



NORTHERN STAR
RESOURCES LIMITED

ASX Code: NST



Northern Star Resources

An Australian gold miner – for global investors

Sydney Mining Club

February 2017

Competent Persons Statements

The information in this announcement that relates to exploration results, data quality, geological interpretations and Mineral Resource estimations for the Company's Paulsens and Jundee Project areas is based on information compiled by Brook Ekers (Member Australian Institute of Geoscientists), who is a full-time employee of Northern Star Resources Limited. Mr Ekers 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 Group reporting. Mr Ekers consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

The information in this announcement that relates to exploration results, data quality, geological interpretations and Mineral Resource estimations for the Company's Kanowna, EKJV, Kundana and Carbine Project areas is based on information compiled by Nick Jolly and fairly represents this information. Mr Jolly is a Member of the Australian Institute of Mining and Metallurgy who is a full-time employee of Northern Star Resources Limited who 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". Mr Jolly 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

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* All currency conversions in this presentation have been converted at a currency of AUD/USD conversion rate of A\$0.75c

* [a] Key highlights presented in the table on page 6 are inclusive of Plutonic operations results for the period ended 31 December 2016 and 31 December 2015.

* (1) EBITDA is earnings before interest depreciation, amortisation and impairment and is calculated as follows: Profit before Income tax plus depreciation, amortisation, impairment and finance costs less interest income.

* (2) Free Cash Flow is calculated as operating cash flow minus investing cash flow.

* (3) Underlying Free Cash Flow is calculated as follows: 31 Dec 2016- free cash flow (\$12.8 million) plus bullion awaiting settlement (\$10.6 million), plus stamp duty paid on prior acquisitions (\$1.7 million), plus investments in Available for sale assets (\$0.8 million), plus FY16 tax (\$33.6 million), less working capital adjustment (\$3.4 million). 31 Dec 2015 - free cash flow (\$66.4 million) plus bullion awaiting settlement (\$9 million), plus acquisition and exploration of Central Tanami Project (\$17.3 million), plus stamp duty paid on prior period acquisitions (\$5.0 million), less working capital adjustment (\$1.0 million)

* EBITDA, Underlying Free Cash Flow and All-in Sustaining Costs (AISC) are unaudited non IFRS measures

Third biggest Australian listed Gold Miner



- ✦ Northern Star is an ASX100 Australian stock exchange listed gold miner
- ✦ Strong balance sheet; no debt; A\$303M in cash & equivalents 31 Dec 2016
- ✦ Market cap is A\$2.7B and a Top 25 global producer; FY2017 guidance of 485koz-515koz at an AISC of A\$1,000- A\$1,050/oz
- ✦ Strong organic growth; Production set to reach 600kozpa in 2018
- ✦ Majority of production now comes from +200kozpa concentrated centres/mines
- ✦ Rising gold price with substantial production growth, flat cost environment and no debt; delivering significant increases in future free cashflow
- ✦ Track record of fully-franked dividends
- ✦ We are governed by the adage "a business first and a mining company second"

