NORTHERN STAR
RESOURCES LIMITED

2018 ANNUAL REPORT

Northern Star Resources Limited is an Australian mid-cap gold miner that is positioned among the top 25 gold miners globally with costs in the lowest quartile of its peer group, no debt, asset diversity and an exciting pipeline of organic growth opportunities – another year of stellar achievements

FRONT COVER:

2018 - The Year of Processing. In 2018 Northern Star set records at both its Jundee and Kalgoorlie Operations with both sites achieving record hard rock annual throughput; the highest recorded level of throughput in the 25 year history at both operations. Charles Munson, Process Technician, Jundee adsorption tanks.

TABLE OF CONTENTS

Key Highlights	4
Chairman's Address	6
Sustainability Report	8
Operations Review	22
Directors' Report	32
Remuneration Report	39
Financial Report	52
Independent Auditor's Report	111
Shareholder Information	116
Tenement Schedule	118
Glossary	122
Corporate Directory	123

SCOPE OF THIS REPORT

The Northern Star 2018 Annual Report presents the operating and financial results for the period 1 July 2017 to 30 June 2018. Except where otherwise stated in the Company's Corporate Governance Statement, the Company has followed the ASX Corporate Governance Council's Principles and Recommendations (third edition) during FY2018.

The reporting structure also addresses Northern Star's values and reflects the principles of the Global Reporting Initiative (GRI) general reporting guidelines.

NORTHERN STAR RESOURCES LIMITED
ABN: 43 092 832 892

Our VISION is to continue to build a safe, quality mining and exploration Company focussed on creating value for Shareholders.

Our MISSION is to generate earning accretive value for our Shareholders through operational effectiveness, growth opportunities and exploration with a prime focus on success, to deliver on our targets.

Financial Performance

Net Profit of
$194M
up 3% on FY2017

EBITDA
$443M
up 4% on FY2017

Earnings Per Share of
32.1cents
up 2% on FY2017

FY2018 Dividend payout of
9.5 cents per Share
up 6% from FY2017

Operational Performance

Jundee & Kalgoorlie Ops both achieved
300kozpa
run rate

Record production run rate of
184koz
achieved in Q42018

Reserves increased to
4Moz
and Resources to
15.9Moz

Successful integration
of the South Kalgoorlie Operations

STARR
It's what we stand for.

Environment & Social

50%
reduction
in LTIFR to 0.9 v sector average of 2.7

$865M
contribution into the Australian economy in FY2018

19% FY2018
female participation
above industry average of 17%

Expanded
the Indigenous Ranger program across our operations

Our STARR CORE VALUES
It's what we stand for

SAFETY
It matters and starts with you.

TEAMWORK
Together we can.

ACCOUNTABILITY
The responsibility lies with you.

RESPECT
To get it you must give it.

RESULTS
We deliver on our promises.

"Northern Star's definition of ongoing success extends well beyond financial returns..."

Dear Shareholders,

Looking back on the past financial year, some might say that Northern Star has become somewhat predictable. Our recipe for growth is now clearly mapped out: we invest in exploration at and around our Tier-1 projects in Tier-1 locations and we grow the mineral inventory and optimise operations which enables us to increase production and free cashflow. Then we return to the start of the process and seek to repeat it.

The events of FY2018 illustrate this approach. We began the year with a game-changing declaration: our exploration program had been so successful that we had accumulated Resources of 10.2 million ounces. Along the way, Reserves had tripled to 3.5Moz.

As spectacular as these numbers were, their real value lay in the fact that they underpinned 10-year mine lives at our Tier-1 Jundee and Kalgoorlie operations. And this in turn enabled us to increase production to our target rate of 600,000 ounces a year.

But as we always say at Northern Star, we are a business first and a mining company second. Given this mantra, the increased production was not in itself, the key accomplishment. Rather, it was the resulting step-change in free cashflow and overall financial returns which established that we had achieved our objective.

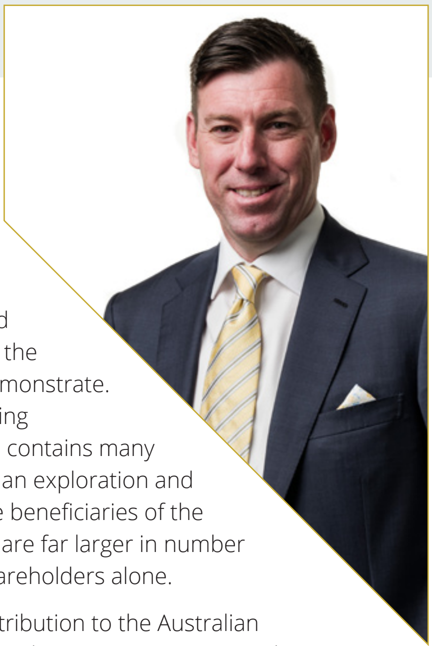
This is demonstrated by our financial and operational results for the year to June 30, 2018. These have seen Northern Star continue to grow its underlying free cashflow, production, Resources and Reserves on a per share basis.

It is important to note that the strength of our performance last year was driven not only by our exploration and operational success, but by the overall business first approach which is the focus of our Company.

Our performance on so many levels was undoubtedly enhanced by the fact that we did not record any environmental or heritage incidents during the year and we continued to foster and grow healthy stakeholder relationships.

Northern Star's over-arching belief that strong environmental, social and corporate governance drives performance, rather than being a by-product of it, was reflected in the formation of the Board-level ESG & Safety Committee and with the ESR department reporting directly to me as Executive Chairman.

I am delighted to report that our founding Chairman and current Non-Executive Director, Chris Rowe, has decided to remain on the Board, accepting the role as Chairman of the ESG & Safety Committee. The Company will benefit enormously from his significant experience as a member of this committee and being the former Deputy Chairman of the Environmental Protection Authority of Western Australia and as Counsel Assisting the Royal Commission into "WA Inc". This wealth of experience, combined with the incorporation of climate change risks into the corporate risk register, significantly boosts Northern Star's ESG capabilities.



