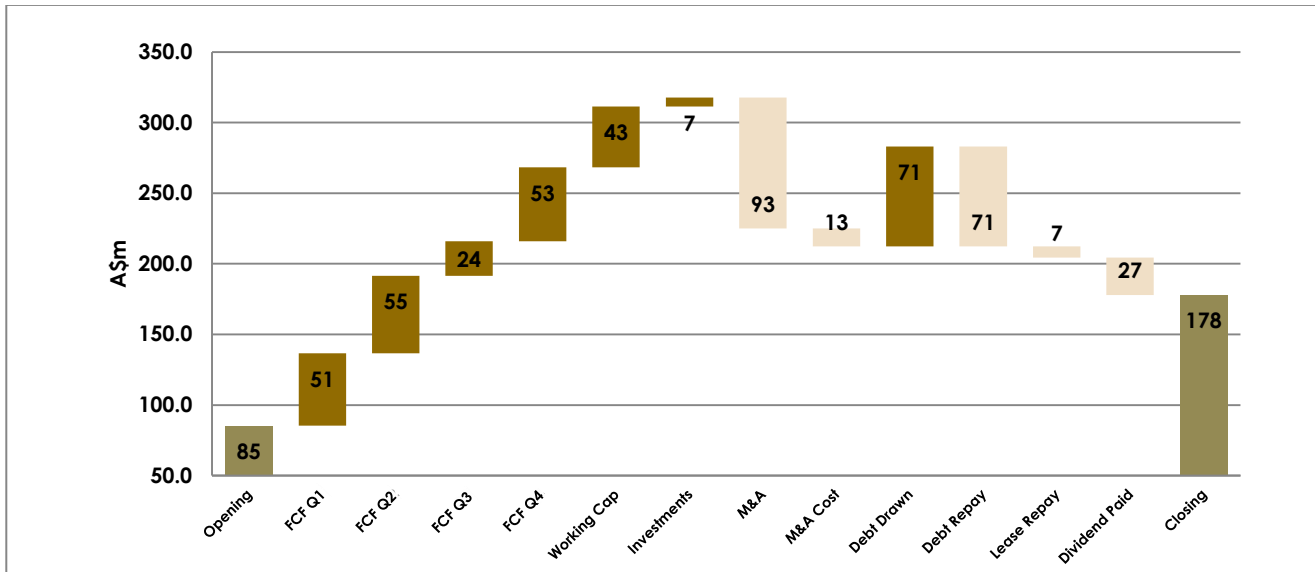
The below waterfall chart highlights the June Quarter cash, bullion and investments movements, detailing free cash flow generation of \$53 million during the June Quarter before movements in investments, working capital and financing cash flows.



The below waterfall chart highlights the FY15 cash, bullion and investments movements, providing a summary of the free cash flow generation of \$183 million over the course of FY15. This free cash generation excludes the benefits from the uplift in investments and improved working capital position (timing benefit).

# QUARTERLY ACTIVITIES REPORT

## For the Quarter ended 30 June 2015



### Banking Facilities

During the quarter Northern Star repaid A\$20 million to retired its bank debt facility. The A\$100 million revolver facility remains in place and available to Northern Star.

### Hedging

The below table outlines the Company's current hedging position:

Term	Sep 2015 Qtr	Dec 2015 Qtr	Total
Ounces	45,000	45,000	90,000
Gold Price	A\$1,430	A\$1,440	A\$1,436

Table 6: Hedging commitments

No further forward sales have been entered into for the quarter.

## OPERATIONS

### Paulsens Gold Operations

Production Summary Paulsens		Sep-14 Qtr	Dec-14 Qtr	Mar-15 Qtr	Jun-15 Qtr	YTD
Ore Mined	Tonnes	133,812	111,996	94,124	115,723	455,655
Mined Grade	gpt Au	5.1	4.5	5.2	5.9	5.2
Ounces Mined	Oz	21,847	16,179	15,671	21,918	75,607
Milled Tonnes	Tonnes	121,495	127,407	124,003	110,551	483,456
Head Grade	gpt Au	5.8	4.7	5.1	6.1	5.4
Recovery	%	90	89	90	89	89
Gold Recovered	Oz	20,336	17,225	18,177	19,260	74,999
<b>Gold Sold</b>	<b>Oz</b>	<b>21,799</b>	<b>17,127</b>	<b>18,868</b>	<b>19,848</b>	<b>77,642</b>
<b>Cost per Ounce</b>						
Mining	A\$/oz	513	585	444	431	492
Processing	A\$/oz	281	286	244	274	271
Site Services	A\$/oz	83	91	55	74	75
Ore Stock Movements	A\$/oz	15	110	226	36	93
Royalties	A\$/oz	31	35	39	37	35
By Product Credits	A\$/oz	(3)	(2)	(2)	(3)	(2)
<b>Cash Operating Costs</b>	<b>A\$/oz</b>	<b>920</b>	<b>1,105</b>	<b>1,005</b>	<b>849</b>	<b>964</b>
Rehabilitation - Accretion & Amortisation	A\$/oz	3	3	3	10	5
Corporate Overheads	A\$/oz	24	31	23	28	26
Mine Development / Sustaining CAPEX	A\$/oz	197	242	199	236	217
Paulsens Mine Exploration	A\$/oz	51	71	44	42	52
<b>All in Sustaining Costs</b>	<b>A\$/oz</b>	<b>1,195</b>	<b>1,453</b>	<b>1,275</b>	<b>1,165</b>	<b>1,264</b>

Table 7: Summary Details – Paulsens

# QUARTERLY ACTIVITIES REPORT

## For the Quarter ended 30 June 2015



### Plutonic Gold Operations

Production Summary Plutonic		Sep-14 Qtr	Dec-14 Qtr	Mar-15 Qtr	Jun-15 Qtr	YTD
Ore Mined	Tonnes	223,967	195,414	190,537	200,549	810,467
Mined Grade	gpt Au	3.9	3.3	3.7	3.7	3.7
Ounces Mined	Oz	28,230	20,494	22,757	24,068	95,549
Milled Tonnes	Tonnes	233,051	197,219	192,054	214,359	836,682
Head Grade	gpt Au	3.9	3.3	3.6	3.6	3.6
Recovery	%	78	84	83	79	81
Gold Recovered	Oz	23,047	17,381	18,712	19,570	78,709
<b>Gold Sold</b>	<b>Oz</b>	<b>22,541</b>	<b>18,638</b>	<b>19,675</b>	<b>19,287</b>	<b>80,141</b>
<b>Cost per Ounce</b>						
Mining	A\$/oz	875	962	966	1,052	960
Processing	A\$/oz	246	267	266	308	271
Site Services	A\$/oz	61	79	89	95	79
Ore Stock Movements	A\$/oz	19	73	26	20	34
Royalties	A\$/oz	31	35	39	38	36
By Product Credits	A\$/oz	(2)	(3)	(2)	(2)	(2)
<b>Cash Operating Costs</b>	<b>A\$/oz</b>	<b>1,230</b>	<b>1,414</b>	<b>1,383</b>	<b>1,511</b>	<b>1,378</b>
Rehabilitation - Accretion & Amortisation	A\$/oz	107	97	99	(449)	(31)
Corporate Overheads	A\$/oz	24	34	24	27	27
Mine Development / Sustaining CAPEX	A\$/oz	88	167	209	20	120
Plutonic Mine Exploration	A\$/oz	33	74	68	51	56
<b>All in Sustaining Costs</b>	<b>A\$/oz</b>	<b>1,482</b>	<b>1,787</b>	<b>1,784</b>	<b>1,160</b>	<b>1,550</b>