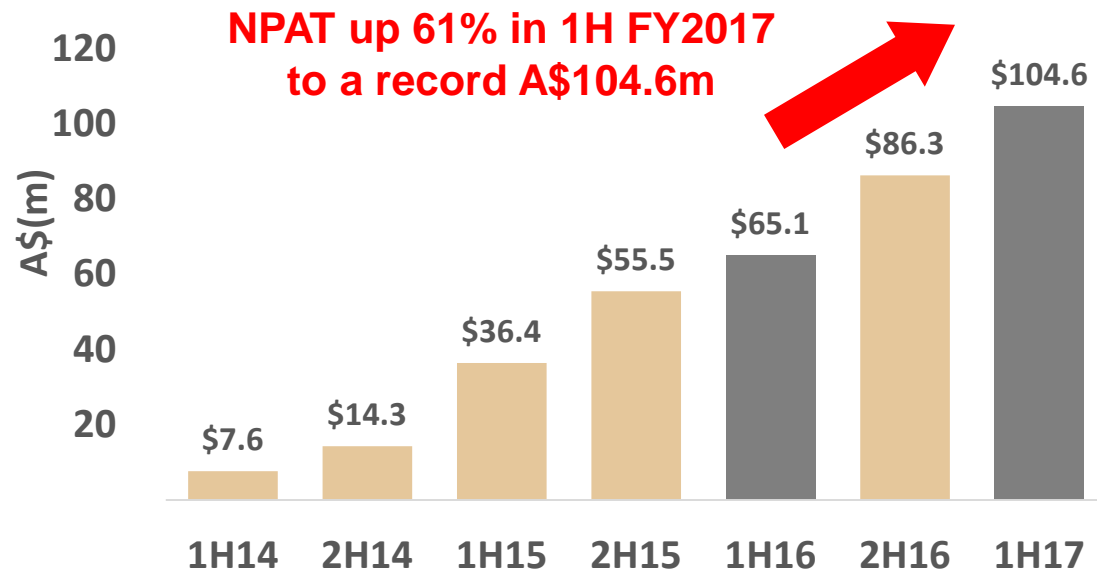


Financial Highlights for 1H FY2017

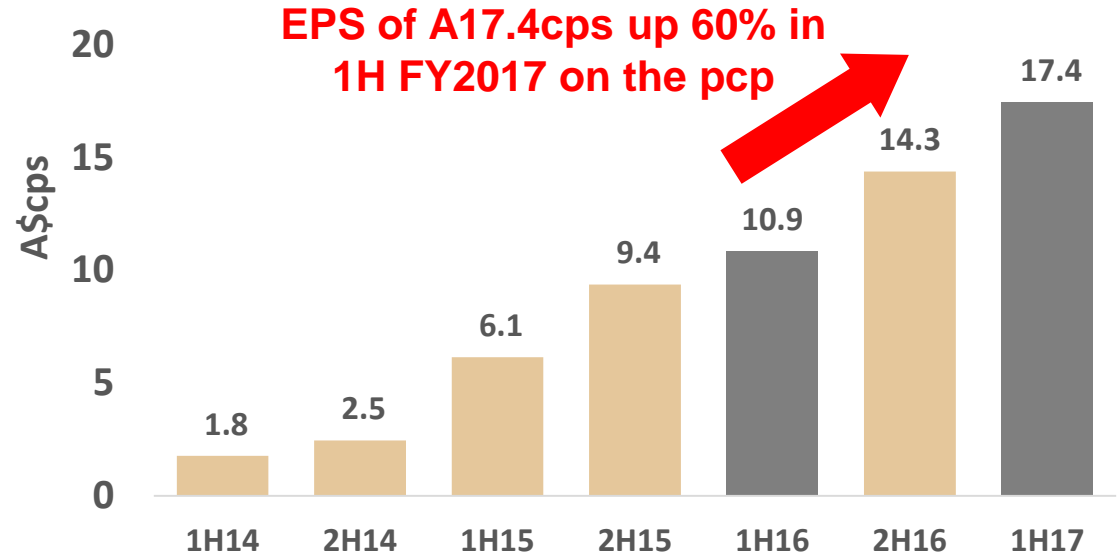


- ✦ Record 1H FY2017 net profit after tax of A\$104.6m, up 61% on the previous corresponding period (pcp)
- ✦ Earnings per share growth of 60% to a record of A17.4¢
- ✦ EBITDA of A\$218.8m up 21%
- ✦ EBITDA margin growth of 24% to 53%
- ✦ Underlying free cash flow of A\$56m in the half with over A\$61m of growth CAPEX invested in the 1H FY2017
- ✦ Dividend: interim A3¢ fully franked, inline with the pcp