Northern Star's definition of ongoing success extends well beyond financial returns, as the above measures demonstrate. Its recipe for achieving sustainable success contains many more ingredients than exploration and production. And the beneficiaries of the Company's success are far larger in number and nature than shareholders alone.

The Company's contribution to the Australian economy, as measured in economic terms, in the past year reached $865 million, this being the total of all outgoings on government royalties, tax, wages, goods and services, interest and dividends. This was in addition to our significant donations, sponsorships and a host of intangible contributions such as providing for employees to undertake voluntary community work.

At the time of writing, we had just set out our strategy and goals for the new financial year. It is, in many respects, a case of history repeating. Our production guidance has been increased to 600,000-640,000oz, which reflects in part the latest growth in our Resource inventory to 15.9Moz, including Reserves of 4Moz.

But much of our focus will now return to exploration as we seek to repeat our strategy of growing our inventory, which will in turn enable us to further increase production and free cashflow. In FY2019, we have allocated a record $60 million to exploration, most of which will be spent converting a significant slice of Resources to Reserves.

Admittedly, this is somewhat predictable. But we believe that predictable growth – particularly at a time when so many of our global peers are enduring predictable contraction - gives Northern Star an enviable point of difference.

The credit for our success in executing this strategy goes to our remarkable team of managers, staff, contractors and suppliers. I would like to thank them enormously for their initiative, skill and hard work over the past year.

I also thank our Shareholders for their support as we have implemented our strategy.

Yours faithfully,

BILL BEAMENT
Executive Chairman

22 August 2018


bollé
www.nsrltd.com

SUSTAINABILITY REPORT

NORTHERN STAR'S SUSTAINABLE BUSINESS CHARTER

PURPOSE:

To continue to build a safe, quality mining and exploration Company, focussed on creating value for Shareholders.

STRATEGY:

To develop a responsible Company that is attractive to global investors.

SUSTAINABILITY VISION:

Delivering responsible environmental and social business practices that lead to both the creation of strong economic returns for our Shareholders, and shared value for our stakeholders.

"Operating sustainably with sound business ethics and strong governance ensures long-term success for our Company, our people, the communities in which we operate and the land on which we work. Generating profit is simply not enough. To be truly successful, we must deliver a safe, efficient and respectful business".

Bill Beament
Executive Chairman

FY2018 Sustainability Performance Snapshot

SECTOR LEADING SAFETY PERFORMANCE

Our number one core value is

Safety

LTIFR

FY2018
0.9 (Sector 2.7)
(FY2017: 1.8)

TRIFR

FY2018
3.2 (Sector 9.6)
(FY2017: 14.3)

*TRIFR and LTIFR are calculated based on number of recordable injuries per million hours worked

STRONG SOCIO-ECONOMIC RETURN

Strong

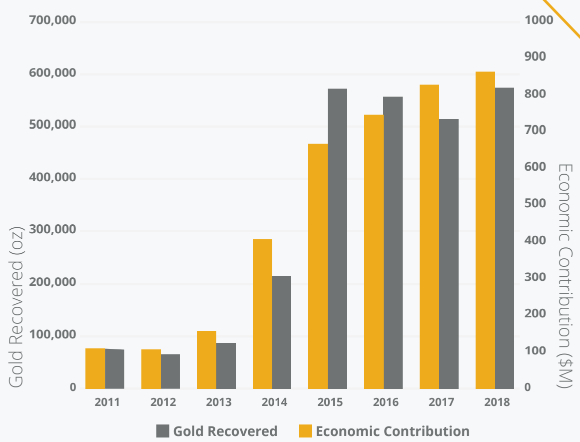
Socio-Economic Return

As we grow, so does our contribution to society

FY2018

$865 million in payments

(WA Government royalties, tax, wages, goods and services, interest and dividends)



ENVIRONMENTAL RESPONSIBILITY

Environmental Responsibility

Number of materially adverse environmental incidents	0
Number of regulator fines for environmental incident/non-compliance	0
Value of regulator fines for environmental incident/non-conformance	$NIL

RECORD PRODUCTION RESULTS

Record Production Results

FY2018
gold production up 11% from FY2017 to 575,121 ounces at an all-in sustaining cost of $1,029/oz (US$761/oz*)

