



NORTHERN STAR
RESOURCES LIMITED

NORTHERN STAR ACQUIRES PLUTONIC MINE FOR \$25M

*Deal doubles WA gold miner's annual production to
~200,000oz and lifts its total inventory to 4.0Moz*

KEY POINTS

- ▶ Northern Star agrees to acquire the Plutonic gold mine in WA from Barrick for \$25m (equals just \$14 per resource ounce)
- ▶ Deal will transform Northern Star into a top-four Australian only gold miner with forecast production of ~200,000oz in 2014
- ▶ Purchase will be funded totally from existing cash reserves
- ▶ Plutonic has current resources of 1.75Moz² at 10.8gpt and reserves of 0.2Moz³ at 6.6gpt; this will increase Northern Star's total reserve/resource inventory by 80 per cent to 4.0Moz
- ▶ Plutonic acquisition has numerous parallels with Northern Star's purchase of Paulsens gold mine, including strong production and cashflow today and outstanding exploration potential on which to increase mine life
- ▶ Several Northern Star executives, including the MD and COO, have held senior positions at Plutonic (similarly, Bill Beament had been Operations manager at Paulsens before its acquisition)
- ▶ Strong scope for productivity gains at Plutonic using Northern Star's underground expertise
- ▶ Acquisition means Northern Star will have two substantial operating gold mines – in line with today's demands from global institutional investors
- ▶ Deal meets Northern Star's overriding objective of generating superior financial returns from high-grade, low cost gold mines in Australia

Northern Star Resources (ASX: **NST**) is pleased to advise that it has agreed to acquire the Plutonic gold mine in Western Australia from Barrick Gold Corporation for \$25 million.

The acquisition will transform Northern Star into a top-four Australian only gold producer with annual production of in-excess of 200,000oz and a total resource-reserve inventory of 4.0 million ounces.

Importantly, the acquisition bears numerous similarities to Northern Star's acquisition of its Paulsens gold mine in mid-2010. Like Paulsens, Plutonic currently enjoys strong cashflow from existing production and offers significant scope to increase mine life through exploration.

Northern Star Managing Director Bill Beament, who knew Paulsens well prior to that acquisition from his time as the mine's operations manager, was the project manager at Plutonic for two years. Northern Star's Chief Operating Officer Stuart Tonkin succeeded Mr Beament at Plutonic for a period of two years while Northern Star's Business Development and Technical Services Manager Bernie Sostak was Chief Geologist at Plutonic for eight years.

ASX ANNOUNCEMENT
December 23, 2013

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 Carpene
Company Secretary

Issued Capital

Shares 428M

Options 5M

Current Share Price \$0.68

Market Capitalisation
\$291 million

Cash/Bullion and Investments
30 Sep 13 - \$50 million

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“Plutonic is the ideal acquisition for Northern Star in every respect,” Mr Beament said. “It delivers strong production and cashflow today, it comes with outstanding exploration potential, it provides scope for efficiency gains using our underground mining expertise and we know the project extremely well due to the substantial time we spent working there in previous careers.”

“Northern Star now offers global institutional investors the production scale and resource base they require, the diversity that comes with having two major operating hubs and the growth potential attached to the exploration upside – all in the backyard of Western Australia.”

“This acquisition meets our key objective of delivering superior financial returns from high-grade, low-cost gold mines in Australia.”

The \$25 million purchase price will be funded from Northern Star’s existing cash reserves, which stood at \$45 million as at 30 September, 2013.

The price is equal to just \$14 per resource ounce, based on Plutonic’s current resources of 1.75Moz at 10.8gpt Au. Plutonic’s all-in sustaining costs are forecast to be in the range of \$1050-\$1200/oz after allowing for some productivity and efficiency measures Northern Star intends to implement upon completion of the transaction.

The acquisition price includes a fully operational mine with a 3Mtpa processing plant, an underground mobile fleet, a 15MW gas fired power station, an 8MW diesel back up station and a 600-person accommodation village.