Net Profit After Tax



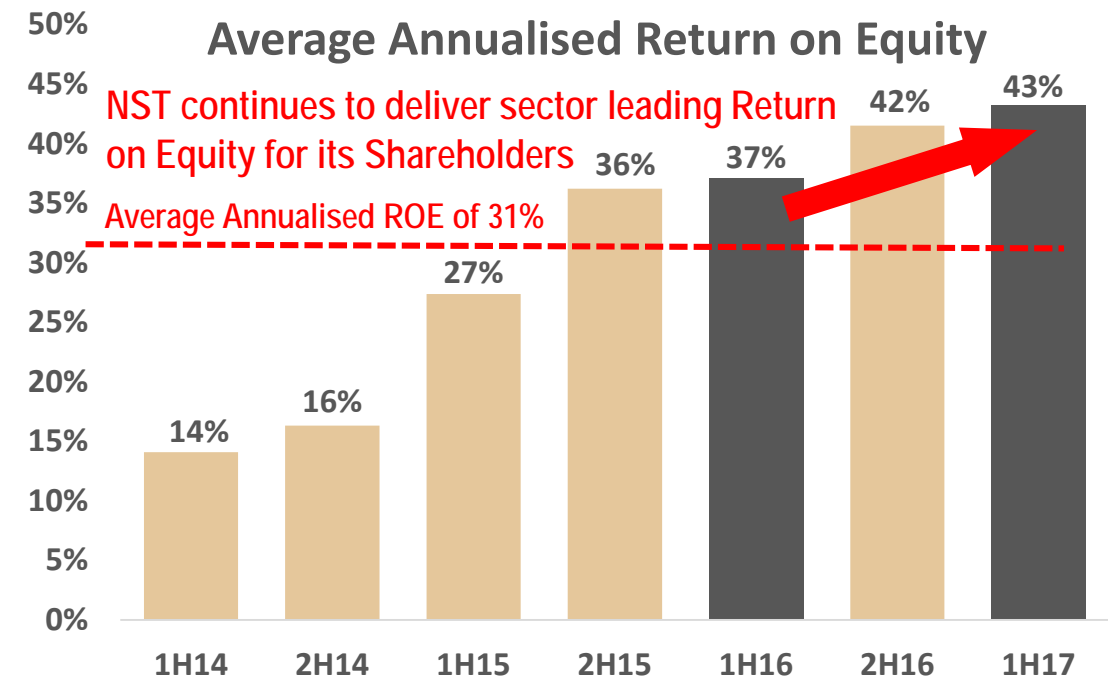
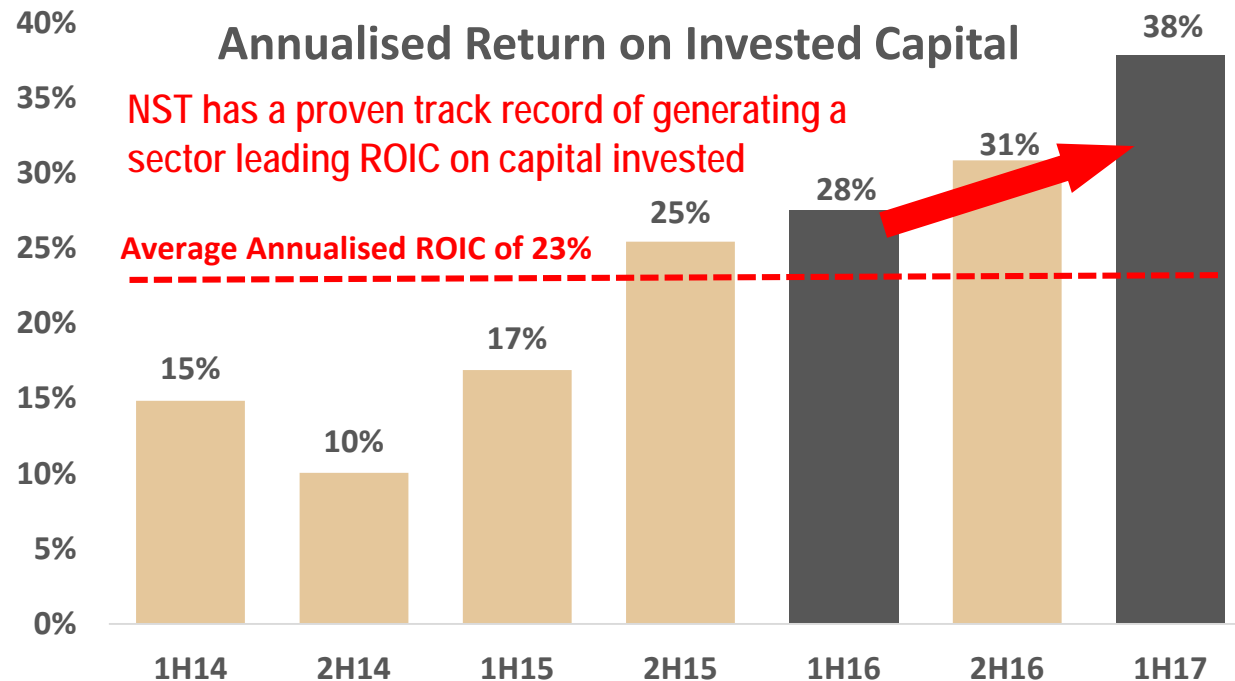
EPS



Efficiently allocating investors capital



- ✦ In the first half NST generated a sector leading annualised return of invested capital of 38%
- ✦ Since 1H FY2014 NST has generated an average annualised return of invested capital of 23% in each half
- ✦ Capital is forced to compete internally for project funding to ensure NST continues to generate a sector leading annualised Return on Equity 43% and a Return on Invested Capital of 38% for 1H FY2017
- ✦ Whilst NST can generate these type of returns year-in year-out it will continue to motivate capital organically