Table 8: Summary Details – Plutonic

### Kanowna Belle Gold Operations

Production Summary Kanowna Belle		Sep-14 Qtr	Dec-14 Qtr	Mar-15 Qtr	Jun-15 Qtr	YTD
Ore Mined	Tonnes	176,584	137,799	157,653	186,208	658,243
Mined Grade	gpt Au	4.8	4.9	4.5	4.9	4.8
Ounces Mined	Oz	27,176	21,892	22,701	29,379	101,148
Milled Tonnes	Tonnes	208,373	181,278	178,234	198,129	766,015
Head Grade	gpt Au	4.0	4.1	4.1	4.9	4.3
Recovery	%	91	92	92	93	92
Gold Recovered	Oz	24,561	21,820	21,411	28,956	96,749
<b>Gold Sold</b>	<b>Oz</b>	<b>27,452</b>	<b>17,895</b>	<b>23,601</b>	<b>27,276</b>	<b>96,223</b>
<b>Cost per Ounce</b>						
Mining	A\$/oz	543	636	532	424	524
Processing	A\$/oz	332	168	189	99	201
Site Services	A\$/oz	54	91	37	39	55
Ore Stock Movements	A\$/oz	111	(49)	49	192	89
Royalties	A\$/oz	58	42	38	39	45
By Product Credits	A\$/oz	(6)	(10)	(4)	(6)	(6)
<b>Cash Operating Costs</b>	<b>A\$/oz</b>	<b>1,093</b>	<b>878</b>	<b>841</b>	<b>787</b>	<b>908</b>
Rehabilitation - Accretion & Amortisation	A\$/oz	50	68	50	(166)	(8)
Corporate Overheads	A\$/oz	26	24	21	27	24
Mine Development / Sustaining CAPEX	A\$/oz	37	122	70	152	94
Kanowna Belle Mine Exploration	A\$/oz	-	-	-	-	-
<b>All in Sustaining Costs</b>	<b>A\$/oz</b>	<b>1,205</b>	<b>1,092</b>	<b>982</b>	<b>800</b>	<b>1,018</b>

Table 9: Summary Details – Kanowna Belle

# QUARTERLY ACTIVITIES REPORT

## For the Quarter ended 30 June 2015

### Kundana Gold Operations

Production Summary Kundana		Sep-14 Qtr	Dec-14 Qtr	Mar-15 Qtr	Jun-15 Qtr	YTD
Ore Mined	Tonnes	71,839	84,927	89,025	108,313	354,105
Mined Grade	gpt Au	12.1	10.8	8.4	8.6	9.8
Ounces Mined	Oz	28,070	29,538	23,988	29,898	111,493
Milled Tonnes	Tonnes	59,345	83,204	74,283	99,053	315,885
Head Grade	gpt Au	13.2	11.3	8.4	8.8	10.2
Recovery	%	97	98	96	96	97
Gold Recovered	Oz	24,286	29,566	19,284	27,024	100,160
<b>Gold Sold</b>	<b>Oz</b>	<b>27,179</b>	<b>29,566</b>	<b>19,285</b>	<b>27,022</b>	<b>103,051</b>
<b>Cost per Ounce</b>						
Mining	A\$/oz	305	306	438	365	346
Processing	A\$/oz	93	120	162	154	130
Site Services	A\$/oz	20	21	46	35	25
Ore Stock Movements	A\$/oz	(35)	4	(51)	(6)	(19)
Royalties	A\$/oz	18	28	36	35	29
By Product Credits	A\$/oz	(4)	(2)	(4)	(5)	(4)
<b>Cash Operating Costs</b>	<b>A\$/oz</b>	<b>397</b>	<b>477</b>	<b>627</b>	<b>578</b>	<b>507</b>
Rehabilitation - Accretion & Amortisation	A\$/oz	4	4	3	(13)	(1)
Corporate Overheads	A\$/oz	23	33	25	27	27
Mine Development / Sustaining CAPEX	A\$/oz	125	98	245	172	158
Kundana Mine Exploration	A\$/oz	-	20	40	24	20
<b>All in Sustaining Costs</b>	<b>A\$/oz</b>	<b>548</b>	<b>632</b>	<b>940</b>	<b>788</b>	<b>711</b>

Table 10: Summary Details – Kundana

### Jundee Gold Operations

Production Summary Jundee		Sep-14 Qtr	Dec-14 Qtr	Mar-15 Qtr	Jun-15 Qtr	YTD
Ore Mined	Tonnes	325,208	340,714	292,989	290,722	1,249,632
Mined Grade	gpt Au	5.8	6.0	5.8	6.1	5.9
Ounces Mined	Oz	60,802	65,603	54,933	56,545	237,883
Milled Tonnes	Tonnes	322,283	310,687	315,395	337,907	1,286,272
Head Grade	gpt Au	5.8	6.0	5.7	5.8	5.8
Recovery	%	92	92	93	93	93
Gold Recovered	Oz	55,654	55,060	53,584	58,550	222,849
<b>Gold Sold</b>	<b>Oz</b>	<b>51,313</b>	<b>59,330</b>	<b>54,070</b>	<b>59,014</b>	<b>223,727</b>
<b>Cost per Ounce</b>						
Mining	A\$/oz	538	480	474	467	488
Processing	A\$/oz	179	145	168	158	162
Site Services	A\$/oz	54	54	59	51	54
Ore Stock Movements	A\$/oz	(111)	15	16	205	37
Royalties	A\$/oz	33	35	39	38	36
By Product Credits	A\$/oz	(3)	(3)	(3)	(3)	(3)
<b>Cash Operating Costs</b>	<b>A\$/oz</b>	<b>690</b>	<b>727</b>	<b>752</b>	<b>916</b>	<b>774</b>
Rehabilitation - Accretion & Amortisation	A\$/oz	70	60	64	(158)	6
Corporate Overheads	A\$/oz	25	30	23	27	26
Mine Development / Sustaining CAPEX	A\$/oz	163	109	196	227	173
Jundee Mine Exploration	A\$/oz	16	28	44	25	29
<b>All in Sustaining Costs</b>	<b>A\$/oz</b>	<b>963</b>	<b>953</b>	<b>1,079</b>	<b>1,037</b>	<b>1,008</b>

Table 11: Summary Details – Jundee

Additional information on the individual Operations can be found in Appendix 1.

## EXPLORATION AND DEVELOPMENT - OPERATIONS

### Kanowna Belle

In-mine exploration for the Quarter ending 30 June 2015 focused on the Velvet target 600m to the West of the Lowes underground orebody. Results to date include a previously reported intersection (downhole and uncut) 45.3m @ 5.6gpt, which confirmed the historical hit of 49m @ 4.0gpt. The target remains open down-dip and strike. Exploration development has commenced to provide a platform to test the target from a more favourable position. Drilling from the exploration development is expected to commence late in the next quarter.

There were further intersections received on the SIMS upper project, located between the SIMS deposit and the West Troy high grade lode. Two mineralised structures have been identified within 100m of current development along a strike greater than 100m.

Exploration was ongoing at the Six Mile prospect with encouraging results.

### Kundana (NST 51% EKJV)

Drilling at Pegasus concentrated on the shallow dipping Pode structure. Recent results (downhole and uncut) include: 3.0m @ 11.3gpt. Further exploration drilling 1km north of the Pegasus deposit at Drake continued to provide exciting results. Significant results returned (downhole and uncut) were 5.0m @ 5.4gpt and 2.0m @ 7.2gpt.

At Raleigh, a hangingwall structure (Skinner Vein) returned multiple significant intersections including (downhole and uncut) 0.2m @ 326.0gpt, 1.5m @ 27.5gpt. In addition to the actual structure, the zone between the Skinners Vein and the main Raleigh structure returned significant results, including (downhole and uncut) 30.1m @ 14.0gpt, 8.2m @ 8.1gpt and 0.9m @ 34.7gpt. The Skinners Vein remains open at depth and along strike.

Drilling confirmed the continuation and depth extensions of the Hornet deposit over 100m beneath existing workings. In addition, mineralisation was intersected in the hangingwall of the Hornet deposit. Results include (downhole and uncut) 3.4m @ 22.5gpt, 2.9m @ 20.3gpt, 5.5m @ 26.4gpt, 9.1m @ 7.1gpt, 2.7m @ 10.5gpt, 12.9m @ 4.9gpt, 1.9m @ 173.7gpt, 21.9m @ 2.2gpt, 14.6m @ 5.5gpt, 8.0m @ 8.0gpt, 1.7m @ 86.4gpt, 11.4m @ 9.4gpt, 22.6m @ 4.2gpt, 2.7m @ 13.6gpt, 2.4m @ 15.4gpt and 5.7m @ 15.2gpt.