*AUD/USD exchange rate of $0.74

Reserves increased to 4Moz and Resources to 15.9Moz

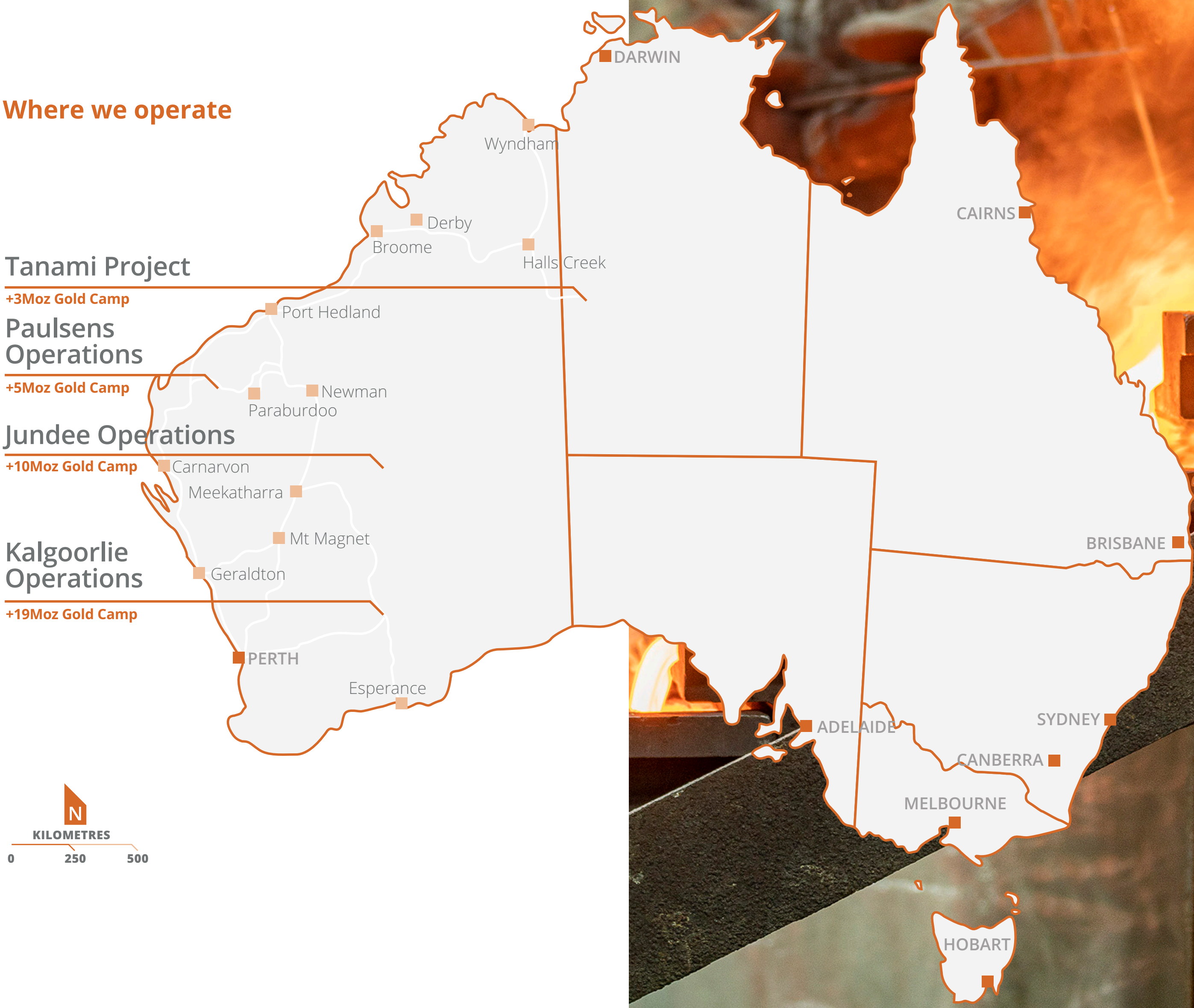
No debt $512 million in cash, bullion and investments (30 June 2018)

About this Report

This report provides guidance on Northern Star's performance within key areas of Environmental, Social and Governance (ESG).

2018 marks the second year that Northern Star has published a Sustainability Report as part of communicating our strategy for achieving our Company purpose and Sustainability Vision. After publishing our inaugural Sustainability Report as a standalone document in 2017, the decision was made to incorporate this report into our 2018 Annual Report. This highlights the value Northern Star places on our social licence to operate. We have prioritised this report to sustainability topics based on our growing understanding of stakeholder priorities and related key areas of interest.

Where we operate



Governance

Northern Star's annual Corporate Governance Statement released on 23 August 2018 explains our corporate governance compliance in detail, located on the Northern Star website, under Corporate Governance.

Code of Conduct | **Constitution** | **STARR Core Values**

Board of Directors					
	Bill Beament Executive Chairman	**John Fitzgerald** Lead Independent Director	**Christopher Rowe** Independent Non-Executive Director	**Peter O'Connor** Independent Non-Executive Director	**Shirley In'tVeld** Independent Non-Executive Director

Charters					
	Board Charter	Audit & Risk Committee Charter	Nomination Committee Charter	Remuneration Committee Charter	ESG & Safety Committee Charter

Board Committees					
	Audit & Risk Committee	Nomination Committee	Remuneration Committee	ESG & Safety Committee	Non-Executive Directors

Core Corporate Governance Policies					
	Risk Management Policy	Safety & Health Policy	Continuous Disclosure Policy	Anti-Bribery & Anti-Corruption Policy	Risk Management Standard
	Environmental Policy	Compliance Procedures	Donations & Sponsorship Policy	Securities Trading Policy	Stakeholder Policy
	Shareholder Communication Policy	Privacy Policy	Procedure for Selection, Appointment & Rotation of External Auditor	Diversity Policy	Policy & Procedure for Selection & Appointment of Directors
	Whistleblower Policy	Process for Performance Evaluation	Equal Employment Opportunity Policy	Policy on Assessing Director Independence	Travel Policy

Environmental Performance

Northern Star monitors, reviews and reports its performance against its environmental commitments. We strive to meet and where possible exceed our legal and permit obligations to deliver the best possible environmental and social outcomes.

Number of materially adverse environmental incidents **0**

Number of regulator fines for environmental incident/non-compliance **0**

Value of regulator fines for environmental incident/ non-conformance **$NIL**

"We strive to meet and where possible exceed our legal and permit obligations to deliver the best possible environmental and social outcomes."

