

# NORTHERN STAR SET FOR MORE GROWTH WITH COMPLETION OF CENTRAL TANAMI DEAL

**Outstanding potential to increase current 1moz Resource;  
Production set for 2017**

## **ASX ANNOUNCEMENT** **31 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 Carpene  
*Company Secretary*

### **Issued Capital**

Shares 600 million  
Options 4.3 million

Current Share Price A\$2.08

Market Capitalisation  
A\$1.25 billion

Cash and Cash Equivalents  
30 June 2015 - A\$178 million

Level 1, 388 Hay St  
Subiaco WA 6008  
**T** +6 8 6188 2100  
**F** +6 8 6188 2111  
**E** info@nsrld.com  
**www.nsrld.com**

**ABN: 43 092 832 892**

Northern Star Resources (ASX: NST) is pleased to advise that it has completed settlement of the agreement with Tanami Gold under which Northern Star can progressively acquire a 60 per cent joint venture interest in the 2.7 million-ounce<sup>(1)</sup> Central Tanami Project.

Settlement follows the payment of A\$20 million by Northern Star to Tanami Gold. This comprises a cash payment of A\$11 million and the issue of 4.29 million Northern Star shares which have a value of A\$9 million based on their five-day volume weighted average price prior to the ASX announcement of the deal on 26 February 2015.

As a result of this payment, Northern Star now has a 25 per cent interest in the Central Tanami Project.

Northern Star can increase its stake from 25 per cent to 60 per cent by sole funding the expenditure required to bring the existing processing plant back into commercial production (see ASX release dated 26 February 2015 for full details of the agreement).

Northern Star has also granted Tanami Gold two put options to sell all its remaining interests in the Central Tanami Project ("CTP"):

- a. the first put option grants Tanami the right to sell 15 per cent of CTP for A\$20 million in cash or NST shares (valued at the 5 day VWAP prior to exercise) at Tanami's election, at any time up to the earlier of 30 calendar days following achievement of Commercial Production or three years after Completion. If Commercial Production is achieved more than three years after Completion, Tanami may exercise this option at any time up to 30 calendar days following achievement of Commercial Production; and
- b. the second put option grants Tanami the right to sell the remaining 25 per cent of the CTP for A\$32 million in cash or NST shares (valued at the 5 day VWAP prior to exercise) at Tanami's election any time up to six calendar months after the achievement of Commercial Production.

With the joint venture agreement now settled, Northern Star will proceed with its strategy to bring the Central Tanami Project back into production in 2017.

Central Tanami is an outstanding high-grade project which will form a key part of Northern Star's pipeline of emerging production assets.

The flagship deposit at Central Tanami, Groundrush, produced 611,000oz at 4.3gpt over four years under Newmont's ownership. Current Resources at Groundrush stand at one million ounces at 4.8gpt<sup>(2)</sup>.

Northern Star's immediate objective is an aggressive drilling program to upgrade existing Resources and extend known mineralisation along strike and at depth at Groundrush to optimise mine designs and the refurbishment plan for the processing plant.

Northern Star Managing Director Bill Beament said he was confident Central Tanami would quickly become a major low-cost producer with long mine life.

"I believe we will soon demonstrate that Central Tanami will be a low-cost 150,000ozpa producer" Mr Beament said.

"In the process, the project will help ensure Northern Star maintains its record of strong production and outstanding Shareholder returns."



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

**Investor Enquiries:**

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

- (1) The information is extracted from the Tanami Gold NL ASX announcement entitled "Quarterly Report for the Period Ending 31 March 2014" released on 1 May 2014 and is available to view on [www.tanami.com.au](http://www.tanami.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.
- (2) The information is extracted from the Tanami Gold NL ASX announcement entitled "Groundrush Deposit Update - Significant Growth In Measured and Indicated Mineral Resource and Increase In Resource Grade At Groundrush" created on 7 January 2013 and is available to view on [www.tanami.com.au](http://www.tanami.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

**Forward Looking Statements**

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