



NORTHERN STAR  
RESOURCES LIMITED

# Free cashflow triples to more than A\$93M on record production

FY2018 production of 575,121oz exceeds top-end guidance;  
FY2019 guidance is 600,000-640,000oz at AISC of A\$1,025-1,125/oz

## KEY POINTS

- ▶ Record gold produced in the June quarter of 183,949oz – well ahead of the Company's targeted 600,000ozpa run rate (all production numbers exclude South Kalgoorlie Operations)
- ▶ Record gold sold in the June quarter of 182,856oz at an all-in sustaining cost (AISC) of A\$982/oz (US\$727/oz)\*
- ▶ FY2018 production of 575,121oz – exceeds top end of market guidance of 540,000-560,000oz
- ▶ FY2018 gold sold totalled 570,110oz at an AISC of A\$1,029/oz (US\$761/oz), well within cost guidance of A\$1,000-1,050/oz
- ▶ Cash and equivalents at 30 June of A\$512M, an increase of A\$73M from A\$439M at March 31 (after paying A\$27M in dividends during the June quarter); Northern Star has no bank debt
- ▶ Record underlying free cash flow of A\$93M for the quarter; this was despite investing ~A\$46M in expansionary capital and exploration and carrying the full mining cost at South Kalgoorlie Underground while honouring third-party toll treating contracts
- ▶ FY2019 budget sets platform for more significant organic growth; exploration budget increased by 33% to a record A\$60M; a further A\$74M for expansionary capital
- ▶ June quarter production:
  - Jundee Gold Operations:
    - 91,923oz mined and 84,474oz gold sold at an AISC A\$813/oz
  - Kalgoorlie Gold Operations:
    - 91,920oz mined and 98,382oz sold at an AISC of A\$1,127/oz
- ▶ FY2018 production from both Jundee and Kalgoorlie were at the top-end of guidance ranges of 245,000-265,000oz for each operation
  - Jundee Gold Operations:
    - 302,427oz mined and 284,745oz gold sold at an AISC of A\$870/oz
  - Kalgoorlie Gold Operations:
    - 285,303oz mined and 261,589oz gold sold at an AISC of A\$1,174/oz
- ▶ Kalgoorlie's 50,000ozpa Millennium deposit declared commercial production in April 2018
- ▶ Outstanding exploration results across all assets, particularly at Jundee
- ▶ Reserve-Resource update scheduled for early next month
- ▶ South Kalgoorlie acquisition settled during the quarter; this expanded the Kalgoorlie processing capacity to 3.2Mtpa
- ▶ Northern Star will host a quarterly conference call today at 9:00am AWST (11:00am AEST), Wednesday, 18 July 2018. The call can be accessed at <http://webcasting.brrmedia.com/broadcast/5b45551984c6a07ee10af971>

Northern Star Resources Limited (ASX: NST) is pleased to announce that its underlying free cashflow tripled to a record A\$93 million in the June quarter, further demonstrating that its highly successful organic growth strategy is generating outstanding financial returns.

## ASX ANNOUNCEMENT 18 July 2018

Australian Securities  
Exchange Code: NST

### Board of Directors

Mr Bill Beament  
*Executive Chairman*

Mr Chris Rowe  
*Non-Executive Director*

Mr Peter O'Connor  
*Non-Executive Director*

Mr John Fitzgerald  
*Non-Executive Director*

Ms Shirley In'tVeld  
*Non-Executive Director*

### Issued Capital

Shares 612.7 million  
Options 0.8 million  
Performance Rights 10 million

Current Share Price A\$7.21

Market Capitalisation  
A\$4.4 billion

Cash, Bullion & Investments  
30 June 2018 - A\$511.9 million

### Projects

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

### Listed Investments

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

# QUARTERLY ACTIVITIES REPORT

## For the Quarter ended 30 June 2018



The surge in free cashflow, which compared with A\$32 million in the March quarter, stemmed from record gold sales of 182,856oz at an all-in sustaining cost (AISC) of A\$982/oz (US\$727/oz).

This was despite investing ~A\$46 million in expansionary capital and exploration, including carrying the full mining cost of A\$14.3 million at South Kalgoorlie Underground without being able to offset with any revenue due to honouring third-party toll treating contracts, which are due to expire in the September quarter.

The outstanding operational performance in the June quarter meant Northern Star met its targeted production run rate of 600,000oz a year.

It also took production for FY2018 to 575,121oz, which exceeded the top end of the Company's guidance of 540,000-560,000oz for the year.

Gold sold was 570,110oz at an AISC of A\$1,029/oz (US\$761/oz), which was within the guidance range of A\$1,000-1,050/oz.

The strong cashflow resulted in cash and equivalents rising to A\$512 million at June 30, an increase of A\$73 million from March 31, despite paying A\$27 million in dividends during the June quarter.

Northern Star's production guidance for FY2019 is 600,000-640,000oz at an AISC of A\$1,025-1,125/oz (US\$758-832/oz)\*.

FY2019	Production		AISC	
	Oz	Oz	AUD/oz	AUD/oz
Guidance Range				
Jundee	280,000	300,000	895	980
Kalgoorlie Operations	320,000	340,000	1,140	1,250
<b>NST</b>	<b>600,000</b>	<b>640,000</b>	<b>1,025</b>	<b>1,125</b>

To capitalise on the many organic growth options available, the Company has increased its FY2019 exploration budget by 33% to a record A\$60 million.