Air quality and emissions

TABLE 3.1 GHG EMISSIONS

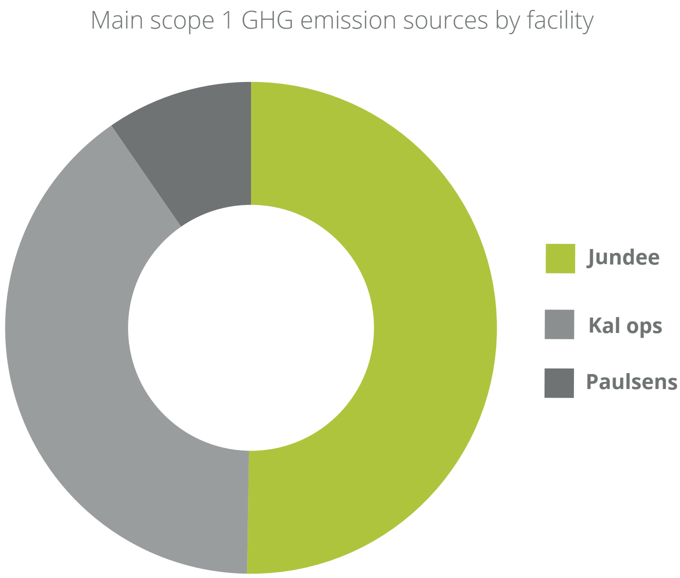
FY2018 Total Scope 1 GHG Emissions (t CO2-e)	189,486
FY2018 Total Scope 2 GHG Emissions (t CO2-e)	119,717

We report our Company-wide Scope 1 and Scope 2 greenhouse gas (GHG) emissions to the Australian Government's Clean Energy Regulator, via the National Greenhouse and Energy Reporting Scheme (NGERS).

The bulk of our Scope 1 carbon emissions (generated by us) come from diesel and gas used to generate electricity and power our mining equipment fleet.

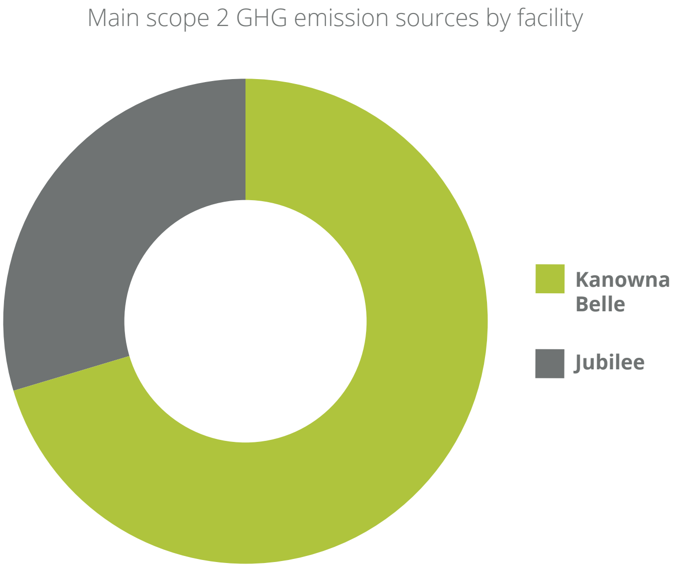
The bulk of our Scope 2 carbon emissions (generated by others, for us) come from the purchasing of electricity, and the transporting of goods via truck courier to our remote operations.

FIGURE 3.1 MAIN SCOPE 1 GHG EMISSION SOURCES BY FACILITY



The largest single point source of Scope 1 GHG emissions comes from our Jundee mine via the power plant that supports the processing mill and mine. In 2017, we switched from diesel to less carbon-intensive gas. Our new 18mw reciprocating engine gas power plant produces the bulk of electricity for Jundee, with diesel now only used during times of abnormally high-power demand.

FIGURE 3.2 MAIN SCOPE 2 GHG EMISSION SOURCES BY FACILITY



The Kanowna Belle processing plant in Kalgoorlie is powered by mains power from the state electricity grid, and this is responsible for much of our Scope 2 GHG emissions.

Northern Star has established an Innovation Board, chaired by the Executive Chairman with its members comprising senior management employees, the objective of which is to regularly assess and drive technical innovation projects to increase operational efficiencies across the business. The Innovation Board continues to assess options for further GHG emission reductions through the consideration of heat exchange and solar power generation technology.

We report on our emissions per substance to the Australian Government's National Pollution Inventory. This information is publicly available and can be accessed at www.npi.gov.au

Energy use and production

Our primary source of energy production is the gas-fired power plant at the Jundee operation, which produced 514,215GJ of electrical energy in FY2018. The majority of our Kalgoorlie operation's energy supply comes from the state power grid.

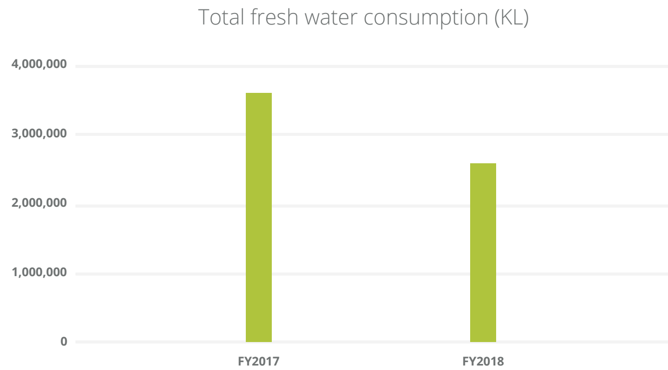
Over 90% of our total energy consumption is from our Jundee, Kanowna Belle, Kundana, Millennium and South Kalgoorlie operations.

TABLE 3.2 ENERGY PRODUCED

FY2018 Total Energy Produced (GJ)	718,020
FY2018 Total Energy Consumed (GJ)	4,447,650

Water

FIGURE 3.3 TOTAL FRESH WATER CONSUMPTION (KL)



Our total fresh water consumption was reduced for FY2018 by 26% (3,490,709KL to 2,570,955KL) as we improved milling efficiency at the Jundee processing plant, and ceased processing ore at the Paulsens processing plant in January.

We introduced a Water Management Standard in FY2018, which establishes a governance framework driving responsible water usage across the Company.

Waste

TABLE 3.3 WASTE ROCK AND TAILINGS

FY2018 Waste Rock Produced (tonnes)	2,246,745
FY2018 Tailings Produced (wet tonnes)	4,217,545

We followed the Waste Management Standard in FY2018 to improve our management of waste and deliver associated environmental and health benefits.