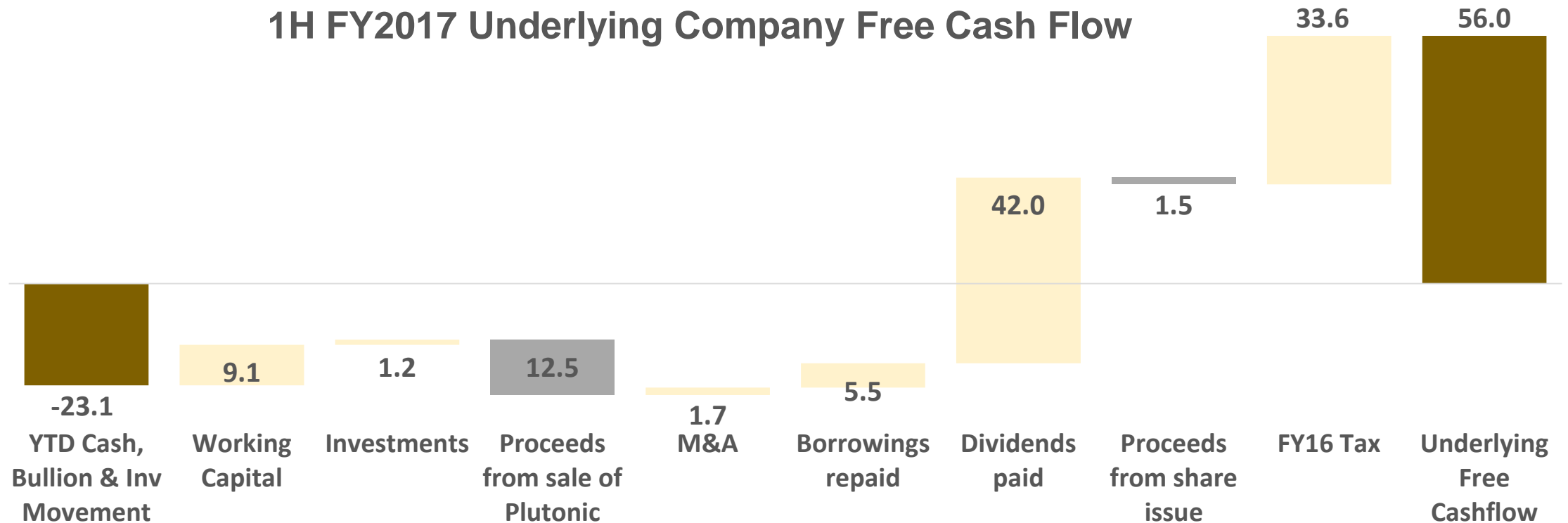


Another strong half of free cash flow generation



- ✦ NST generated underlying free cash flow of A\$56m at an average gold price of A\$1,683/oz
- ✦ During the half year NST invested A\$61m in exploration and expansionary CAPEX to grow production in the coming years
- ✦ In 1H FY2017 NST sold 226,608oz* at an AISC of A\$1,076/oz (US\$807/oz)

1H FY2017 Underlying Company Free Cash Flow



* Excludes ounces mined from Plutonic

Details of Financials



- ✦ Earnings per share grew by 60% to A17.4¢ps, whilst EBITDA grew 21% to A\$218.8m in 1H17

FINANCIAL OVERVIEW ^[a]				
A\$'000	Half Year Ended 31 Dec 2016	Half Year Ended 31 Dec 2015	A\$'000 Change	% Change
Revenue	415,485	425,311	(9,826)	(2%)
EBITDA ^[1]	218,803	180,593	38,210	21%
Net profit	104,624	65,099	39,525	61%
Cash flow from operating activities	111,349	173,371	(62,022)	(36%)
Cash flow used in investing activities	(98,586)	(106,973)	8,387	(8%)
Sustaining capital	(54,107)	(54,581)	474	(1%)
Non sustaining capital	(30,325)	(18,000)	(12,325)	68%
Exploration	(30,968)	(34,267)	3,299	(10%)
Other investing	16,814	(125)	16,939	13,551%
Free cash flow ^[2]	12,763	66,398	(53,635)	(81%)
Underlying free cash flow ^[3]	56,051	96,685	(40,634)	(42%)
Average gold price per ounce (A\$)	1,683	1,497	186	12%
Gold mined (ounces)	271,536	309,018	(37,482)	(12%)
Gold sold (ounces)	246,229	283,573	(37,344)	(13%)
All-in sustaining costs (AISC) per ounce sold (A\$)	1,111	1,062	49	5%
Cash and cash equivalents	282,101	210,917	71,184	34%
Earnings Per Share (cents)	17.4	10.9	6.5	60%

FY2017: Production and Cost Guidance



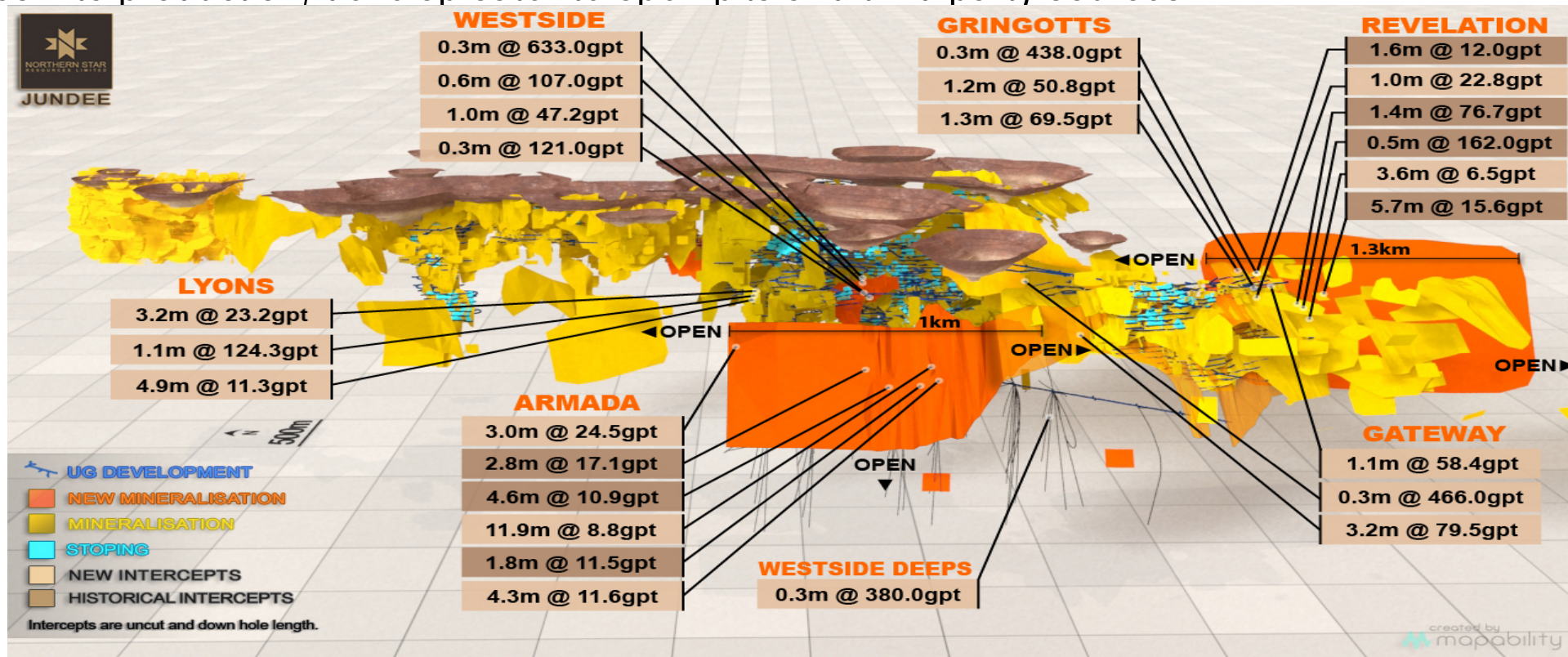
- ❑ Total gold production of 485,000-515,000oz at an AISC of A\$1,000-A\$1,050/oz (US\$750-\$788/oz)
- ❑ A\$130M to be spent on investing capital following on from the great successes in FY2016, including;
 - ❑ A\$60M for targeted drilling to bring more Resources into mine plans and convert discoveries into Resources
 - ❑ A\$70M for Investing/Expansion capital expenditure to bring future deposits on line and lift group production
- ❑ NST will continue to benefit from the lowest level of capital intensity in the global gold sector; this investment will underpin NST's sector leading return on equity and return on invested capital
- ❑ Production is set to rise to an annualised rate of 600,000oz in 2018
- ❑ FY2017 production guidance on a per asset basis as below:

FY2017	Production			AISC	
Guidance Range	Oz	Oz		A\$/oz	A\$/oz
Jundee	220,000	230,000		1,000	1,050
Kalgoorlie Operations	200,000	210,000		950	1,000
Paulsens	65,000	75,000		1,200	1,250
Group NST	485,000	515,000		1,000	1,050

Jundee: A big mine.....and getting bigger



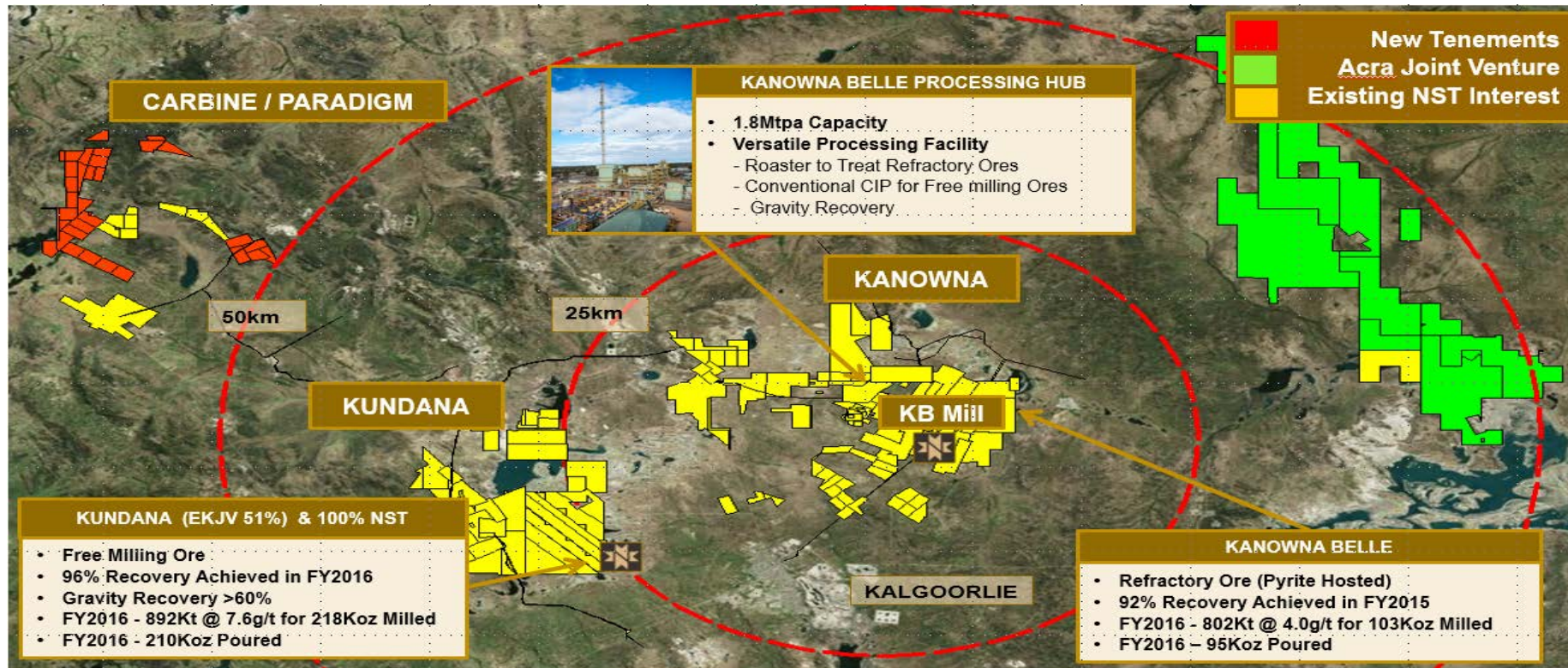
- ✦ FY16: Resources 1.25Moz and Reserves up 21% to 720,000oz, even after mining 228koz
- ✦ FY16: 210,000oz sold at an AISC of A\$1,007/oz
- ✦ FY17: Guidance 220,000-230,000oz at an AISC of A\$1,000-A\$1,050/oz
- ✦ 6.75Moz of continuous gold production over the past 21 years, average of 320kozpa with a peak year of 410koz
- ✦ Opportunities to expand production from known sources; increase mill capacity, bring recent underground discoveries into production, develop satellite open pits and third party sources