The Plutonic Gold Mine has, for the past 20 years, consistently produced well in-excess of 100,000oz per annum with a life to date production of 5.24Moz of gold. Historically ~50% of resources have converted to reserves, providing substantial opportunity for the high-grade 10.8gpt, 1.75Moz mineral resource to significantly extend mine life.

Upon completion of the transaction, Northern Star’s priorities at Plutonic will be:

- Maximize operational cashflow to recover acquisition price and strengthen the balance sheet
- Increase productivity levels and mining physicals as demonstrated at Paulsens
- Rationalise and standardise fleet, personnel and assets across the Company
- Optimise mine design, mining dilution and mill throughput to maximise profits
- Reduce total site cost per ounce; review all supply contracts and leverage off combined Company buying power
- Convert more resources into reserves and grow the resource base through drilling to extend mine life.

Completion of the transaction is subject to customary closing conditions. The transaction is expected to settle in February, 2014.

RBC Capital Markets is acting as financial adviser and Ashurst is acting as legal adviser with respect to the transaction.

Yours faithfully



BILL BEAMENT
Managing Director
Northern Star Resources Limited

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GOLD MINERAL RESOURCES ¹													
As at 30 June 2013													
Based on attributable ounces	MEASURED (M)			INDICATED (I)			INFERRED (Inf)			TOTAL (MI&Inf)			Cut Off Grade
	Tonnes (000's)	Grade (gpt)	Ounces (000's)	Tonnes (000's)	Grade (gpt)	Ounces (000's)	Tonnes (000's)	Grade (gpt)	Ounces (000's)	Tonnes (000's)	Grade (gpt)	Ounces (000's)	
PAULSENS GOLD PROJECT													
Surface													
Paulsens	-	-	-	573	2.5	47	169	3	14	742	2.5	61	1.0 gpt Au
Belvedere	-	-	-	168	3.6	19	99	5	16	267	4.2	35	1.0 gpt Au
Merlin	-	-	-	-	-	-	523	1	24	523	1.4	24	1.0 gpt Au
Mt Clement (20%)	-	-	-	-	-	-	226	2	13	226	1.8	13	0.5 gpt Au
Underground													
Upper Paulsens	63	9.7	20	98	13.1	41	119	8	31	280	10.2	92	2.5 gpt Au
Voyager UG	517	12.1	201	173	11.9	66	61	13	26	751	12.2	293	2.5 gpt Au
Stockpiles	118	2.6	10	-	-	-	-	-	-	118	2.6	10	1.0 gpt Au
Gold in Circuit/Transit	-	-	4	-	-	-	-	-	-	-	-	4	-
Subtotal Paulsens	698	10.5	235	1,012	5.3	173	1,197	3.2	124	2,907	5.6	532	
ASHBURTON GOLD PROJECT													
Surface													
Mt Olympus	-	-	-	6,038	2.3	448	9,138	2.2	632	15,176	2.2	1,080	0.7 gpt Au
Peake	-	-	-	113	5.2	19	3,544	3.3	380	3,657	3.3	399	0.9 gpt Au
Waugh	-	-	-	347	3.6	40	240	3.6	28	587	3.6	68	0.9 gpt Au
Zeus	-	-	-	508	2.1	34	532	2.2	38	1,040	2.2	72	0.9 gpt Au
Electric Dingo	-	-	-	98	1.6	5	444	1.2	17	542	1.3	22	0.9 gpt Au
Romulus	-	-	-	-	-	-	329	2.6	27	329	2.6	27	0.9 gpt Au
Subtotal Ashburton	-	-	-	7,104	2.4	546	14,227	2.5	1,122	21,331	2.4	1,668	
TOTAL RESOURCES	698	10.5	235	8,116	2.8	719	15,424	2.5	1,246	24,238	2.8	2,200	