Rehabilitation and closure preparedness

We rehabilitated over 180 hectares of land in FY2018, around the Jundee, Kalgoorlie and South Kalgoorlie mines.

In FY2018, we continued to improve and implement our reclamation liability models for rehabilitating all areas impacted by our business activities.

Climate change

Northern Star acknowledges that there is climate change risk associated with all business activity and that the assessment, management and considered acceptance of this risk ensures both the sustainability and growth of our business.

Governed by our Risk Management Policy, senior management and functional experts document and review our risk registers, which are regularly reported to the Audit and Risk Committee.

In 2018, several climate-related risks (water and energy pricing) were included in our corporate risk register, to assess the potential impact of climate change projections on our business.

Below are our highest priority climate-related business risks.

TABLE 3.4 CLIMATE CHANGE RISKS

Risk	Description	Contributing factors	Impact	Current mitigating practices	Future mitigating practices
Reduced water availability.	Changing precipitation patterns can exacerbate water stress and impact availability of water available for ore processing.	Climate change related reduction in seasonal rainfall and associated groundwater recharge.	Production loss. Inability to access groundwater abstraction permits for processing of ore. Having to locate alternative water sources further afield from existing plant infrastructure.	Implementation of a Company-wide Water Standard as part of the Environmental Management System. Regular field monitoring of groundwater resources, including results analysis, modelling and interpretation. Full compliance with regulator approved ground water operating strategies. Increase utilisation of pit-water for processing. Maintain a water balance model and water use forecast.	Review reputable climate science data on temperature increase scenarios and correlated rainfall pattern change predictions. Use findings to conduct risk assessments of water availability changes.
Uncertain energy market pricing.	Energy prices may increase due to carbon charges and/ or adoption of more carbon-efficient energy source alternatives.	Increasing public and political support to adopt less carbon intensive means of generating energy to meet the national Renewable Energy Target.	Increase cost of energy per unit.	Implementation of the Innovation Board in relation to Climate Change, to identify opportunities to become more energy efficient and adopt lower carbon means of generating energy.	Reduce utilisation of high-carbon energy.

Safety Performance

Zero Harm Targets, Enabling Culture, Continual Improvement

Our STARR core values – leadership, culture and safety

To live by these values we take a considered and proactive approach to developing a performance mindset and the right behaviours in our organisation.

To achieve this we have a clear people strategy that focuses on the pillars of leadership, culture and safety.

Our leadership – visible and engaging

Visible leadership is integral to building a healthy culture and a safe working environment. It requires ongoing nurturing and development, and in recognising this we have a suite of leadership initiatives that develop our leadership capability. Coupled with the right business tools and processes we aim to ensure leaders can make quality, well-informed decisions, and drive positive safety performance.

Two of our fundamental leadership initiatives are our Active Field Leadership and Leadership Development Programs.

Active Field Leadership supports our leaders in having "active" conversations with both contractors and staff, in the field, to improve our communication and sharpen our focus on safety and quality.

The Leadership Development Program allows our leaders to fulfil their potential by giving them skills and knowledge to improve engagement, lead change, and further develop the capabilities and performance of their teams.

Thirty-nine of our leaders also participated in the Company's High Performing Team program, which aims to provide a greater understanding of individual strengths and how these can be applied in a practical environment to ensure a direct correlation between individual performance and Company objectives.

Our culture

Culture is the combination of values, beliefs and attitudes that drive the behaviour of our Company.

Our Company leaders take the responsibility for setting the values, beliefs and attitudes that generate Northern Star's culture. Everyone who is a part of Northern Star is expected to contribute to - and own - our culture.

Culture is what you do, what you say and what you ignore or walk past.

Safety

Teamwork

Accountability

Respect

Results

"Where are all the people? That is where **you** as a **leader** need to be!"

- **Stuart Tonkin**
  Chief Executive Officer
  Northern Star

TRAINING

Like leadership, culture needs to be developed and enhanced. Northern Star is committed to the development and training of all of our people so that they have the skills and tools they need to live our values, contribute to performance, and enhance our culture.

This commitment is supported by extensive competency-based training through a combination of both on-the-job learning and education via our Learning Management System (LMS).

Our LMS provides a centralised source of information and training, consistently across the whole Company.

We are also committed to simplifying our business as a way of minimising risk, and giving our employees the opportunity to achieve their best every day.

HEALTH AND WELLBEING

A healthy workforce has the dual benefits of supporting better business performance and more sustainable communities. Recognising this, we have implemented a series of programs that promote, maintain and enhance a healthy lifestyle for our people.

Northern Star is committed to continuous improvement in this. We aim to provide our employees with the necessary education and information to self-manage their own fitness for work.

In line with our Occupational Health and Safety (OHS) Strategic Plan we are establishing a Mental Health Working group to provide awareness, support and proactive management of mental wellbeing across the Company.

CONTRACTOR MANAGEMENT

Northern Star sites operate in partnership with contractors and suppliers. Our OHS Management System defines the requirements, consistent with our Code of Conduct, policies and standards to which all Northern Star business partners must subscribe.

All potential business partners are required to complete our pre-qualification check and are comprehensively evaluated against criteria including safety, health, environment and community criteria, as well as risk management, internal auditing and employee management.

Our safety – everyone has a voice

We understand that our core business means we operate in sometimes hazardous environments, and we have a responsibility to ensure that our people are equipped to manage those hazards so they can go home from work unharmed.

Our safety record is sector leading, and continuous improvement is our focus.

Northern Star has committed to a three-year plan to drive a step change in safety performance:

- Develop (FY2018) – the right guidance material so that all sites have improved tools to identify and control hazards and manage risk efficiently;
- Consolidate (FY2019) – ensure the processes are implemented correctly and are adding value across the Company; and
- Improve (FY2020) – identifying areas for improvement and implementing those changes.