Kalgoorlie Operations: Rapid, low-cost growth



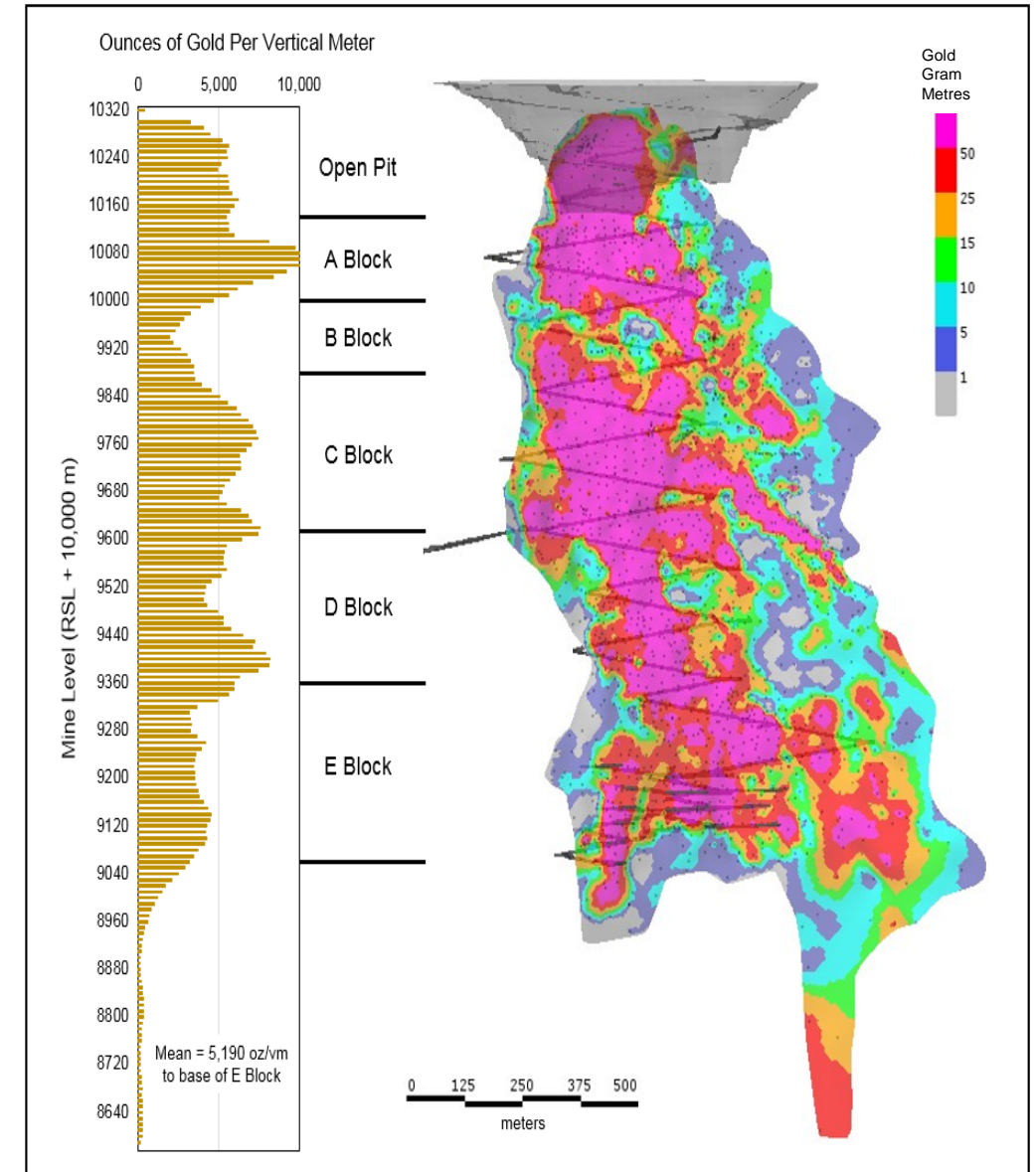
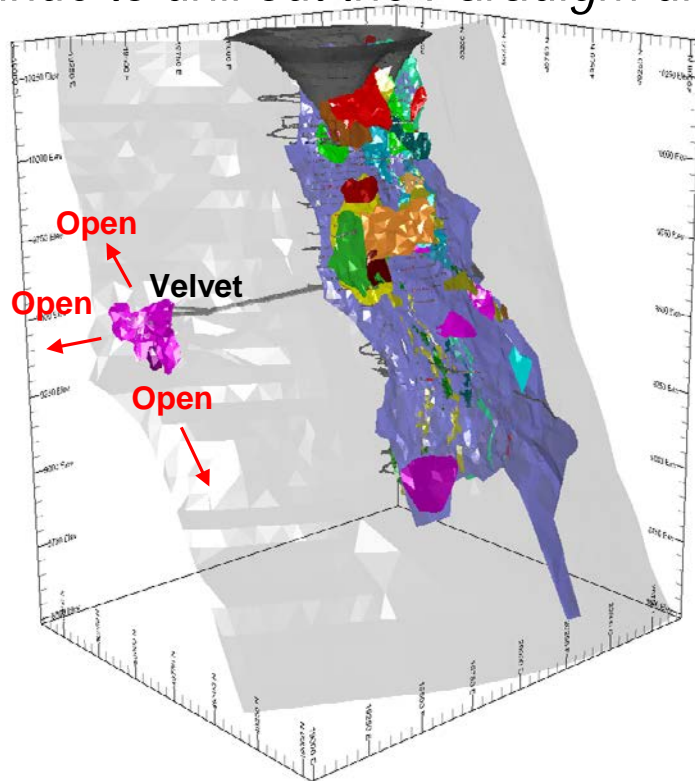
- ✦ FY16: Resources 3.6Moz, up 17% and Reserves up 0.9Moz up 48%, after mining 216koz
- ✦ FY16: 207,000oz sold at an AISC of A\$837/oz
- ✦ FY17: Guidance 200,000-210,000oz at an AISC of A\$950-A\$1,000/oz
- ✦ 6.45Moz of gold production over the past 23 years, average of 280kozpa with a peak year of 370koz
- ✦ Significant opportunities to expand production from known sources; expand at Kundana JV, extend Kanowna at depth and mine Velvet discovery, bring 100% owned Kundana mines back into production and develop satellite pits