¹ Resources are inclusive of Reserves
² Rounding errors may occur

Table 1 – Northern Star Resources As of 30th June 2013 Inclusive of Reserves

GOLD MINERAL RESOURCES ²														
As at December 31, 2012														
Based on attributable ounces	MEASURED (M)			INDICATED (I)			(M) + (I)	INFERRED (Inf)			TOTAL (MI & Inf)			
	Tonnes (000's)	Grade (gpt)	Ounces (000's)	Tonnes (000's)	Grade (gpt)	Ounces (000's)		Ounces (000's)	Tonnes (000's)	Grade (gpt)	Ounces (000's)	Tonnes (000's)	Grade (gpt)	Ounces (000's)
PLUTONIC GOLD PROJECT														
Underground														
Plutonic	289	4.8	45	2,087	11.0	736	780	2,672	11.2	966	5,048	10.8	1,746	
TOTAL	289	4.8	45	2,087	11.0	736	780	2,672	11.2	966	5,048	10.8	1,746	

Resources are exclusive of Reserves
 Gold Price \$USD 1650, FX 1.05 AUD

GOLD MINERAL RESERVES ³									
As at December 31, 2012									
Based on attributable ounces	PROVED			PROBABLE			TOTAL		
	Tonnes (000's)	Grade (gpt)	Ounces (000's)	Tonnes (000's)	Grade (gpt)	Ounces (000's)	Tonnes (000's)	Grade (gpt)	Ounces (000's)
PLUTONIC GOLD PROJECT									
Underground									
Plutonic	345	7.0	77	633	6.3	129	978	6.6	206
TOTAL	345	7.0	77	633	6.3	129	978	6.6	206

Gold Price \$USD 1250, FX 1.05 AUD

Table 2 – Plutonic Resources (exclusive of Reserves) and Reserves As of 31st December 2012

(1) Table 1 - Paulsens Resources @ 2.5gpt Au Lower Cut-Off Underground and 1.0gpt Au Lower Cut-Off Open Pit. See previous releases for Table 1 JORC Information.

(2),(3) Table 2 - Reserves and resources figures have been excerpted from those published in Barrick Gold Corporation's Annual Information Form for the year ended December 31, 2012 and dated March 28, 2013 ("AIF"). These figures were calculated in accordance with National Instrument 43-101 of the Canadian securities regulators ("NI 43-101") as describe on page 25 of the AIF under the supervision of the Qualified Persons named on page 11 of the AIF and the Qualified Persons approved the figures in advance of their publication. Each of the Qualified Persons are employees of Barrick, their relationship to Barrick being further described on page 11 of the AIF, and Barrick has determined that such persons are Qualified Persons pursuant to NI 43-101 as described on page 11 of the AIF. Barrick report short tons and oz/ton Au, this release refers to metric tonnes and may contain rounding errors for Kt (000's tonnes) and gpt Au.

Competent Persons Statements

The information in this announcement that relates to Paulsens and Ashburton mineral resource estimations, exploration results, data quality, geological interpretations, potential for eventual economic extraction and estimates of exploration potential, is based on and fairly represents information compiled by or under the supervision of Brook Ekers, who is an AIG member 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". Mr Ekers consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Information in this announcement that relates to the Paulsens Project Ore Reserves has been compiled by or under the supervision of Darren Stralow, General Manager – Paulsens Gold Mine, who is a full-time employee of Northern Star Resources Ltd. Mr Stralow 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 Stralow is a Member of the Australasian Institute of Mining and Metallurgy and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Information in this announcement that relates to the Ashburton Ore Reserves has been compiled by Shane McLeay, Principal Engineer – Entech Pty Ltd, who has sufficient experience 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". Shane McLeay is a Member of the Australasian Institute of Mining and Metallurgy and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Information in this announcement that relates to the Plutonic Gold Project Ore Reserves and Mineral Resources has been taken from Barrick Gold Corporation's Annual Information Form for the year ended December 31, 2012 filed with the Canadian Securities Administrators.

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. This announcement is not an offer, invitation, solicitation or other recommendation with respect to the subscription for, purchase or sale of any security, and neither this announcement nor anything in it shall form the basis of any contract or commitment whatsoever. This announcement may contain forward looking statements that are subject to risk factors associated with gold exploration, mining and production businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimations, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory changes, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.