A further A\$74 million has been budgeted for expansionary capital in FY2019, major items includes:

- A\$34 million on dual purpose drill drives to deliver significant reserve/resource and production growth
- A\$20 million on ancillary projects for future years' production growth
- A\$11 million on a new 10-year capacity tailings facility for Kanowna Belle processing plant

Northern Star Executive Chairman Bill Beament said the quarter's results provided an insight into the substantial cash-generating capacity which was a direct result of the Company's organic growth strategy.

"The hugely successful exploration program is the cornerstone of our growth and ultimately our exceptional financial returns," Mr Beament said.

"The vast expansion in our gold inventory, which in FY2017 came at a cost of just A\$24/oz, has underpinned mine life visibility of more than 10 years and the growth in annual production to our targeted rate of 600,000oz.

"The success of this strategy is demonstrated by the fact that we generated record underlying free cashflow of more than A\$93 million in the June quarter.

"Our focus is now on achieving further growth in our inventory and production, which will in turn drive our free cashflow and overall financial returns.

"Given the crucial role exploration has played in our success, we are delighted to increase our exploration budget for this financial year by one-third to a record A\$60 million."

Northern Star will provide a Reserve-Resource upgrade early next month as part of the Company's annual strategic update.

# QUARTERLY ACTIVITIES REPORT

## For the Quarter ended 30 June 2018



NORTHERN STAR  
RESOURCES LIMITED

Northern Star	Units	Sep-17 Qtr	Dec-17 Qtr	Mar-18 Qtr	Jun-18 Qtr#	FYTD#
Ore Hoisted	Tonnes	955,552	947,946	900,724	1,013,112	3,817,334
Mined Grade	gpt Au	5.0	4.6	4.6	5.6	5.0
Gold in Ore Hoisted	Oz	154,426	139,564	134,421	183,843	612,254
Milled Tonnes	Tonnes	941,560	986,139	929,342	1,243,682	4,100,723
Head Grade	gpt Au	5.1	4.6	4.6	5.0	4.8
Ounces Produced	Oz	152,872	144,258	136,547	200,322	633,999
Recovery	%	91	89	91	92	91
<b>Gold Recovered</b>	<b>Oz</b>	<b>138,422</b>	<b>128,836</b>	<b>123,913</b>	<b>183,949</b>	<b>575,121</b>
<b>Ounces Sold</b>	<b>Oz</b>	<b>138,459</b>	<b>128,819</b>	<b>119,976</b>	<b>182,856</b>	<b>570,110</b>
Average Gold Price	A\$/oz	1,665	1,693	1,720	1,731	1,704
<b>Revenue</b>	<b>A\$M</b>	<b>226.1</b>	<b>208.4</b>	<b>190.3</b>	<b>316.5</b>	<b>941.3</b>
<b>Cash Operating Cost</b>	<b>A\$/oz</b>	<b>780</b>	<b>838</b>	<b>820</b>	<b>788</b>	<b>803</b>
<b>All-in Sustaining Cost</b>	<b>A\$/oz</b>	<b>1,021</b>	<b>1,067</b>	<b>1,075</b>	<b>982</b>	<b>1,029</b>
Total Stockpiles Contained Gold	Oz	75,221	73,652	70,579	78,787	78,787
Gold in Circuit (GIC)	Oz	20,556	17,279	24,577	27,523	27,523
Gold in transit (oz)	Oz	-	3,782	-	1,391	1,391

^ Total Stockpiles Contained Gold, Gold in Circuit and Gold in Transit include South Kalgoorlie Operations.

# Millennium operations commenced commercial production in April 2018 and therefore AISC metrics are now calculated and included as part of Kalgoorlie Operations. Millennium production metrics for September, December and March quarters have been disclosed in prior reports.

Table 1: Key Group Performance Figures (Quarterly)

Northern Star	Units	Sep-17 Qtr	Dec-17 Qtr	Mar-18 Qtr	Jun-18 Qtr	FYTD
Mining	A\$/oz	525	556	549	452	529
Processing	A\$/oz	188	211	176	199	202
Site Services	A\$/oz	59	59	55	38	34
Ore Stock & GIC Movements	A\$/oz	(27)	(27)	1	58	(1)
Royalties	A\$/oz	38	41	42	44	42
By Product Credits	A\$/oz	(3)	(3)	(4)	(3)	(3)
Rehabilitation-Accretion & Amortisation	A\$/oz	4	3	4	3	3
Corporate Overheads	A\$/oz	45	57	58	51	53
Mine Development/Sustaining CAPEX	A\$/oz	163	151	145	110	139
Mine Exploration	A\$/oz	29	19	49	30	31
<b>All-in Sustaining Costs</b>	<b>A\$/oz</b>	<b>1,021</b>	<b>1,067</b>	<b>1,075</b>	<b>982</b>	<b>1,029</b>
Depreciation & Amortisation	A\$/oz	338	351	193	201	269