Kalgoorlie Operations: Rapid, low-cost growth



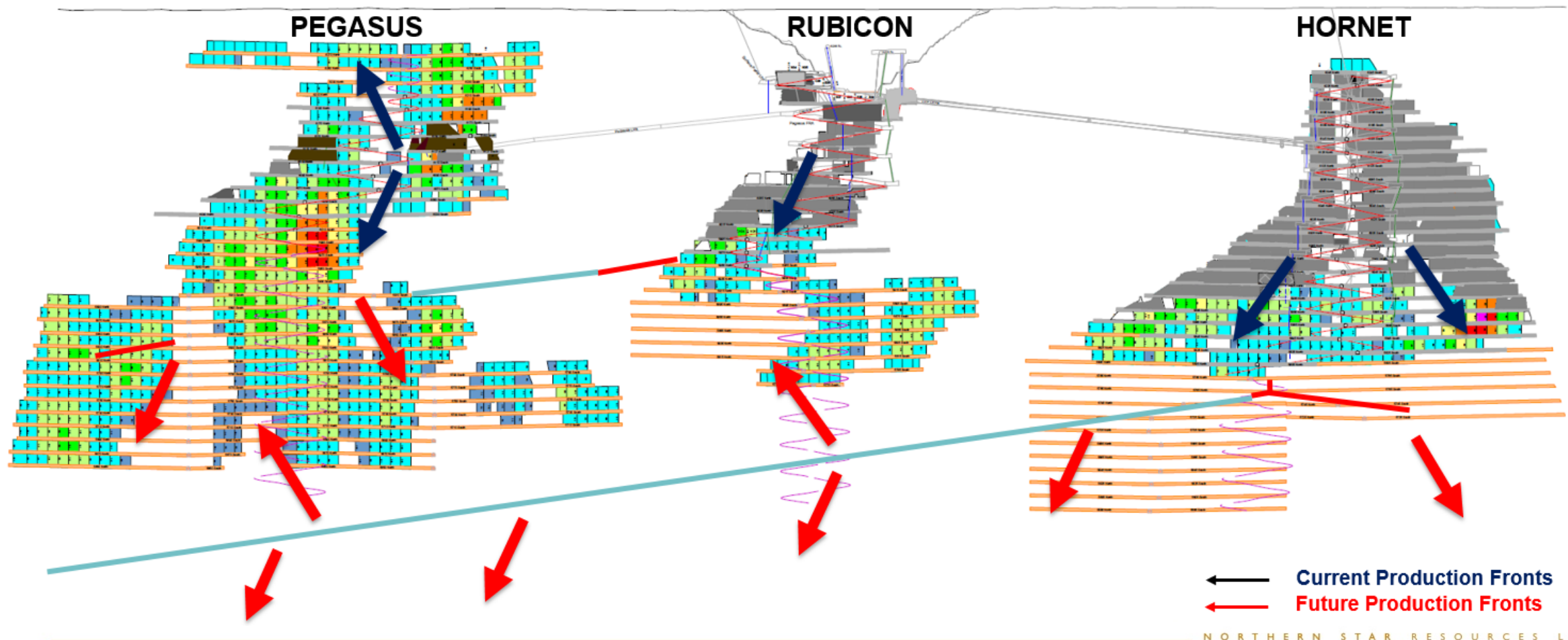
- ✦ Kanowna extension at depth and along strike;
- ✦ *Drill out depth extension to +5Moz orebody, historically averaging 4Koz per vertical metre*
- ✦ *Continue to define Velvet discovery (recent result of 47.9m at 83.1gpt) and bring into production*
- ✦ *Continue to drill out the Paradigm discovery*