At Rubicon, drilling at depth revealed a northerly plunge shoot on the main K2 structure approximately 90m below exiting development. Results include (downhole and uncut) 5.8m @ 9.2gpt, 5.7m @ 10.6gpt. In addition, mineralisation was intersected in the hanging wall as well as in the K2B structure. Results for hanging wall include (downhole and uncut) 3.6m @ 10.3gpt, 6.0m @ 5.4gpt, 3.4m @ 19.4gpt, 2m @ 20.0gpt, 0.3m @ 54.7gpt, 1.0m @ 21.9gpt and 5m @ 13.7gpt. Results for K2B include (downhole and uncut) 3.5m @ 22.4gpt and 5.9m @ 3.6gpt.

### Kundana (100% NST)

Exploration within the quarter was focussed on the K2 and Strzelecki lines of lode. On the K2 line of lode specific focus was centred on diamond drilling of the Millennium deposit. A maiden Resource on Millennium will be released in August 2015.

### Carbine (100% NST)

Drilling continued at Carbine during the quarter, with the main focus on testing for structural repetitions of the historic high grade Paradigm deposit. Results are pending.

### Jundee

Drill plans and development on newly identified targets are progressing as planned along with the existing mine operations.

During the quarter a total of 36,306m of underground diamond drilling from seven rigs was undertaken on grade control (9,933m), Resource definition (21,739m) and exploration targeting (4,634m) programs for the major lodes at Jundee.

Areas of focus and progress outside the normal mine schedule:

- Extensional drilling programs for deeper extensions of the Westside and Gateway mineralised systems in the Jundee dolerite package have been completed with the completion of the last two of six ~1,500m holes from underground locations. A review of data and the results is progressing.



- Extensional drilling program for strike extensions of the Westside and Gateway mineralised systems into the Stirling area south of Gateway are progressing according to plan, and is expected to be completed within the September Quarter 2015 (this program consists of three ~1,500m holes from underground locations).
- Drilling from recently established drill drive platforms into Moneyline, Midas and Nexus has been completed with some good results in Moneyline.
- Development of an additional drill drive in Gateway has been completed to allow testing the Gringotts ore body at depth. The first round of drilling delivered good results below current mining. A new Resource update for Gateway has been completed - resulting in two additional drill drives and further drilling being scheduled to commence in the September Quarter 2015.
- Board approval received for the development of an extensive deep drill drive that will allow the testing of possible down-dip extensions to all major lode systems below current and historic underground operations. Development of this 2.4km drill drive has commenced.
- Surface exploration targeting and testing for near surface oxide Resources continued. Activities included surface mapping, soil sampling and drilling (RC and RAB), all of which progressed on schedule.

### Paulsens

Drilling at Paulsens continued from the lower level drill platform with Resource extension drilling of Voyager 2, along with grade control drilling from several platforms of Voyager 2.

Development for the quarter continued with operating development in the high grade Voyager 2 ore drives as well as the Gemini and Paulsens lodes, with Voyager 2 entering the production cycle.

### Plutonic

Five underground diamond drill rigs continued with drilling focused on the Caribbean and the Pacific East mining areas. Development accessed the top level of the higher grade Caribbean ore zone and commenced access towards the Pacific East mining area.

## REGIONAL EXPLORATION

### Paulsens

An exploration diamond drilling program (563m) was completed at the Belvedere Project. The drilling tested exploration targets and generated core samples for geotechnical and metallurgical test work for the potential development of Belvedere open pit. The exploration drilling successfully intersected a new zone of disseminated to semi-massive sulphide mineralisation in an area approximately 150m north of the Belvedere deposit. Further drilling to delineate this new zone is planned for the September Quarter.

An updated mineral Resource estimate is being finalised for the Belvedere Project.

### Fortescue Joint Venture

Compilation and analysis of additional historical data for the entire Ashburton Basin-Wyloo Dome region was completed with target generation ongoing to define areas for future work.

### Plutonic

During the quarter, approximately 6,200m of surface diamond drilling was completed at the Bigfish, Zone 114, and Plutonic West target areas. Diamond drilling continues to intersect zones of gold mineralisation at Bigfish and Zone 114 locations. Significant assay results will be incorporated into existing Plutonic Resource models as they come to hand in preparation for an updated mineral Resource estimate which is being finalised.

Interpretation of the recently acquired 3D seismic data for the Plutonic area continued with the objective to improve structural and stratigraphic understanding and assist with future drill hole targeting.

### Jundee

Over 35,000m of RAB/aircore drilling was completed at a number of targets identified from ongoing field mapping and soil sampling programs in the tenement package south of the Jundee Mine. In addition, a further 10,000m of follow up RC drilling was completed on a number of targets defined by the RAB/aircore drilling program and further extensional drilling of mineralisation in the Gourdis-Vause and Menzies pit areas. Further follow up drilling is planned for the coming quarter.

Ongoing geological and regolith mapping and soil sampling programs are continuing as part of a regional exploration initiative to assist in defining future drill targets.

### Kalgoorlie

Regional exploration in the Kalgoorlie district continued with both RC and diamond drilling programs completed at a number of prospects during the quarter.

### Kanowna Belle

Significant results from diamond drilling at the White Feather Project were released in an ASX announcement on 21 May 2015. A further close spaced infill diamond drilling program has since been completed with final assay results pending.

At the Six Mile Project, located 5km north west of the Kanowna Belle Mine, RC and diamond drilling programs intersected significant zones of gold mineralisation as reported in the ASX announcement released on 21 May 2015. A maiden mineral Resource estimate for the Six Mile Project is in preparation and is expected to be completed shortly.

### Kundana EKJV (51% NST)

Further RC and diamond drilling was completed at Ambition during the quarter with the majority of assay results awaited.

### Kundana (100% NST)

A short RC drilling campaign was completed at the Kurrawang prospect located 2km east of the Rubicon-Hornet mine area.

### Carbine

Programs of RC and diamond drilling were undertaken in the area surrounding the historic Carbine and Paradigm gold mines. Initial significant assay results from this drilling were reported in the ASX announcement dated 21 May 2015 with further diamond drilling in the Paradigm area intersecting significant new mineralised zones. With final assay results for this drilling awaited drillings rigs are preparing to undertake further programs for both the Carbine and Paradigm areas.

## CORPORATE

- Mr Michael Mulroney joined the Company's senior management team in the position of Chief Geological Officer on 2 June 2015, responsible for the strategic geological direction across the Group.
- During the quarter, Northern Star participated in the Macquarie Securities Sydney Investor Conference. The Company maintains a proactive presentation calendar to stockbroking firms, institutional and retail investors to promote the Company and its activities.
- Issued Capital

During the quarter:

- 392,496 employee shares were issued to 888 employees on 27 May 2015 in accordance with the Company's 2011 Employee Share Plan. These shares will be held in voluntary escrow for three years from the date of issue or termination of employment of the individuals, whichever comes first.
- 125,000 employee performance shares were cancelled in April 2015 following the cessation of employment of one individual in accordance with the Company 2013 Performance Share Plan.
- 10,176 employee shares were released from voluntary escrow following cessation of employment in accordance with the Company's 2011 Employee Share Plan.

Subsequent to the quarter, 2,810,953 ordinary fully paid shares were issued as unvested performance shares to Senior Management<sup>1</sup> in accordance with the Performance Share Plan, and 1,319,279 unlisted employee options<sup>2</sup> were issued to Senior Staff expiring 31 July 2018 in accordance with the Employee Options Plan. These shares and options are subject to performance hurdles with a measurement date of 30 June 2018 and are restricted with holding locks.

<sup>1</sup> Shares issued to the Managing Director were approved by Shareholders at the Annual General Meeting on 20 November 2013.

<sup>2</sup> The unlisted options were issued under the Company's 15% placement capacity as the three year Shareholder pre-approval for the plan lapsed on 28 June 2015. The Company will seek re-approval of the plan at the next General Meeting.

# QUARTERLY ACTIVITIES REPORT

## For the Quarter ended 30 June 2015



The issued capital of the Company at the date of this report is:

Class of Securities	Issued capital
Fully Paid Ordinary Shares	595,739,329
Unlisted Options (various expiry dates)	4,276,094

Table 12: Issued Capital

Yours faithfully

A handwritten signature in black ink that reads "Bill Beament".