Table 2: Key Group Cost per Ounce Measures

Production KPIs June Quarter	Units	Paulsens	Kalgoorlie Operations	Jundee	Total
Total Ore Hoisted	Tonnes	-	540,433	472,679	1,013,112
Mine Grade	gpt Au	-	5.3	6.1	5.6
Gold in Ore Hoisted	Oz	-	91,920	91,923	183,843
Milled Tonnes	Tonnes	-	711,441	532,240	1,243,683
Head Grade	gpt Au	-	4.8	5.4	5.0
Recovery	%	-	94	90	92
Gold Recovered	Oz	-	101,891	82,058	183,949
Gold Sold	Oz	-	98,382	84,474	182,856
<b>Cash Operating Costs</b>	<b>A\$/oz</b>	<b>-</b>	<b>905</b>	<b>651</b>	<b>788</b>
<b>All-In Sustaining Costs</b>	<b>A\$/oz</b>	<b>-</b>	<b>1,127</b>	<b>813</b>	<b>982</b>
Depreciation & Amortisation	A\$/oz	-	256	137	201

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:

		Sep-17 Qtr	Dec-17 Qtr	Mar-18 Qtr	Jun-18 Qtr
Cash at bank	A\$M	\$385.5	\$368.0	\$367.6	\$443.0
Bullion awaiting settlement <sup>(1)</sup>	A\$M	\$17.1	\$1.5	\$10.6	\$11.4
Equity Investments	A\$M	\$40.1	\$63.6	\$60.9	\$57.5
<b>Total</b>	<b>A\$M</b>	<b>\$442.7</b>	<b>\$433.1</b>	<b>\$439.1</b>	<b>\$511.9</b>

(1) Bullion awaiting settlement is dore which has been received by the refiner in the quarter and is awaiting settlement.

Table 4: Cash, Bullion and equity investments

# QUARTERLY ACTIVITIES REPORT

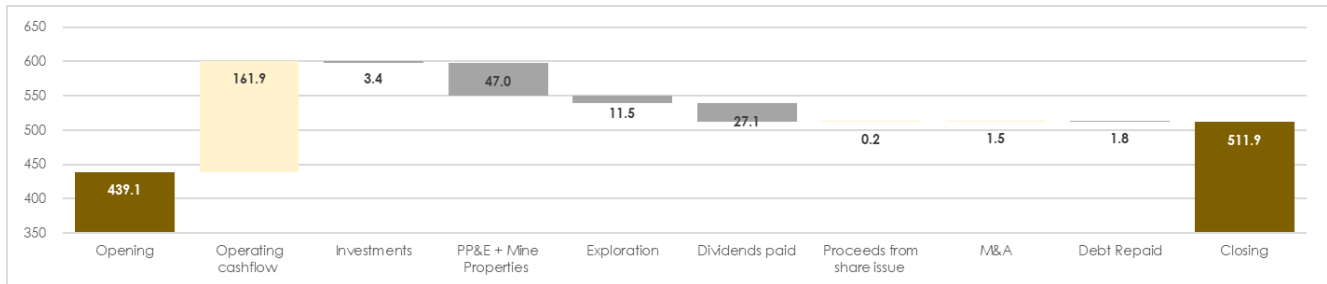
## For the Quarter ended 30 June 2018

The below table sets out the total of surface gold inventories:

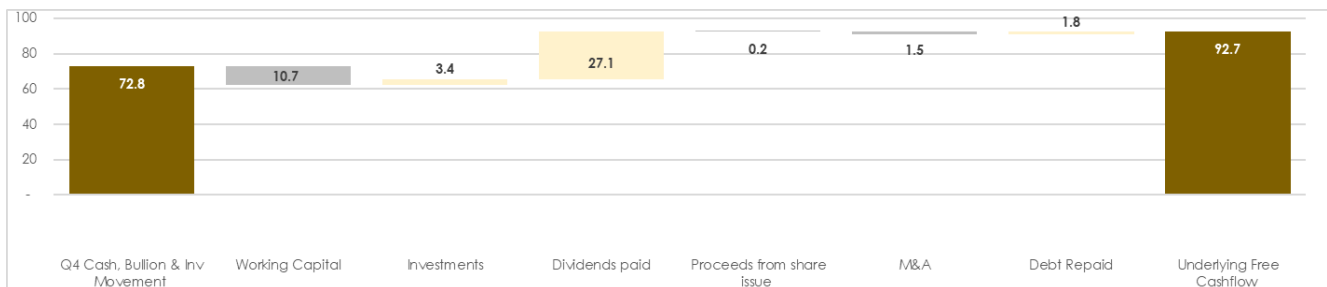
Gold Inventories	Sep-17 Qtr	Dec-17 Qtr	Mar-18 Qtr	Jun-18 Qtr
Stockpiles contained gold (oz)	75,221	73,652	70,579	78,787
Gold in circuit (oz)	20,556	17,279	24,577	27,523
Gold in transit (oz)	-	3,782	-	1,391
<b>Total Gold Inventories (oz)</b>	<b>95,777</b>	<b>94,713</b>	<b>95,156</b>	<b>107,701</b>