EMERGENCY PREPAREDNESS

Our crisis management plan details the roles, responsibilities and processes our team will follow in the event of a significant emergency or crisis. The team includes representatives from operations, legal, commercial, safety, environment, community, media and government relations.

All Northern Star sites participate in annual training and simulation exercises involving both the mine and corporate crisis management teams.

Our sites are required to identify, mitigate and control risk specific to their operation. For relevant risks, an emergency management plan is required to ensure we respond quickly through adequate preparation and clear points of escalation.

HEALTH AND SAFETY REPRESENTATIVES

The Company is focussed on how we are developing the workforce's ownership for their own safety and that of their co-workers. Our focus is centred on delivering safety leadership at all levels of the business to strengthen the culture of, and commitment to, zero harm.

Executive responsibility for safety sits with the CEO, however we believe our Health and Safety Representatives play a vital role in helping to achieve this.

Each year, our CEO meets in a dedicated forum at each site with all our nominated representatives across the business, providing the opportunity to openly discuss and engage, further reinforcing the importance Northern Star places on safety.

Our target is to achieve an injury free workplace and Northern Star is committed to providing a workplace where zero harm is the accepted norm, supported by a system that is fit for purpose for our business.

Conducting thorough and detailed investigations, sharing what we have learnt and implementing meaningful corrective actions will further ensure everyone across our sites returns home safely.

SAFETY PERFORMANCE

During FY2018, Northern Star reduced the Lost Time Injury Frequency Rate (LTIFR*) by 50% to 0.9 (Sector 2.7/ FY2017: 1.8) and the Total Recordable Injury Frequency Rate (TRIFR*) by 75% to 3.2 (Sector 9.6/ FY2017: 14.3).

Both measures have improved beyond our set targets and are tracking at half the industry average.

*Note: LTIFR/TRIFR are calculated based on the number of recordable injuries per million hours worked.

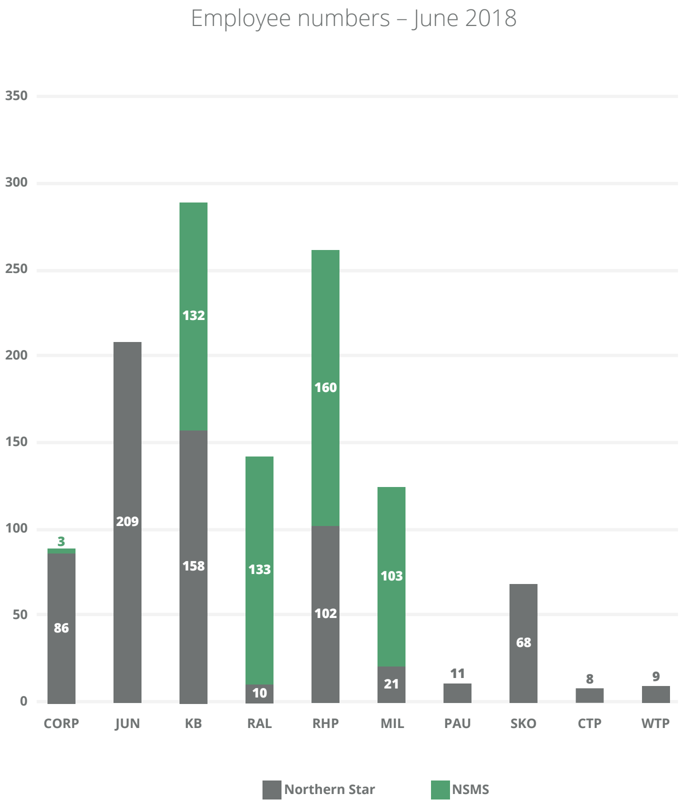
People Performance

Our workforce

At Northern Star, our people are the most important asset to our business and we are committed to fostering a culture of highly motivated and valued employees who are provided with the right opportunities for development in order to reach their full potential.

We had 1,213 direct employees and 820 contractors as of 30 June 2018, taking our total workforce to 2,033.

FIGURE 3.4 EMPLOYEE NUMBERS



Our employees are split between residential (69%) and fly-in-fly-out (31%) working arrangements, with 83% of our Kalgoorlie workforce residing in the Kalgoorlie Boulder Region.

Diversity

In FY2018, we increased our female participation rate by over 2% to 19.04%, exceeding the industry average for the same period.

One Director and three senior management positions are held by women, as reported to the Australian Government's Workplace Gender Equality Agency.

Our direct Aboriginal employment rate as of 30 June 2018 was 0.79%. This figure does not account for mining contractors at Jundee or South Kalgoorlie, or the engagement of Aboriginal ranger teams for environmental works at Paulsens, Jundee, Kalgoorlie, and Central Tanami.

Developing our people

FY2018 saw us continue to build on the capabilities of our diverse group of leaders, which contributes directly to us reaching the Company's strategic objectives as well as continuing to deliver greater value to our Shareholders.

Graduates and apprentices

In FY2018, we increased our graduate intake by 30% to 30 and increased our apprentice intake by 220% to 16.

Northern Star continues to support the industry's future through maintaining high numbers of quality graduates into our Graduate Program across the disciplines of mining, geology, geotechnical, metallurgy and survey. Over the two-year program, graduates receive extensive practical experience, developmental training and mentoring and support from our industry experts, which aims to provide the foundations for our young professionals to lead the way in the growth and development of the future of the mining industry.

Graduate intake increased by **30%**

Apprentice intake increased by **220%**

female participation rate increased to **19.04%**

Social Performance

Our Sustainability Vision drives us to generate strong economic returns for Shareholders and shared value for our stakeholders. Our external stakeholders have different needs and understandings of what shared value looks like, and we work hard to understand our stakeholders' needs and find creative ways to develop and achieve shared goals.