**BILL BEAMENT**  
**Managing Director**  
**Northern Star Resources Limited**

### **Investor Enquiries:**

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### **Competent Persons Statements**

*The information in this announcement that relates to mineral Resource estimations, exploration results, data quality, geological interpretations and potential for eventual economic extraction, is based on information compiled by Darren Cooke, (Member Australian Institute of Geoscientists), who is a full-time employee of Northern Star Resources Limited. Mr Cooke has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" for the Hornet, Rubicon, Pegasus, Ambition and Drake. Mr Cooke consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.*

### **Forward Looking Statements**

*Northern Star Resources Limited has prepared this announcement based on information available to it. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this announcement. To the maximum extent permitted by law, none of Northern Star Resources Limited, its directors, employees or agents, advisers, nor any other person accepts any liability, including, without limitation, any liability arising from fault or negligence on the part of any of them or any other person, for any loss arising from the use of this announcement or its contents or otherwise arising in connection with it.*

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## APPENDIX 1 – ADDITIONAL INFORMATION - OPERATIONS

### Paulsens Gold Operations

#### ► Safety

There was no Lost Time Injuries (LTI) recorded during the quarter.

#### ► Underground Production

Mine Development:

	Sep -14 Qtr	Dec -14 Qtr	Mar -15 Qtr	Jun -15 Qtr
Decline	367.4	169.6m	195.1m	391.3m
Level	334.2m	458.8m	433.5m	455.7m
Strike driving	859.9m	675.0m	420.0m	711.5m
<b>Total (metres)</b>	<b>1,561.5m</b>	<b>1,303.4m</b>	<b>1,048.6m</b>	<b>1,558.5m</b>

Table 1: Underground Production – Mine Development

Development increased for the June Quarter by utilising two development jumbos compared to one in the previous quarter. Capital development focused on advancing the decline towards the 290mRL level and developing internal level infrastructure on the 307, 324, and 341mRL operating levels, all of which accessed the high grade Voyager 2 Upper Zone ore body. Return air connections were established in the 341mRL and 324mRL level allowing for increased activity in these lower levels.

Operating expenditure saw the continued development of high grade Voyager 2 Upper Zone mining areas on the 358mRL, 341mRL, 324mRL and 307mRL ahead of forecast and with grades higher than modelled. Additional operating development was completed in the Upper levels in the Echo ore body at the 728mRL, Cassini at the 1125mRL and 1146mRL and Gemini at the 1116mRL.

Development yielded 41,357 tonnes at an average reconciled grade of 9.6gpt. Low-grade ore intersected whilst accessing the main ore zones yielded 3,646 tonnes at 1.6gpt.

	Sep -14 Qtr	Dec -14 Qtr	Mar -15 Qtr	Jun -15 Qtr
Development ore (t)	42,793	21,976	22,553	41,357
Development grade (gpt)	3.7	4.6	4.6	9.6
Stope ore (t)	85,635	79,743	66,526	70,720
Stope grade (gpt)	6.0	4.9	5.7	4.0
Low grade ore (t)	5,384	10,277	5,045	3,646
Low grade (gpt)	1.1	1.2	1.3	1.6
Total ore (t)	133,812	111,996	94,124	115,723
Total grade (gpt)	5.1	4.5	5.2	5.9
<b>Contained gold (oz)</b>	<b>21,839</b>	<b>16,179</b>	<b>15,671</b>	<b>21,918</b>

t=tonnes, gpt=grams per tonne, oz=ounces

Table 2: Ore Development – Mine Development

Stope production was 70,270 tonnes at 4.0gpt sourced predominately from the Voyager 2 lower zone on the 407, 424, 458, 475 and 492 levels and the Voyager 2 upper zone on the 324, 407 and 424 levels. Additional stope tonnes were sourced from remnant mining areas in the Paulsens Upper Zone at the 1060 level, the Soyuz ore body at the 1070 and 1128 level and Voyager 1 Upper Zone at the 390 and 407 level, as well as the Voyager 1 upper zone ore body on the 390 and 407 levels. High grade airleg stope tonnes were sourced from Paulsens Lower Zone at the 919, 1089 and 1130mRL supplementing the mechanised production tonnes.

#### ► Gold Production

110,551 tonnes were milled during the quarter at 6.1gpt and 89% recovery for 19,260oz produced. Mill feed primarily consisted of Voyager 2 Upper Zone development and stope ore, Voyager 2 Lower zone stope ore, Paulsens Lower zone stope ore, stoping and development ore from Gemini, Soyuz and Cassini remnant mining areas. The scheduled utilisation of ROM stocks occurred throughout the quarter. Improvements to the efficiency of processing and underground mining have seen the cost profile reduce significantly further during the quarter.

Ore stocks at the end of the quarter contained 6,419oz of gold

#### ► Gold Sales

19,848oz were sold.

### Plutonic Gold Operations

#### ► Safety

There were no Lost Time Injuries (LTI) during the quarter.

#### ► Underground Production

Mine Development:

	Sep -14 Qtr	Dec-14 Qtr	Mar-15 Qtr	Jun-15 Qtr
Decline	65m	114m	246m	253m
Level	194m	286m	283m	325m
Strike driving	1,767m	2,066m	2,088m	2,189m
<b>Total (metres)</b>	<b>2,026m</b>	<b>2,466m</b>	<b>2,617m</b>	<b>2,766m</b>

Table 3: Underground Production – Mine Development

The June Quarter maintained increased development metres to grow available stoping inventory and expose higher grade mining areas. The top level of the Caribbean ore zone was accessed through the 16 Level and the Caribbean Decline continued as a priority.

Ore development continued in the following ore zones: West Decline, North Decline, Baltic Decline, Pacific East and Mariner Decline areas.

	Sep-14 Qtr	Dec-14 Qtr	Mar-15 Qtr	Jun-15 Qtr
Development ore (t)	65,920	66,134	56,349	70,180
Development grade (gpt)	2.2	2.5	3.0	3.2
Stope ore (t)	158,047	129,280	134,188	130,369
Stope grade (gpt)	4.6	3.7	4.0	4.0
Low grade ore (t)				
Low grade (gpt)				
Total ore (t)	223,967	195,414	190,537	200,549
Total grade (gpt)	3.9	3.3	3.7	3.7
<b>Contained gold (oz)</b>	<b>28,230</b>	<b>20,494</b>	<b>22,757</b>	<b>24,068</b>

t=tonnes, gpt=grams per tonne, oz=ounces

Table 4: Underground Production – Ore Tonnes

Underground stoping produced 130,369 tonnes at 4.0gpt.

### ► Gold Production

214,359 tonnes were milled during the quarter at 3.6gpt and 79% recovery for 19,570oz. Milling operations continue to operate on a campaign basis.

Ore stocks at the end of the quarter contained 371oz of gold.

### ► Gold Sales

19,287oz were sold.

## Kanowna Belle Gold Operations

### ► Safety

There was no Lost Time Injuries (LTI) during the quarter.

### ► Underground Production

Mine Development:

	Sep -14 Qtr	Dec -14 Qtr	Mar -15 Qtr	June -15 Qtr
Decline	91m	108m	6m	83m
Level	Nil	Nil	Nil	Nil
Strike driving <sup>(1)</sup>	507m	301m	350m	731m
<b>Total (metres)</b>	<b>598m</b>	<b>409m</b>	<b>356m</b>	<b>814m</b>

Note (1) includes development through paste-fill

Table 5: Underground Production – Mine Development

Development for the quarter focussed on establishing the stopes in E-block and the remnant ore zones around the underground operation in preparation for the next 6 months production. In addition to this the first development advance was taken in the Velvet exploration drive.

	Sep -14 Qtr	Dec -14 Qtr	Mar -15 Qtr	Jun -15 Qtr
Development ore (t)	27,422	9,451	12,336	27,031
Development grade (gpt)	4.1	5.3	5.1	3.7
Stope ore (t)	149,162	128,349	145,317	159,177
Stope grade (gpt)	4.9	4.9	4.4	5.1
Low grade ore (t)	Nil	Nil	Nil	Nil
Low grade (gpt)	Nil	Nil	Nil	Nil
Total ore (t)	176,584	137,799	157,653	186,208
Total grade (gpt)	4.8	4.9	4.5	4.9
<b>Contained gold (oz)</b>	<b>27,176</b>	<b>21,892</b>	<b>22,701</b>	<b>29,379</b>

t=tonnes, gpt=grams per tonne, oz=ounces

Table 6: Underground Production – Ore Production

Stope production was 159,177 tonnes at 5.1gpt.

### ► Gold Production

Kanowna Belle milled 198,129 tonnes in the June Quarter at 4.9gpt and 93.3% recovery for 28,956oz.