Table 5: Gold Inventories

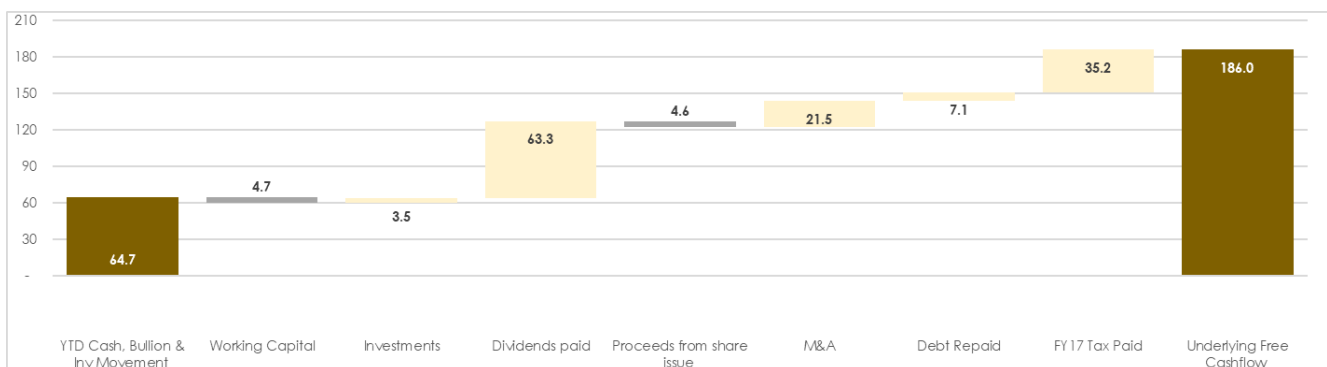
The below waterfall chart highlights the June quarter's operating cash flow together with movements in cash, bullion and investments (A\$M):



The below waterfall chart highlights the underlying free cash flow for the June quarter (A\$M):



The below waterfall chart highlights an overview of year to date underlying free cash flow (A\$M):



## Banking Facilities

Northern Star has in place undrawn debt facilities with a self-arranged syndicate of Australian and International Banks.

## Hedging

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

Term	Dec-18 Half	Jun-19 Half	Dec-19 Half	Jun-20 Half	Total
Ounces	105,018	74,000	50,000	30,000	259,018
Gold Price	A\$1,756	A\$1,736	A\$1,739	A\$1,799	A\$1,752

Table 6: Hedging commitments

During the quarter, 70,000 oz of hedging was added for delivery across all the tenors outlined in the above table at an average of A\$1,782/oz.

# QUARTERLY ACTIVITIES REPORT

## For the Quarter ended 30 June 2018



### OPERATIONS

#### Jundee Gold Operations

Production Summary Jundee		Sep-17 Qtr	Dec-17 Qtr	Mar-18 Qtr	Jun-18 Qtr	FYTD
Ore Mined	Tonnes	407,808	407,022	391,083	472,679	1,678,592
Mined Grade	gpt Au	5.8	5.1	5.4	6.1	5.6
Ounces Mined	Oz	76,326	66,673	67,505	91,923	302,427
Milled Tonnes	Tonnes	408,067	440,172	458,794	532,240	1,839,273
Head Grade	gpt Au	6.1	5.0	5.1	5.4	5.4
Recovery	%	91	89	88	90	89
<b>Gold Recovered</b>	<b>Oz</b>	<b>72,471</b>	<b>62,915</b>	<b>65,844</b>	<b>82,058</b>	<b>283,288</b>
<b>Gold Sold</b>	<b>Oz</b>	<b>75,131</b>	<b>61,965</b>	<b>63,175</b>	<b>84,474</b>	<b>284,745</b>
<b>Cost per Ounce</b>						
Mining	A\$/oz	384	495	444	410	429
Processing	A\$/oz	149	175	175	157	163
Site Services	A\$/oz	37	44	41	33	37
Ore Stock Movements	A\$/oz	7	(15)	53	11	14
Royalties	A\$/oz	39	41	44	43	42
By Product Credits	A\$/oz	(3)	(3)	(3)	(3)	(3)
<b>Cash Operating Costs</b>	<b>A\$/oz</b>	<b>613</b>	<b>737</b>	<b>754</b>	<b>651</b>	<b>682</b>
Rehabilitation - Accretion & Amortisation	A\$/oz	3	3	3	2	3
Corporate Overheads	A\$/oz	45	56	56	51	52
Mine Development / Sustaining CAPEX	A\$/oz	111	125	108	66	100
Jundee Mine Exploration	A\$/oz	22	25	42	43	33
<b>All-in Sustaining Costs</b>	<b>A\$/oz</b>	<b>794</b>	<b>946</b>	<b>963</b>	<b>813</b>	<b>870</b>
Depreciation & Amortisation	A\$/oz	215	132	137	137	156