We also understand that our business can impact on people and communities, and we work to deliver best practice social impact analysis and management for the areas in which we operate.

Economic value add **$865M**

Corporate tax and Government royalties up **31%**

Community investment up **28%**

> "We work hard to understand our stakeholders' needs and find creative ways to develop and achieve shared goals."

External stakeholder engagement

The Company's approach to stakeholder engagement is set out in our Stakeholder Policy (see our website). Our employees all work under our Stakeholder Mapping and Stakeholder Engagement Standards to ensure individual and collective stakeholder points of interest in our business are identified and appropriately addressed.

All our operating mines and processing facilities have dedicated Environment and Social Responsibility (ESR) teams who act as the point of contact for external stakeholders.

At a corporate level, engagement of our financial and non-financial stakeholders is managed by our Investor Relations Officer and Social Responsibility & External Relations Manager respectively.

We have implemented grievance mechanisms across all our operations, proactively encouraging stakeholders to formally raise a grievance or make a complaint if they have concerns about our business, in the knowledge that their matter will be respectfully dealt with.

In FY2018 no grievances were received from external stakeholders.

Community investment

In 2018, we invested $668,158 in a range of community initiatives that align with our Community Investment Framework.

For FY2019, we have revised our Sponsorship and Donations Policy to further increase our investment in the communities in which we operate. In addition to our financial contribution to communities, our people are now encouraged to take a day's paid volunteer leave to support a worthwhile not for profit cause.

FIGURE 3.5 SOCIOECONOMIC BREAKDOWN

Socioeconomic impact breakdown

Northern Star acknowledges the importance of generating economic value not just for its Shareholders, but for all Stakeholders. In recent years, Northern Star has generated some of the highest returns to Shareholders of any gold production company in Australia. We are immensely proud of the fact that a fair Share of our revenue is returned to external Stakeholders such as governments and community organisations, in the form of state royalties, corporate taxes, wages, direct donations and goods and service payments.

In FY2018, we paid over $120 million to governments in gold royalties and corporate tax, with these figures increased from FY2017 by 9.5% to $23.3 million and 37% to $100.1 million respectively.

FIGURE 3.6 ECONOMIC VALUE ADD

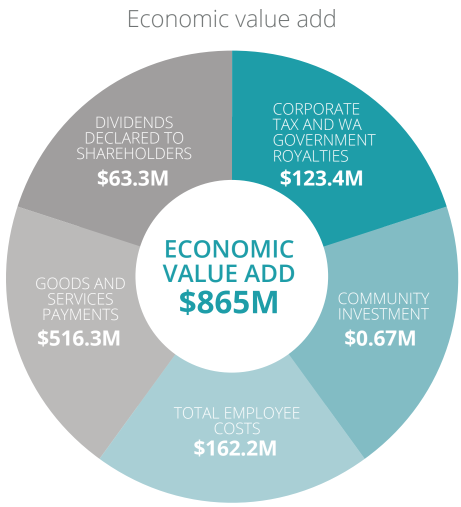


TABLE 3.5 ECONOMIC VALUE ADD

Value-add area	FY2018$(M)	FY2017 Variance
Corporate Tax and WA Government Royalties	$123.4M	31% increase
Community Investment	$0.67M	28% increase
Total Employee Costs	$162.2M	32% increase
Goods and Service Payments	$516.3M	5% decrease

Indigenous peoples

We acknowledge the many first peoples of Australia whose lands we are privileged to operate on. Supporting their enduring connection to country and culture aligns with our core values, and providing economic opportunity for Indigenous people is a key way for us to create shared value for society.

Since 2014, we have been supporting Aboriginal rangers with professional fee for service environmental compliance work. This began at our Jundee mine with the Wiluna Martu people, and has grown to now include Aboriginal Rangers at all our producing mines.

Our partnership with the Wiluna Martu and Desert Support Services was awarded the WA Government 2017 Community Partnership Award Merit Certificate.

Responsible heritage management is consistently raised as a material issue by our first people's stakeholders. Our Management of Cultural and Heritage Sites Standard ensures we take a respectful approach to interacting with areas of cultural concern and any landforms or artefacts that reside within them.

FY2018 heritage incidents

Number of heritage incidents*	0
Number of heritage-related infringements**	0
Cost of heritage-related infringements	$NIL

*direct unauthorised physical damage to a site of specific heritage value
**regulator administered penalty for breech of heritage-related legislation

Human rights

We acknowledge human rights as a legitimate set of moral principles of which every human being is inherently entitled to regardless of their personal, social, economic, cultural or geographic circumstances.

Northern Star commits to, as a minimum, always complying with the United Nations Universal Declaration of Human Rights and the Guiding Principles on Business and Human Rights.

Northern Star supports the Australian Government's introduction of Modern Slavery legislation.

In the interim, we continue to undertake due diligence on select suppliers of goods and services to our business to identify and mitigate any risks of inadvertently supporting human rights breaches in our supply chain.

Tax transparency

We continue to voluntarily publish the Company's annual Tax Corporate Governance Statements as part of our commitment to transparency. Our voluntary reporting under the Australian Voluntary Tax Transparency Code is located on the Northern Star website, under Corporate Governance.

OPERATIONS REVIEW

Overview

Northern Star is an ASX 100 gold production and exploration Company. Northern Star has a Mineral Resource base of 15.9 million ounces, and Ore Reserves of 4.0 million ounces,[1] located in highly prospective regions of Western Australia and the Northern Territory.