Ore stocks at the end of the quarter totalled 15,229oz of gold (NST ore from KB and EKJV).

### ► Gold Sales

27,276oz were sold.

## Kundana Gold Operations

### ► Introduction

The Kundana Gold Operations includes the Rubicon, Hornet, Raleigh and Pegasus deposits. These mines are part of the East Kundana Joint Venture (EKJV) with companies Rand Mining Ltd and Tribune Resources Ltd.

### ► Safety

There were two (2) Lost Time Injuries (LTI) during the quarter.

### ► Underground Production

All mine production physicals associated with the EKJV are reported as 100% of those physicals to better represent overall mine performance.

Mine Development:

	Sep -14 Qtr	Dec -14 Qtr	Mar -15 Qtr	Jun -15 Qtr
Decline	517m	532m	613m	485m
Level	763m	825m	685m	848m
Strike driving (incl paste)	676m	1,194m	1,446m	1,659m
<b>Total (metres)</b>	<b>1,956m</b>	<b>2,551m</b>	<b>2,774m</b>	<b>2,992m</b>

Table 7: Underground Production – Mine Development (physicals represent 100% EKJV)

The main focus on capital development has been the Pegasus Incline, Pegasus Decline, Rubicon Decline and Hornet Decline. The Pegasus Incline is at the 6183RL and the Pegasus Decline is at the 6055mRL at the end of the June Quarter. The Hornet Decline has progressed to the 5839RL. 1,659m of strike driving was completed in June Quarter.

Development yielded 103,790 tonnes at an average reconciled grade of 5.9gpt.

	Sep -14 Qtr	Dec -14 Qtr	Mar -14 Qtr	Jun -15 Qtr
Development ore (t)	33,998	74,621	81,506	103,790
Development grade (gpt)	6.5	6.1	6.5	5.9
Stope ore (t)	107,059	92,700	93,111	109,260
Stope grade (gpt)	14	13.1	10.0	11.1
Low grade ore (t)	NA	NA	NA	NA
Low grade (gpt)	NA	NA	NA	NA
Total ore (t)	141,057	167,321	174,917	213,050
Total grade (gpt)	12.2	10	8.4	8.6
<b>Contained gold (oz)</b>	<b>55,152</b>	<b>53,648</b>	<b>47,125</b>	<b>58,827</b>

t=tonnes, gpt=grams per tonne, oz=ounces

Table 8: Underground Production – Ore production (physicals represent 100% EKJV)

Stope production was 109,260 tonnes at 11.1gpt.

### ► Gold Production

Kundana ore milled in June Quarter (NST share) was 99,053 tonnes at 8.8gpt and 96.3% recovery for 27,024 gold ounces.

Ore stocks at the end of the quarter totalled 13,059 oz of gold.

### ► Gold Sales

27,022oz were sold.

### Jundee Gold Operations

#### ► Safety

Two Lost Time Injuries (LTI) occurred during the quarter.

#### ► Underground Production

Mine Development:

	Sep -14 Qtr	Dec -14 Qtr	Mar -15 Qtr	Jun -15 Qtr
Decline	571m	276m	545m	775m
Level	722m	503m	889m	970m
Operating	2,092m	2,472m	2,385m	2,299m
<b>Total (metres)</b>	<b>3,385m</b>	<b>3,251m</b>	<b>3,819m</b>	<b>4,045m</b>

Table 9: Underground Production – Mine Development

Capital development focused on the extension of the Gateway Decline and WVN Diamond Drill Drive with continued advance at Invicta and access to Nexus. Operating development was spread across the Nim3, WSN, Wilson, Invicta and GTW/GGT mines.

	Sep -14 Qtr	Dec -14 Qtr	Mar -15 Qtr	Jun -15 Qtr
Development ore (t)	138,376	160,987	121,884	127,830
Development grade (gpt)	4.3	4.8	4.1	5.3
Stope ore (t)	186,831	179,727	171,104	162,891
Stope grade (gpt)	7.0	7.0	7.1	6.7
Total ore (t)	325,208	340,714	292,989	290,722
Total grade (gpt)	5.8	6.0	5.8	6.0
<b>Contained gold (oz)</b>	<b>60,802</b>	<b>65,603</b>	<b>54,933</b>	<b>56,545</b>

t=tonnes, gpt=grams per tonne, oz=ounces

Table 10: Underground Production – Ore production

Stope production was 162,891 tonnes at 6.7gpt mined from WSS, WSN, Lyons (Nim3), Wilson, Gateway/Gringotts and Deakin. Drilling started for the WVN bulk stope with expected production in October 2015.

#### ► Gold Production

Jundee ore milled in the June Quarter was 337,907 tonnes at 5.8gpt and 93% recovery for 58,550 gold ounces.

Milling throughput was 100% underground feed. Processing will introduce low grade oxide material in July 2015.

Ore stocks at the end of the quarter totalled 43,349oz of gold.

#### ► Gold Sales

59,014oz sold.