Table 7: Summary Details – Jundee

#### Kalgoorlie Gold Operations

Production Summary Kalgoorlie Operations		Sep-17 Qtr	Dec-17 Qtr	Mar-18 Qtr	Jun-18 Qtr	FYTD
Ore Mined	Tonnes	448,382	465,312	509,641	540,433	1,963,768
Mined Grade	gpt Au	4.5	4.1	4.1	5.3	4.5
Ounces Mined	Oz	65,178	61,289	66,916	91,920	285,303
Milled Tonnes	Tonnes	415,793	430,376	470,548	711,441	2,028,158
Head Grade	gpt Au	4.4	4.3	4.1	4.8	4.4
Recovery	%	93	93	94	94	93
<b>Gold Recovered</b>	<b>Oz</b>	<b>54,323</b>	<b>55,113</b>	<b>58,069</b>	<b>101,891</b>	<b>269,396</b>
<b>Gold Sold</b>	<b>Oz</b>	<b>52,049</b>	<b>54,923</b>	<b>56,236</b>	<b>98,382</b>	<b>261,589</b>
<b>Cost per Ounce</b>						
Mining	A\$/oz	666	648	697	488	634
Processing	A\$/oz	205	221	179	236	233
Site Services	A\$/oz	75	64	75	42	20
Ore Stock Movements	A\$/oz	(101)	(60)	(68)	98	(23)
Royalties	A\$/oz	38	42	42	44	44
By Product Credits	A\$/oz	(4)	(4)	(6)	(3)	(4)
<b>Cash Operating Costs</b>	<b>A\$/oz</b>	<b>879</b>	<b>911</b>	<b>919</b>	<b>905</b>	<b>904</b>
Rehabilitation - Accretion & Amortisation	A\$/oz	5	2	4	3	4
Corporate Overheads	A\$/oz	45	57	61	52	53
Mine Development / Sustaining CAPEX	A\$/oz	207	207	195	147	181
Kalgoorlie Operations Mine Exploration	A\$/oz	48	18	60	20	32
<b>All-in Sustaining Costs</b>	<b>A\$/oz</b>	<b>1,184</b>	<b>1,195</b>	<b>1,239</b>	<b>1,127</b>	<b>1,174</b>
Depreciation & Amortisation	A\$/oz	226	260	269	256	260

Table 8: Summary Details – Kalgoorlie Operations

## Paulsens Gold Operations

Production Summary Paulsens		Sep-17 Qtr	Dec-17 Qtr	Mar-18 Qtr	Jun-18 Qtr	FYTD
Ore Mined	Tonnes	99,362	75,612	-	-	174,974
Mined Grade	gpt Au	4.0	4.8	-	-	4.4
Ounces Mined	Oz	12,922	11,602	-	-	24,524
Milled Tonnes	Tonnes	117,700	115,592	-	-	233,292
Head Grade	gpt Au	3.9	3.8	-	-	3.8
Recovery	%	80	77	-	-	78
<b>Gold Recovered</b>	<b>Oz</b>	<b>11,628</b>	<b>10,808</b>	-	-	<b>22,436</b>
<b>Gold Sold</b>	<b>Oz</b>	<b>11,280</b>	<b>11,931</b>	<b>565</b>	-	<b>23,776</b>
<b>Cost per Ounce</b>						
Mining	A\$/oz	849	500	-	-	654
Processing	A\$/oz	376	354	-	-	356
Site Services	A\$/oz	133	112	-	-	119
Ore Stock Movements	A\$/oz	70	52	-	-	60
Royalties	A\$/oz	32	42	-	-	36
By Product Credits	A\$/oz	(2)	(2)	-	-	(2)
<b>Cash Operating Costs</b>	<b>A\$/oz</b>	<b>1,458</b>	<b>1,058</b>	-	-	<b>1,223</b>
Rehabilitation - Accretion & Amortisation	A\$/oz	2	2	-	-	2
Corporate Overheads	A\$/oz	43	56	-	-	48
Mine Development / Sustaining CAPEX	A\$/oz	313	54	-	-	176
Paulsens Mine Exploration	A\$/oz	2	-	-	-	1
<b>All-in Sustaining Costs</b>	<b>A\$/oz</b>	<b>1,818</b>	<b>1,170</b>	-	-	<b>1,450</b>
Depreciation & Amortisation	A\$/oz	1,645	1,867	121	-	1,721

Table 9: Summary Details – Paulsens

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

## EXPLORATION AND DEVELOPMENT - OPERATIONS

The Group's in-mine drilling activity continued at all sites with the strong focus on resource conversion programs ahead of the mid-year statement.

### Jundee

At Jundee, the underground fleet of 10 diamond drill rigs were focussed on in-mine resource infill and development drilling targets across all mining areas at Jundee including the Armada and Revelation trends in-mine.

In-mine resource development and infill programs were completed at Gateway-Gringotts, Armada, Revelation, Nexus, Moneyline, Barton and Invicta areas during the quarter with current drilling focussed in Armada, Nexus, Revelation, Gateway, Clovis and Westside areas.

At Zodiac, a full suite of downhole geophysical logs and seismic measurements were completed in the deep surface diamond drill holes that were completed the previous quarter, with refining of the 3D seismic cube interpretation in progress.

### Kanowna Belle

Underground diamond drilling at Kanowna Belle continued with four drill rigs operating within the mine focussed on resource extension and exploration programs.

Resource definition drilling within Velvet Central, Lowes C, D and E Block HW zones continued to define extensions to mineralised zones in the hanging wall of existing Lowes and Velvet resource blocks.

Exploration drilling from the 9245DDR platform into the Lowes Extension target at depth continued during the quarter whilst exploration drilling into Lower Velvet from the 9460 level continues to outline new Lowes and Velvet style mineralisation between Velvet and Lowes D Block West.

### EKJV (NST 51%)

Four drill rigs continued underground exploration and resource definition diamond drilling programs across the Rubicon-Hornet-Pegasus and Raleigh mining complexes during the quarter.

At Pegasus, drilling focussed solely on defining down plunge extensions to the K2 and Poda structures at the northern end of the Pegasus system.

Two drill rigs focussed on resource definition drilling from the Raleigh South drill drive during the quarter targeting the southern extensions of the Raleigh Main Vein. All drill holes completed to date have successfully intersected the Raleigh structure with varying degrees of mineralisation including visible gold.