Kalgoorlie Operations: Rapid, low-cost growth



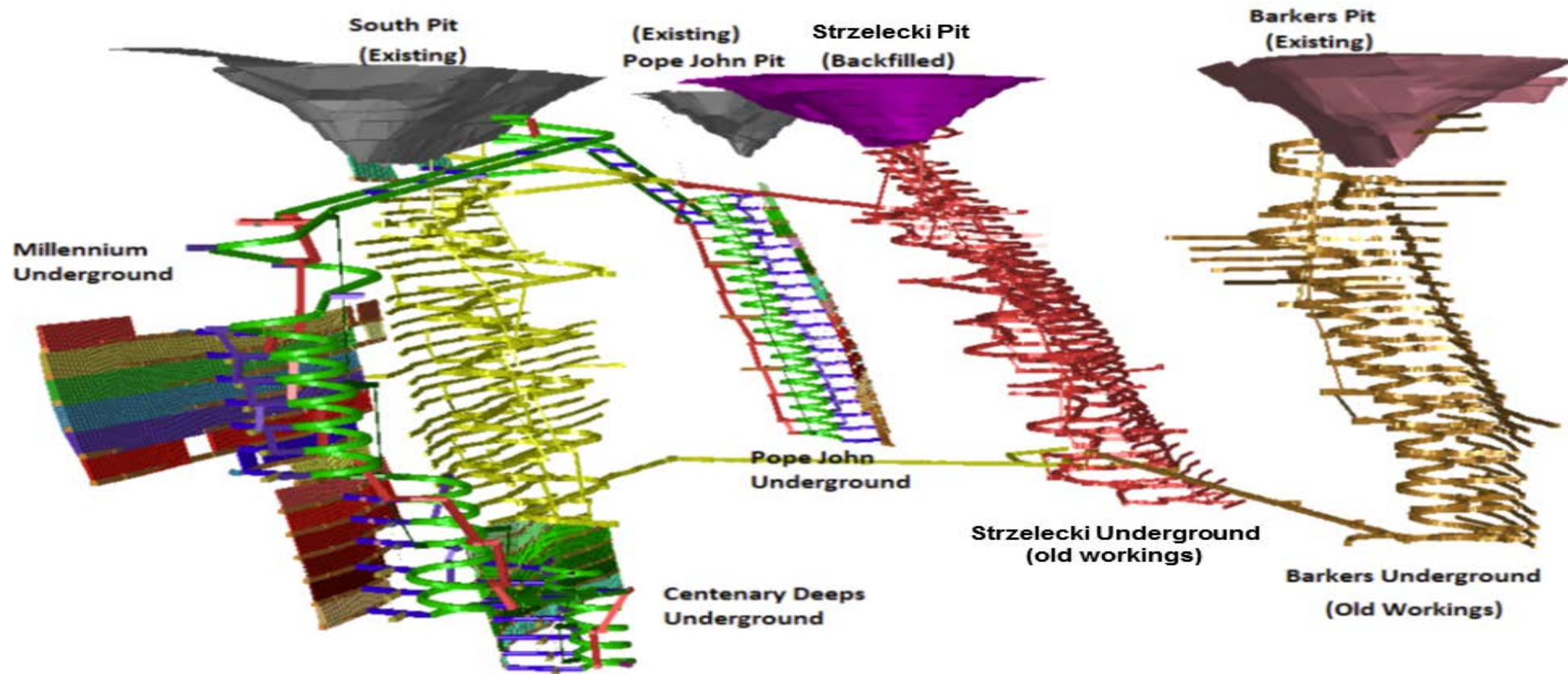
- ✦ Ramp up production at Kundana JV:
 - ✦ Link Hornet, Rubicon and Pegasus orebodies with a decline which will also offer numerous production fronts and provide the drill platform to make another step change in mineral inventory



Kalgoorlie Operations: Rapid, low-cost growth



- ✧ Evaluate production at historical 100% NST owned Kundana mines: Barkers, Strzelecki, Centenary, Pope John
- ✧ *Past production of 1.25Moz at 6gpt between 1990-2004*
- ✧ *Each of these ore surfaces historically produced 50-60koz per annum*





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An Australian Mid Cap gold miner – for global investors

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