# QUARTERLY ACTIVITIES REPORT

For the Quarter ended 30 June 2015



## APPENDIX 2 – HORNET, RUBICON, PEGASUS, AMBITION AND DRAKE DRILL RESULTS FOR THE JUNE 2015 QUARTER

HORNET RESOURCE DEFINITION												
Drill Hole #	Easting (Mine Grid)	Northing (Mine Grid)	Drill hole collar RL (Mine Grid)	Dip (degrees)	Azimuth (degrees, Mine Grid)	End of hole depth (m)	Downhole From (m)	Downhole To (m)	Downhole Intersection (m)	Au (gpt) uncut	Est True Thickness (m)	
HORDD224	9810	15607	5896	50.17	11	162	130.7	132.1	1.4	10.9	0.2	
HORDD228	9811	15607	5896	-71	28	152	61.4	65.0	3.6	4.00	0.8	
HORDD229	9811	15607	5896	-71	68	126	87.6	90.2	2.6	1.56	1.0	
HORDD229	9811	15607	5896	-71	68	126	49.0	61.9	12.9	4.91	4.9	
HORDD221	9811	15607	5896	-44	4	207	71.1	73.0	1.9	173.7	0.4	
HORDD221	9811	15607	5896	-44	4	207	94.0	97.0	3.0	14.2	0.6	
HORDD221	9811	15607	5896	-44	4	207	115.8	119.0	3.2	24.8	0.6	
HORDD221	9811	15607	5896	-44	4	207	184.6	190.7	6.1	9.16	1.3	
HORDD227	9811	15606	5896	-66	34	129	106.9	111.1	4.2	9.93	1.3	
HORDD227	9811	15606	5896	-66	34	129	85.0	106.9	21.9	2.23	6.6	
HORDD232	9811	15604	5896	-70	130	129	103.5	111.6	8.2	2.37	2.4	
HORDD226	9811	15607	5896	-62	34	159	128.7	132.2	3.4	22.5	1.2	
HORDD226	9811	15607	5896	-62	34	159	22.9	23.4	0.5	10.7	0.2	
HORDD226	9811	15607	5896	-62	34	159	45.2	57.2	12.0	2.05	4.1	
HORDD226	9811	15607	5896	-62	34	159	61.0	75.6	14.6	5.46	5.0	
HORDD226	9811	15607	5896	-62	34	159	89.0	97.0	8.0	8.03	2.7	
HORDD226	9811	15607	5896	-62	34	159	107.6	109.5	1.9	8.90	0.7	
HORDD226	9811	15607	5896	-62	34	159	117.0	127.0	10.0	3.88	3.4	
HORDD212	9810	15449	5915	-47	150	156	124.5	129.2	4.6	0.15	1.5	
HORDD220	9810	15607	5896	-40	5	189	140.0	143.8	3.8	3.26	0.5	
HORDD220	9810	15607	5896	-40	5	189	73.2	77.0	3.8	16.8	0.5	
HORDD220	9810	15607	5896	-40	5	189	83.0	88.0	5.0	6.98	0.7	
HORDD220	9810	15607	5896	-40	5	189	95.8	97.3	1.5	70.4	0.2	
HORDD220	9810	15607	5896	-40	5	189	108.8	111.0	2.2	17.6	0.3	
HORDD220	9810	15607	5896	-40	5	189	115.0	128.0	13.0	4.00	1.9	
HORDD220	9810	15607	5896	-40	5	189	133.0	140.0	7.0	8.22	1.0	
HORDD209	9811	15450	5915	-65	135	159	138.5	143.1	4.6	0.31	1.5	
HORDD222	9810	15607	5896	-44	7	165	141.6	144.6	2.9	20.3	0.5	
HORDD222	9810	15607	5896	-44	7	165	57.2	58.8	1.6	17.3	0.3	
HORDD222	9810	15607	5896	-44	7	165	70.1	72.0	1.9	13.0	0.3	
HORDD222	9810	15607	5896	-44	7	165	79.4	79.7	0.3	31.8	0.0	
HORDD222	9810	15607	5896	-44	7	165	82.7	94.0	11.3	4.19	1.9	
HORDD222	9810	15607	5896	-44	7	165	100.0	115.0	15.1	0.82	2.5	
HORDD222	9810	15607	5896	-44	7	165	126.0	131.3	5.3	4.41	0.9	
HORDD238	9809	15608	5897	11	6	263	224.7	230.2	5.4	26.4	1.0	
HORDD225	9810	15607	5896	-55	8	167	139.5	143.1	3.6	2.81	0.5	
HORDD225	9810	15607	5896	-55	8	167	57.6	59.3	1.7	86.4	0.2	
HORDD225	9810	15607	5896	-55	8	167	67.2	69.4	2.2	37.7	0.3	
HORDD224	9810	15607	5896	-50	11	162	130.7	132.7	2.0	7.93	0.4	
HORDD224	9810	15607	5896	-50	11	162	66.6	78.0	11.4	9.40	2.2	
HORDD224	9810	15607	5896	-50	11	162	81.4	83.5	2.1	5.97	0.4	
HORDD224	9810	15607	5896	-50	11	162	88.1	96.0	7.9	1.79	1.5	
HORDD224	9810	15607	5896	-50	11	162	107.0	129.6	22.6	4.17	4.4	
HORDD231	9811	15604	5896	-80	97	183	110.2	119.3	9.1	7.05	2.3	
HORDD214	9810	15448	5915	-39	155	165	130.5	135.3	4.8	0.95	1.4	
HORDD214	9810	15448	5915	-39	155	165	126.2	126.7	0.4	8.00	0.1	
HORDD253	9809	15608	5897	-18	7	210	171.7	176.2	4.5	1.19	0.9	
HORDD253	9809	15608	5897	-18	7	210	150.0	150.3	0.3	103.0	0.1	
HORDD218	9810	15448	5915	-34	163	312	286.0	288.9	2.9	0.95	0.5	
HORDD217	9810	15448	5915	-37	161	261	165.1	188.4	23.4	1.30	1.3	
HORDD217	9810	15448	5915	-37	161	261	159.3	163.0	3.8	7.01	0.8	
HORDD236	9810	15607	5896	-64	3	219	154.3	155.4	1.1	1.80	0.1	
HORDD216	9810	15448	5915	-42	158	246	168.7	171.4	2.7	10.5	0.6	
HORDD216	9810	15448	5915	-42	158	246	107.4	108.2	0.8	27.5	0.2	
HORDD233	9811	15604	5896	-74	138	198	125.0	125.8	0.8	7.51	0.2	
HORDD233	9811	15604	5896	-74	138	198	30.0	30.5	0.5	7.28	0.1	
HORDD233	9811	15604	5896	-74	138	198	56.0	57.0	1.0	8.76	0.2	
HORDD233	9811	15604	5896	-74	138	198	116.1	116.5	0.4	32.0	0.1	



# QUARTERLY ACTIVITIES REPORT

For the Quarter ended 30 June 2015



## RUBICON RESOURCE EXTENSIONAL DRILLING

Drill Hole #	Easting (Mine Grid)	Northing (Mine Grid)	Drill hole collar RL (Mine Grid)	Dip (degrees)	Azimuth (degrees, Mine Grid)	End of hole depth (m)	Downhole From (m)	Downhole To (m)	Downhole Intersection (m)	Au (gpt) uncut	Est True Thickness (m)
RUBDD264	9762	16275	6020	-29	153	258	19.6	23.0	3.5	22.4	1.7
RUBDD264	9762	16275	6020	-29	153	258	228.1	231.7	3.6	10.3	1.7
RUBDD264	9762	16275	6020	-29	153	257	228.1	233.9	5.8	9.20	2.8
RUBDD265	9762	16276	6020	-35	156	283	244.0	250.0	6.0	5.42	2.5
RUBDD265	9762	16276	6020	-35	156	283	256.8	258.7	1.9	9.38	0.8
RUBDD252	9763	16278	6020	-53	90	177	157.5	160.0	2.5	6.66	1.7
RUBDD261	9762	16276	6020	-52	148	279	220.0	225.7	5.7	10.6	2.4
RUBDD261	9762	16276	6020	-52	148	279	11.7	13.5	1.7	3.07	0.7
RUBDD261	9762	16276	6020	-52	148	279	205.0	206.0	1.0	10.1	0.4
RUBDD261	9762	16276	6020	-52	148	279	229.4	229.7	0.3	8.81	0.1
RUBDD261	9762	16276	6020	-52	148	279	17.8	23.8	5.9	3.15	2.4
RUBDD254	9763	16278	6020	-43	103	168	145.8	147.0	1.3	3.59	1.0
RUBDD254	9763	16278	6020	-43	103	168	124.3	124.8	0.5	10.1	0.4
RUBDD256	9763	16277	6020	-56	121	204	183.4	186.0	2.6	8.07	1.3
RUBDD256	9763	16277	6020	-56	121	204	9.4	12.8	3.4	19.4	1.7
RUBDD256	9763	16277	6020	-56	121	204	51.0	53.0	2.0	20.0	1.0
RUBDD256	9763	16277	6020	-56	121	204	127.2	127.5	0.3	54.7	0.2
RUBDD256	9763	16277	6020	-56	121	204	141.0	142.0	1.0	21.9	0.5
RUBDD259	9763	16276	6020	-40	138	204	173.9	174.5	0.6	4.93	0.3
RUBDD259	9763	16276	6020	-40	138	204	14.0	20.5	6.5	2.04	3.2
RUBDD254	9763	16278	6020	-43	103	168	145.8	147.0	1.3	3.81	0.9
RUBDD254	9763	16278	6020	-43	103	168	124.3	124.8	0.5	11.1	0.4
RUBDD273	9868	16290	6016	-25	296	179	152.0	157.0	5.0	13.7	4.4