### Kundana (NST 100%)

One underground diamond drill rig focussed on infill and definition drilling at Millennium on the northern section of the K2 structure in the quarter.

A single underground exploration hole drilled northwards from Millennium successfully located the K2A and K2B structures with varying degrees of mineralisation in the hanging wall of the K2 structure in the Arctic area.

Decline access into the new Pope John deposit reached the top of the ore zone with the first development levels commencing late in the quarter.

### South Kalgoorlie

Completion of the South Kalgoorlie Operation acquisition occurred at the beginning of the quarter with all HBJ underground drilling programs currently under review. Resource definition and grade control drilling programs were completed at Jubilee, Central and Northern Ore Zones during the quarter achieving better than anticipated results. A significant infill drilling program at North Ore Zone was in progress at the end of the quarter.

Underground diamond drilling productivity was materially increased with the introduction of higher capacity equipment into the mine.

## REGIONAL EXPLORATION

Regional exploration maintained a high level of activity across all sites with the commencement of drilling operations in the Tanami and new South Kalgoorlie areas.

### Jundee

At Jundee, regional exploration focused on further RC drilling programs at new regional targets in the Deep Well area and continued the regional aircore drilling program in the Deep Well region.

Initial RC drilling programs were completed at the Marley, Ziggy and Mosley prospects targeting previously located aircore drilling anomalies. In addition, regional aircore drilling continued over the Staley, Bonham, Burton, Cornell and Weiland prospects targeting Ramone-style mineralised trends in the surrounding Deep Well area.

At the southern end of the Jundee Mine corridor, surface diamond drill holes were completed on potential extensions of the Barton-Main trend and Gateway-Gringotts trends defined from re-interpretation of geophysical data. All assays are pending.

### Kanowna

Kanowna regional exploration activity increased during the quarter with near mine diamond drilling programs completed at White Feather, Red Hill, Oscar and Red Eye prospects together with RC drilling programs at Woodline and Ariel prospects.

At White Feather, a diamond drilling program targeted the gap and down plunge targets between White Feather and White Feather Reward areas. At Red Hill, assay results received for two holes to determine if the host porphyry body persists down-plunge returned encouraging values while at Oscar, a single diamond drill hole intersected 10 metres of intense brecciation and alteration within the host porphyry. Assay results are pending.

At Woodline, a further RC resource definition drilling program extended the existing paleochannel gold resource to the east with a new resource model in preparation. An Induced Polarisation geophysical survey was in progress at the end of the quarter to define potential bedrock mineralisation targets.

Further north at Red Eye, a diamond drilling program was completed to determine the geometry of mineralised structures intersected in previous RC drilling. All holes intersected zones of quartz veining and intense alteration associated with porphyry contacts. Assay results are pending.

### Kundana (NST 100%)

Additional resource definition drilling was completed at Strzelecki South during the period targeting down dip areas on the Strzelecki Main Vein north of the Lucifer Fault.

All holes successfully intersected the target structure with assay results exceeding expectations. New resource models are in preparation for the Strzelecki South and adjacent Moonbeam (K2 structure) areas.

### EKJV (NST 51%)

Surface diamond drilling recommenced at the Ambition prospect located at the northern end of the K2 structural corridor. Two holes were completed with a third hole in progress during the quarter with visual core inspection indicating moderate intersections relating to the K2 system.

### Carbine

Regional exploration focussed on extensional and resource definition RC and diamond drilling programs at Paradigm.

The regional aircore drilling program that was commenced last quarter south of the Carbine open pit. It was completed and successfully outlined three new anomalous target trends. Future RC drilling is planned.

Diamond drilling beneath the historic Carbine open pit commenced late in the quarter targeting extensions to the high-grade vein systems.

### Carnage

Reconnaissance air core drilling programs were completed at Orinda and Carnage prospects testing historical geochemical anomalies.

### South Kalgoorlie

A review of all exploration areas within the 1,000 square kilometre tenement holding has commenced following the acquisition of the South Kalgoorlie project.

### Central Tanami Project (NST 25%)

Drilling activities significantly increased within the joint venture area during the quarter with up to three drill rigs operating.

Regional aircore drilling programs were completed at Jim's Return, Channel 4, Terminus and Solarius prospects in the south and at the Free Fall area located east of the Groundrush deposit in the north. Early assay results have highlighted interesting anomalies in the Solaris area for future RC drilling.

RC drilling programs were completed at Jims North, Jims West and Carmen prospects in the south testing previously defined geochemical anomalies. Full assay results are pending.

RC and diamond drilling programs were completed within the CTP mill site area targeting down-plunge extensions to the southern end of the existing Hurricane-Repulse system. While all assay results are pending, evidence of extensive zones of alteration and sulphide mineralisation were noted in the chips and core samples during logging.

At the Jims area, a 4-hole diamond drilling program was completed targeting depth extensions to the mineralisation within the previously mined open pit. Narrow zones of visible sulphide and gold mineralisation were noted in logging of 2 drill holes with all assay results pending.

### Tanami Regional Project (100% NST)

Late in the quarter, an extensive regional aircore drilling was in progress in the Supernova area located approximately 60 kilometres north west of the CTP camp.

### Western Tanami

The first part of an extensive 10,000 station regional gravity geophysical program is in progress in the Pebbles area, south of the main Coyote camp area.

### Pilbara

During the period, the data acquisition phase of the 3D seismic survey over the extended Paulsens Mine corridor was successfully completed. Processing of the new data is in progress with first results expected mid next quarter.



## CORPORATE

- On 23 February 2018 the Company announced General Counsel, Hilary Macdonald, was appointed interim Company Secretary. Following a recruitment process, the permanent role was accepted by Hilary Macdonald on 1 April 2018.
- During the quarter, Northern Star presented at the annual Macquarie Securities Conference in Sydney, the bi-annual Bank of Merrill Lynch Conference in Miami, the annual Resources Rising Stars conference on the Gold Coast and a Sydney Non-deal Roadshow to analysts and investors. The Company maintains a proactive presentation calendar to stockbroking firms, institutional and retail investors to promote the Company and its activities.
- The following changes occurred to the issued capital of the Company subsequent to the release of the March 2018 Quarterly Report:
  - 180,800 ordinary fully paid shares were released from voluntary escrow on 28 May 2018 in accordance with the Company's 2011 and 2017 Employee Share Plans.
  - 128,073 ordinary fully paid shares were issued to eligible employees free of charge on 13 June 2018 in accordance with the 2017 Employee Share Plan and will be held in voluntary escrow for three years or until cessation of employment;

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

Class of Securities	Issued capital
Fully Paid Ordinary Shares	612,823,852
Unlisted Options (various expiry dates)	758,688
Unlisted Performance Rights	10,047,140

Table 10: Issued Capital

Yours faithfully



**BILL BEAMENT**  
Executive Chairman  
**Northern Star Resources Limited**

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**Forward Looking Statements**

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\*All currency conversions in this announcement have been converted at a currency of A\$/US\$ conversion rate of A\$0.74

## APPENDIX 1 – ADDITIONAL INFORMATION - OPERATIONS

### Kanowna Belle Gold Operations

#### ► Safety

There were zero (0) Lost Time Injuries (LTI) during the quarter.

#### ► Underground Production

Mine Development:

	Sep-17 Qtr	Dec-17 Qtr	Mar-18 Qtr	Jun-18 Qtr
Decline	106m	57m	137m	203m
Level	319m	498m	90m	107m
Strike driving <sup>(1)</sup>	768m	544m	684m	718m
<b>Total (metres)</b>	<b>1,193m</b>	<b>1,099m</b>	<b>911m</b>	<b>1,028m</b>

Note (1) includes development through paste-fill

Table 1: Underground Production – Mine Development

Decline and access development is a high priority focus for Velvet to establish new level accesses for future ore production. Focus has also been on blocks A, B, C and D developing new ore drives for FY19 budget plan.

	Sep-17 Qtr	Dec-17 Qtr	Mar-18 Qtr	Jun-18 Qtr
Development ore (t)	36,712	26,861	19,973	34,997
Development grade (gpt)	2.3	2.9	2.2	3.6
Stope ore (t)	220,859	238,617	236,609	202,980
Stope grade (gpt)	4.1	3.3	3.2	5.0
Low grade ore (t)	Nil	Nil	Nil	Nil
Low grade (gpt)	Nil	Nil	Nil	Nil
Total ore (t)	257,570	265,478	256,582	237,977
Total grade (gpt)	3.9	3.2	3.2	4.8
<b>Contained gold (oz)</b>	<b>32,035</b>	<b>27,603</b>	<b>26,011</b>	<b>36,720</b>

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

Table 2: Underground Production – Ore Production

Stoping occurred in all areas across Kanowna Belle during the quarter. Planned higher grade stopes were sourced from E-block and B-Block. Kanowna Belle produced consistent ore tonnes during the year.

#### ► Gold Production

Kanowna Belle milled 270,250 tonnes in the June quarter at 4.5gpt and 93.3% recovery for 36,299oz produced.

Ore stocks at the end of the quarter totalled 7,803oz of gold.

#### ► Gold Sales

35,917oz were sold.

### Millennium Gold Operations

#### ► Introduction

The Millennium Gold Operation is located on Northern Star's 100% owned Kundana tenements.

#### ► Safety

There was zero (0) Lost Time Injury (LTI) during the quarter.

#### ► Underground Production

Mine Development:

	Sep-17 Qtr	Dec-17 Qtr	Mar-18 Qtr	Jun-18 Qtr
Decline	844m	463m		233m
Level		936m	1,135m	1,398m
Strike driving (incl paste)	729m	675m	856m	787m
<b>Total (metres)</b>	<b>1,573m</b>	<b>2,074m</b>	<b>1,991m</b>	<b>2,418m</b>

Table 3: Underground Production – Mine Development



The development continues to focus on establishing ore drives whilst continuing to push the decline to establish additional levels at Millennium and access to Pope John ore zone.

	Sep-17 Qtr	Dec-17 Qtr	Mar-18 Qtr	Jun-18 Qtr
Development ore (t)	48,431	33,465	52,842	53,980
Development grade (gpt)	3.2	4.5	4.1	3.7
Stope ore (t)	453	22,177	38,272	52,880
Stope grade (gpt)	4.7	3.1	4.1	5.1
Low grade ore (t)	Nil	Nil	Nil	Nil
Low grade (gpt)	Nil	Nil	Nil	Nil
Total ore (t)	48,884	55,462	91,114	106,861
Total grade (gpt)	3.2	4.0	4.1	4.4
<b>Contained gold (oz)</b>	<b>5,071</b>	<b>7,071</b>	<b>12,049</b>	<b>15,063</b>

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

Table 4: Underground Production – Ore Production

Stoping at Millennium occurred primarily in the Millennium ore zone. Multiple stoping fronts have been established continuing to add to the overall production profile of Millennium.