## PEGASUS RESOURCE EXTENSIONAL DRILLING

Drill Hole #	Easting (Mine Grid)	Northing (Mine Grid)	Drill hole collar RL (Mine Grid)	Dip (degrees)	Azimuth (degrees, Mine Grid)	End of hole depth (m)	Downhole From (m)	Downhole To (m)	Downhole Intersection (m)	Au (gpt) uncut	Est. True Thickness (m)
PGDD15001	9668	17255	6343	-60	60	1413.0	344.7	345.3	0.6	42.98	0.4
PGDD15006	9725	17167	6343	-63	56	330.0	56.1	58.0	1.9	4.23	1.4
PGDD15006	9725	17167	6343	-63	56	330.0	152.6	156.0	3.4	5.09	2.6
PGDD15006	9725	17167	6343	-63	56	330.0	242.1	243.1	1.0	5.91	0.8
PGDD15006	9725	17167	6343	-63	56	330.0	292.5	294.6	2.1	6.64	1.5
PGDD15007	9727	17580	6343	-70	98	405.4	155.1	155.5	0.4	2.90	0.3
PGDD15007	9727	17580	6343	-70	98	405.4	176.8	178.5	1.8	3.15	1.3
PGDD15007	9727	17580	6343	-70	98	405.4	324.0	324.5	0.5	0.04	0.4
PGDD15008	9753	17477	6343	-63	82	309.0	236.4	237.1	0.8	2.98	0.6
PGDD15009	9645	17528	6343	-59	83	273.0	191.5	194.4	2.9	1.78	2.6
PGDD15009	9645	17528	6343	-59	83	273.0	209.0	210.1	1.1	18.83	0.8
PGDD15010	9600	17581	6343	-63	59	489.0	458.5	460.1	1.6	0.68	1.2
PGDD15011	9669	17694	6343	-67	65	427.6	220.4	223.0	2.6	6.09	2.0
PGDD15011	9669	17694	6343	-67	65	427.6	402.0	405.6	3.6	1.22	2.7
PGDD15018	9387	17142	6343	-63	84	831.0	304.9	305.3	0.4	528.0	0.3
PGRC15012	9736	17255	6343	-62	83	285.0	139.0	142.0	3.0	11.28	2.7
PGRC15012	9736	17255	6343	-62	83	285.0	296.0	297.0	1.0	0.16	0.8
PGRC15013	9655	17401	6343	-67	88	228.0	203.0	207.0	4.0	4.56	3.6
PGRC15015	9701	17436	6343	-68	78	228.0	178.0	180.0	2.0	3.22	1.8
PGRC15016	9636	17446	6343	-62	88	240.0	204.0	207.0	3.0	4.56	2.7
PGRC15017	9623	17534	6343	-65	89	270.0	203.0	204.0	1.0	1.92	0.9
PEGDD011	9810	16999	6140	16	0	182	144.2	146.8	2.6	6.13	1.0
PEGDD009	9810	16999	6142	-2	21	216	167.1	169.1	2.0	13.3	0.1
PEGDD012	9811	16998	6143	-24	53	126	100.6	101.4	0.8	9.40	0.4
PEGDD013	9811	16997	6142	-18	80	111	76.4	77.9	1.5	5.13	1.2
PEGDD008	9810	16999	6141	12	29	144	125.1	125.5	0.3	0.52	0.0
PEGDD010	9810	16999	6142	-1	31	144	122.0	122.6	0.6	8.05	0.1
PEGDD021	9776	16836	6123	-17	124	153	123.8	124.6	0.8	24.3	0.7
PEGDD021	9776	16836	6123	-17	124	153	38.5	38.9	0.4	13.9	0.4
PEGDD026	9776	16840	6122	-30	59	138	18.5	18.8	0.3	70.7	0.2
PEGDD026	9776	16840	6122	-30	59	138	20.0	20.3	0.3	88.6	0.3
PEGDD026	9776	16840	6122	-30	59	138	32.0	33.0	1.0	30.5	0.8
PEGDD026	9776	16840	6122	-30	59	138	111.3	112.6	1.3	14.4	1.1
PEGDD029	9814	16991	6142	-9	16	216	167.6	171.1	3.5	3.31	1.1
PEGDD030	9814	16991	6142	-10	12	255	174.9	177.3	2.4	2.65	0.6
PEGDD014	9815	16991	6140	-25	20	159	139.8	141.0	1.2	6.86	0.5

# QUARTERLY ACTIVITIES REPORT

## For the Quarter ended 30 June 2015

### AMBITION EXPLORATION DRILLING

Drill Hole #	Easting (GDA)	Northing (GDA)	Drill hole collar RL (GDA)	Dip (degrees)	Azimuth (degrees, GDA)	End of hole depth (m)	Downhole From (m)	Downhole To (m)	Downhole Intersection (m)	Au (gpt) uncut	Est. True Thickness (m)
AMDD15024	328488	6604864	368	-60	60	233.2	162.9	163.6	0.7	8.96	0.5
AMDD15025	328373	6605000	369	-75	60	328.8	276.1	277.5	1.5	3.39	1.1
AMDD15026	328259	6605222	369	-60	60	332.9	178.3	178.8	0.5	0.00	0.4
AMDD15027	328375	6604769	350	-60	60	418.3	361.0	363.0	2.0	6.75	1.6
AMRC15029	328463	6605000	370	-60	60	132.0	104.0	105.0	1.0	0.72	0.8
AMRC15030	328424	6605079	370	-60	60	120.0	90.0	92.0	2.0	3.77	1.5
AMRC15031	328333	6605149	370	-60	60	200.0	138.0	139.0	1.0	6.04	0.8
AMRC15032	328082	6605591	370	-60	60	150.0	111.0	112.0	1.0	0.45	0.8

### DRAKE EXPLORATION DRILLING

Drill Hole #	Easting (GDA)	Northing (GDA)	Drill hole collar RL (GDA)	Dip (degrees)	Azimuth (degrees, GDA)	End of hole depth (m)	Downhole From (m)	Downhole To (m)	Downhole Intersection (m)	Au (gpt) uncut	Est. True Thickness (m)
DRCD15009	332387	6599033	343	-60	55	365.4	25.0	26.0	1.0	2.20	1.0
DRCD15010	332434	6598973	343	-59	49	318.1	127.0	129.0	2.0	7.16	1.8
DRCD15015	332355	6599212	343	-61	73	216.0	71.0	73.0	2.0	3.15	1.5
DRCD15015	332355	6599212	343	-61	73	216.0	75.0	77.0	2.0	1.96	1.8
DRCD15015	332355	6599212	343	-61	73	216.0	182.0	184.0	2.0	2.18	1.5
DRRC15007	332500	6599161	345	-74	87	138.0	85.0	98.0	2.0	4.46	1.5
DRRC15007	332500	6599161	345	-74	87	138.0	100.0	103.0	3.0	0.05	2.3
DRRC15008	332535	6599094	363	-74	55	156.0	117.0	119.0	2.0	3.40	1.5
DRRC15008	332535	6599094	363	-74	55	156.0	135.0	137.0	2.0	0.13	1.5
DRRC15014	332402	6599254	345	-61	93	120.0	82.0	86.0	4.0	0.30	3.0

## JORC Code, 2012 Edition – Table 1 Report: EKJV – Hornet/Rubicon/Pegasus/Ambition/Drake Drill Results for the 2015 June Quarter

### Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>Sampling was completed using a combination of Reverse circulation (RC) and Diamond Drilling (DD). RC drilling was used to drill pre-collars were for many of the Resource definition holes with diamond tails. Diamond drilling constitutes the rest of the drilling</li> <li>Diamond core was transferred to core trays for logging and sampling. Half core samples were nominated by the geologist from both NQ and HQ diamond core, with a minimum sample width of either 20cm (HQ) or 30cm (NQ).</li> <li>RC samples were split using a rig-mounted cone splitter on 1m intervals to obtain a sample for assay. 4m Composite spear samples were collected for most of each hole, with 1m samples submitted for areas of known mineralisation or anomalism.</li> <li>Samples were taken to Genalysis Kalgoorlie for preparation by drying, crushing to &lt;3mm, and pulverising the entire sample to &lt;75µm. 300g Pulps splits were then dispatched to Genalysis Perth for 50g Fire assay charge and AAS analysis.</li> </ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</li> </ul>	<ul style="list-style-type: none"> <li>Diamond drilling was used from surface. HQ (63.5mm) diameter core was drilled for all resource definition holes, elsewhere both HQ and NQ (50.5mm) diameter core was drilled.</li> <li>Core was orientated using the Reflex ACT Core orientation system.</li> </ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<ul style="list-style-type: none"> <li>RC drilling contractors adjust their drilling approach to specific conditions to maximise sample recovery. Moisture content and sample recovery is recorded for each RC sample. No recovery issues were identified during 2013 RC drilling. Recovery was poor at the very beginning of each hole, as is normal for this type of drilling in overburden.</li> <li>For diamond drilling the contractors adjust their rate of drilling and method if recovery issues arise. All recovery is recorded by the drillers on core blocks. This is checked and compared to the measurements of the core by the geological team. Any issues are communicated back to the drilling contractor.</li> <li>Recovery was excellent for diamond core and no relationship between grade and recovery was observed. For RC drilling, pre-collars were ended before known zones of mineralisation and recovery was very good through any anomalous zones, so no issues occurred.</li> </ul>
<b>Logging</b>	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant</li> </ul>	<ul style="list-style-type: none"> <li>All diamond core is logged for Regolith, Lithology, veining, alteration, mineralisation and structure. Structural measurements of specific features are also taken through oriented zones. All logging is quantitative where possible and qualitative elsewhere. A photograph is taken of every core tray.</li> <li>RC sample chips are logged in 1m intervals. For the entire length of each hole. Regolith, lithology, alteration, veining and mineralisation are all recorded.</li> </ul>