### ► Gold Production

Millennium Ore was processed at third party mills, with 109,053 tonnes at 4.4gpt at 92.3% for 14,258oz produced.

### ► Gold Sales

12,204oz were sold.

## Kundana Gold JV Operations

### ► Introduction

The Kundana Gold Operations includes the Raleigh, Rubicon, Hornet 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 was one (1) Lost Time Injury (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 -17 Qtr	Dec -17 Qtr	Mar -18 Qtr	Jun -18 Qtr
Decline	330m	340m	261m	275m
Level	893m	1,564m	1,549m	1,470m
Strike driving (incl paste)	2,397m	2,056m	2,469m	2,556m
<b>Total (metres)</b>	<b>3,620m</b>	<b>3,960m</b>	<b>4,278m</b>	<b>4,307m</b>

Table 5: Underground Production – Mine Development (physicals represent 100% EKJV)

Pegasus Incline, Pegasus Decline and the Rubicon Decline continue to receive the majority of the focus for capital development. Significant strike driving of 2,469m continues to add and build the operations for continued and future production growth.

Development yielded 154,733 tonnes at an average reconciled grade of 3.7gpt.

	Sep-17 Qtr	Dec-17 Qtr	Mar-18 Qtr	Jun-18 Qtr
Development ore (t)	124,623	96,369	134,691	154,733
Development grade (gpt)	4.8	3.0	3.3	3.7
Stope ore (t)	154,806	187,582	184,487	230,193
Stope grade (gpt)	7.3	7.2	7.2	8.2
Low grade ore (t)	NA	NA	NA	NA
Low grade (gpt)	NA	NA	NA	NA
Total ore (t)	279,429	283,951	319,178	384,926
Total grade (gpt)	6.2	5.7	5.5	6.4
<b>Contained gold (oz)</b>	<b>55,323</b>	<b>52,418</b>	<b>56,879</b>	<b>79,142</b>

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

Table 6: Underground Production – Ore production (physicals represent 100% EKJV)

Focus on increasing stope tonnes and stope turnover was continued in the June Quarter to ensure larger percentage of high grade ore is maintained.

### ► Gold Production

The NST share of EKJV ore that was milled in the June quarter was 332,138 tonnes at 5.1gpt and 94.2% recovery for 51,345 gold ounces produced.

The NST share of ore stocks at the end of the June quarter totalled 4,350oz of gold.

### ► Gold Sales

50,261oz were sold (NST share).

### Jundee Gold Operations

#### ► Safety

There was one (1) Lost Time Injury (LTI) during the quarter.

#### ► Underground Production

Mine Development:

	Sep-17 Qtr	Dec-17 Qtr	Mar-18 Qtr	Jun-18 Qtr
Decline	553m	553m	501m	350m
Level	1,131m	1,040m	1,462m	1,363m
Operating	2,614m	2,770m	2,126m	3,055m
<b>Total (metres)</b>	<b>4,298m</b>	<b>4,362m</b>	<b>4,089m</b>	<b>4,769m</b>

Table 7: Underground Production – Mine Development

Decline development continued across multiple mining fronts during the June quarter, including lower Gateway, Armada, Nexus and Upper Wilson. Level development focussed on the continued progress of Armada, along with Wilson, Nexus, Gringotts and Deakin.

Operating development remained consistent with previous quarters and undertaken across all mining areas.

Total of 3,055m operating metres were completed, yielding 117,821 tonnes at an average grade of 3.7gpt.

	Sep-17 Qtr	Dec-17 Qtr	Mar-18 Qtr	Jun-18 Qtr
Development ore (t)	127,134	127,257	83,720	117,821
Development grade (gpt)	3.9	4.1	2.9	3.7
Stope ore (t)	280,673	279,765	307,364	354,858
Stope grade (gpt)	6.7	5.6	6.0	6.8
Total ore (t)	407,807	407,022	391,083	472,679
Total grade (gpt)	5.8	5.1	5.4	6.1
<b>Contained gold (oz)</b>	<b>76,326</b>	<b>66,673</b>	<b>67,505</b>	<b>91,923</b>

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

Table 8: Underground Production – Ore production

Stoping ore during the June quarter was sourced from high grade, narrow vein stoping panels, at a rate of ~120,000 tonnes per month, an increase from 90,000 per month in March quarter.

### ► Gold Production

Jundee ore milled in the June quarter was 532,240 tonnes at 5.35gpt and 90% recovery for 82,058oz.

Above budget and forecast mill throughput was achieved throughout the quarter, highlighted by an average of 284tph in June. Improvements were undertaken in crushing, grinding and classification circuits, which has resulted in now sustained throughput above 280tph.

Ore stocks at the end of the quarter totalled 28,936oz of gold.

### ► Gold Sales

84,474oz were sold.

### South Kalgoorlie Operations (SKO)

#### ► Safety

There were zero (0) Lost Time Injuries (LTI) during the quarter.

#### ► Underground Production

Underground operations mined 10,603oz with none of this ore being processed during the June quarter.

#### ► Gold Sales

No ounces attributed to SKO were sold.