# QUARTERLY ACTIVITIES REPORT

## For the Quarter ended 30 June 2015

Criteria	JORC Code explanation	Commentary
	intersections logged.	
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>All Diamond core is sawn and half core taken. The remaining half is stored for later use.</li> <li>All RC samples are split using a rig-mounted cone splitter to collect a 1m sample 3-4kg in size. These samples were submitted to the lab from any zones approaching known mineralised zones and from any areas identified as having anomalous gold. Outside of mineralised zones spear samples were then to give a 4m composite sample.</li> <li>Field duplicates were taken for RC samples at a rate of 1 in 20</li> <li>Sample preparation was conducted at Genalysis Kalgoorlie, commencing with sorting, checking and drying at less than 110°C to prevent sulphide breakdown. Samples are jaw crushed to a nominal -6mm particle size. If the sample is greater than 3kg a Boyd crusher with rotary splitter is used to reduce the sample size to less than 3kg (typically 1.5kg) at a nominal &lt;3mm particle size. The entire crushed sample (if less than 3kg) or sub-sample is then pulverised to 90% passing 75µm, using a Labtechnics LM5 bowl pulveriser. 300g Pulp subsamples are then taken with an aluminium scoop and stored in labelled pulp packets.</li> <li>Grind checks are performed at both the crushing stage(3mm) and pulverising stage (75µm), requiring 90% of material to pass through the relevant size.</li> </ul>
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</li> </ul>	<ul style="list-style-type: none"> <li>A 50g Fire assay charge is used with a lead flux, dissolved in the furnace. The prill is totally digested by HCl and HNO3 acids before Atomic absorption spectroscopy (AAS) determination for gold analysis.</li> <li>No geophysical tools were used to determine any element concentrations</li> <li>Certified reference materials (CRMs) are inserted into the sample sequence randomly at a rate of 1 per 20 samples to ensure correct calibration. Any values outside of 3 standard deviations are re-assayed with a new CRM.</li> <li>Blanks are inserted into the sample sequence at a rate of 1 per 20 samples. This is random, except where high grade mineralisation is expected. Here, a Blank is inserted after the high grade sample to test for contamination. Failures above 0.2g/t are followed up, and re-assayed. New pulps are prepared if failures remain.</li> <li>Field Duplicates are taken for all RC samples (1 in 20 sample). No Field duplicates are submitted for diamond core.</li> </ul>
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>All significant intersections a verified by another geologist during the drill hole validation process, and later by a Competent person to be signed off</li> <li>No Twinned holes were drilled for this data set</li> <li>Geological logging was captured using Acquire database software. Both a hardcopy and electronic copy of these are stored. Assay files are received in csv format and loaded directly into the database by the supervising geologist who then checks that the results have inserted correctly. Hardcopy and electronic copies of these are also kept. No adjustments are made to this assay data.</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>A planned hole is pegged using a Differential GPS by the field assistants</li> <li>During drilling single-shot surveys are every 30m to ensure the hole remains close to design. This is performed using the Reflex Ez-Trac system. Upon hole completion, a Gyroscopic survey is conducted by ABIMS, taking readings every 5m for improved accuracy. This is done in true north.</li> <li>The final collar is picked up after hole completion by Differential GPS in the MGA 94_51 grid.</li> <li>Good quality topographic control has been achieved through Lidar data and survey pickups of holes over the last 15 years.</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>Drillhole spacing across the area varies. For the Resource definition drilling, spacing was typically 40m x 40m, to allow the Resource to be upgraded to indicated. For the Pore drilling spacing was approximately 20m x 20m. The HRPD drilling was much more wide spaced, as this is largely unclassified. Spacing is wider than 160m in some areas.</li> <li>No compositing has been applied to these exploration results, although composite intersections are reported.</li> </ul>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>	<ul style="list-style-type: none"> <li>The majority of the structures in the Kundana camp dip steeply (80°) to WSW. The Pore structure has a much shallower dip in a similar direction, approximately 45°. To target these orientations the drillhole dips of 60-70° towards ~060° achieve high angle intersections on all structures.</li> <li>No sampling bias is considered to have been introduced by the drilling orientation</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>Prior to laboratory submission samples are stored by NSR Kalgoorlie in a secure yard. Once submitted to the laboratories they are stored in a secure fenced compound, and tracked through their chain of custody via audit trails</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>No audits or reviews have recently been conducted on sampling techniques.</li> </ul>

### Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>All holes mentioned in this report are located within the M16/309 Mining lease, held by The East Kundana Joint Venture (EKJV). The EKJV is majority owned and managed by Barrick Gold Corporation (51%). The minority holding in the EKJV is held by Tribune Resources Ltd (36.75%) and Rand Mining Ltd (12.25%).</li> <li>The tenement on which the Pegasus deposit is hosted (M16/309) is subject to two royalty agreements; however neither of these is applicable to the actual Pegasus deposit. The agreements that are on M16/309 but not relevant to the Pegasus project are the Kundana- Hornet Central Royalty and the Kundana Pope John Agreement No. 2602-13.</li> <li>No known impediments exist and the tenements are in good standing</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>The first reference to the mineralisation style encountered at the Pegasus project was the mines department report on the area produced by Dr. I. Martin (1987). He reviewed work completed in 1983 – 1984 by a company called Southern Resources, who identified two geochemical anomalies, creatively named Kundana #1 and Kundana #2. The Kundana #2 prospect was subdivided into a further two prospects, dubbed K2 and K2A.</li> <li>Between 1987 and 1997, limited work was completed.</li> </ul>

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Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> <li>Between 1997 and 2006 Tern Resources (subsequently Rand and Tribune Resources), and Gilt-edged mining focused on shallow open pit potential which was not considered viable.</li> <li>In 2011, Pegasus was highlighted by an operational review team and follow-up drilling was planned through 2012.</li> <li>This report is concerned solely with 2015 drilling that led on from this period.</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>The Kundana camp is situated within the Norseman-Wiluna Greenstone Belt, in an area dominated by the Zuleika shear zone, which separates the Coolgardie domain from the Ora Banda domain.</li> <li>K2-style mineralisation (Pegasus, Rubicon, Hornet) consists of narrow vein deposits hosted by shear zones located along steeply-dipping overturned lithological contacts. The K2 structure is present along the contact between a black shale unit (Centenary shale) and intermediate volcanics (Sparogville formation).</li> <li>Minor mineralisation, termed K2B, also occurs further west, on the contact between the victorious basalt and Bent Tree Basalt (both part of the regional upper Basalt Sequence).</li> <li>A 50° W dipping fault offsets this contact and exists as a zone of vein-filled brecciated material hosting the Poda-style mineralisation.</li> </ul>
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>eastings and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>Details for all drilling listed.</li> <li>All other information that is material to the EKJV has been reported in previous EKJV reports.</li> </ul>
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>All reported assay results have been length weighted to provide an intersection width. A maximum of 2m of barren material between mineralised samples has been permitted in the calculation of these widths.</li> <li>No assay results have been top-cut for the purpose of this report. A lower cut-off of 1g/t has been used to identify significant results, although lower results are included where a known ore zone has been intercepted, and the entire intercept is low grade.</li> <li>No metal equivalent values have been used for the reporting of these exploration results</li> </ul>
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</li> </ul>	<ul style="list-style-type: none"> <li>True widths have been calculated for intersections of the known ore zones, based on existing knowledge of the nature of these structures.</li> <li>Both the downhole width and true width have been clearly specified when used.</li> </ul>
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate plans and section have been included in the body of this report.</li> </ul>
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>Both high and low grades have been reported accurately, clearly identified with the drillhole attributes and 'From' and 'To' depths.</li> </ul>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<ul style="list-style-type: none"> <li>Metallurgical testwork was conducted on 9 Pegasus samples. The results are summarised as follows: <ul style="list-style-type: none"> <li>All Pegasus recoveries were above 91% for the leach tests</li> <li>Gravity gold recovery estimated at 55%</li> <li>Cyanide consumption 0.62 kg/t;</li> <li>Lime 2.29 kg/t</li> <li>Oxygen Consumption 60 g/t per hour</li> <li>Bond Ball mill work index average 18.1 kWh/t</li> <li>Bond Abrasion Index average 0.1522</li> </ul> </li> </ul>
<b>Further work</b>	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>Further work in 2015 will plan to extend the indicated Resource deeper by infill drilling. Advanced exploration work will also attempt to upgrade an area at depth spanning 1km of strike to an inferred Resource. The continuation of the K2 trend will continue to be drill tested at depth (see below diagram) below Pegasus, Link, Rubicon and Hornet and along strike of Pegasus and Drake.</li> </ul>

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