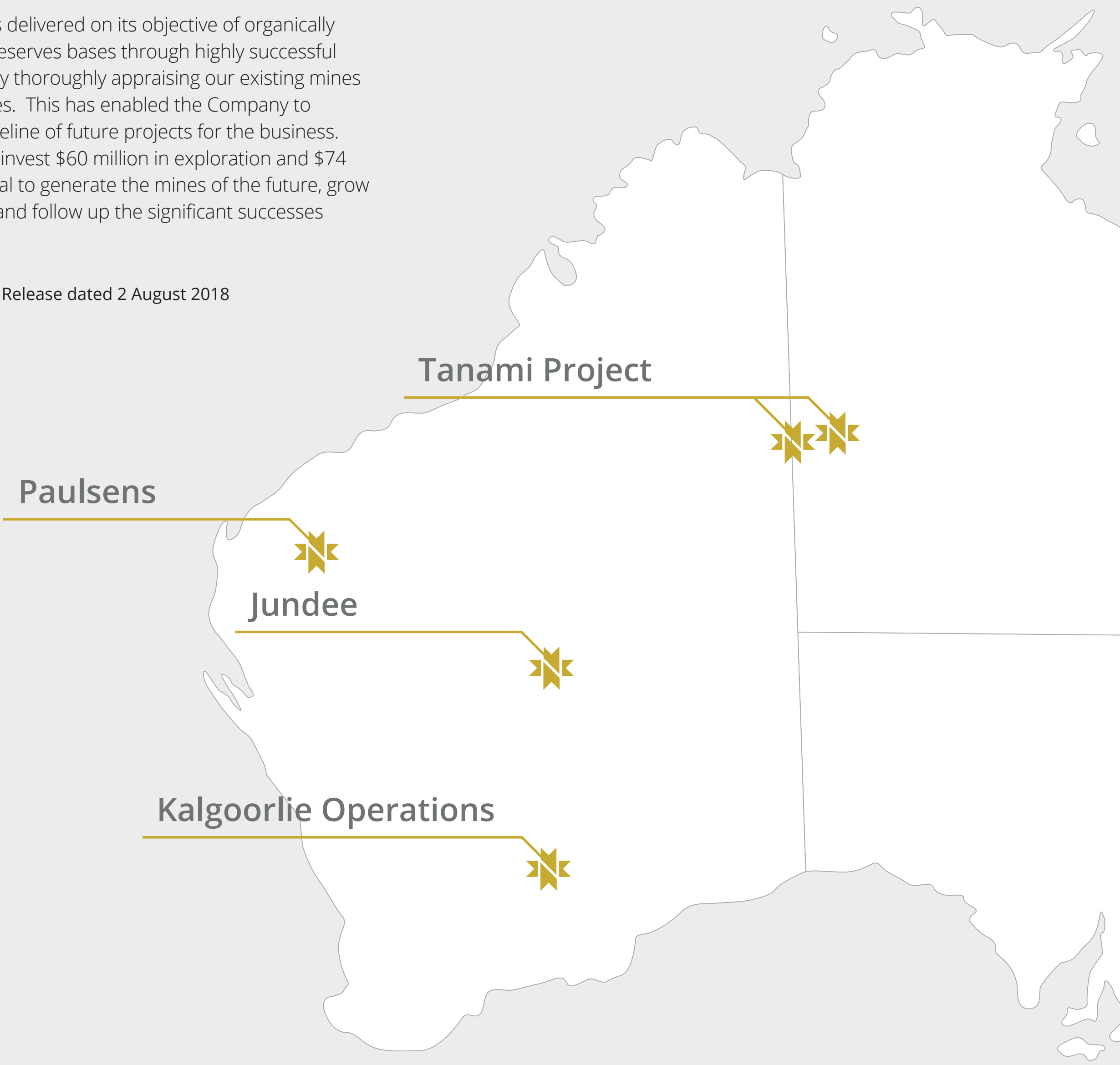
As the third largest Australian gold producer, Northern Star continues to deliver on its strategic objective of being a significant gold company delivering outstanding value to its Shareholders. During FY2018, the Company produced 575,121 ounces of gold from its Western Australian Jundee, Kalgoorlie and Paulsens Operations.

The Company continues to advance exploration activities at the Tanami Project in Western Australia and the Northern Territory.

In parallel, Northern Star has delivered on its objective of organically growing its Resources and Reserves bases through highly successful exploration programs, and by thoroughly appraising our existing mines to extend their operating lives. This has enabled the Company to develop a strong organic pipeline of future projects for the business. In FY2019, the Company will invest $60 million in exploration and $74 million in expansionary capital to generate the mines of the future, grow production to 600,000ozpa and follow up the significant successes achieved in FY2018.

[1] As at 30 June 2018 – see ASX Release dated 2 August 2018

"During FY2018, the Company produced 575,121 ounces of gold from its Western Australian Jundee, Kalgoorlie and Paulsens Operations."



Mine Operation Review

TABLE 4.1 MINE OPERATION

	Measure	Jundee	Kalgoorlie*	Paulsens	Total
Total material mined	tonnes	1,678,592	1,963,768	174,974	3,817,334
Total material milled	tonnes	1,839,273	2,028,158	233,292	4,100,723
Head grade	grams/tonne	5.4	4.4	3.8	4.8
Gold recovery	%	89%	93%	78%	91%
Gold produced	ounce	283,288	269,396	22,436	575,121
Gold sold	ounce	284,745	261,589	23,776	570,110
Revenue	$000's	485,767	438,261	39,997	964,025
Cost of sales	$000's	245,392	302,005	71,701	619,098
Depreciation & amortisation	$000's	44,518	63,375	40,930	148,823
EBITDA[1]	$000's	284,893	199,431	9,226	493,550
All-in sustaining cost	$/ounce sold	870	1,174	1,450	1,029

* Results above exclude South Kalgoorlie Operations

(1) EBITDA is earnings before interest, tax, depreciation, amortisation and impairment.

FY2018 Performance has been generated from the Jundee, Kanowna Belle, East Kundana JV, Millennium, and Paulsens gold mines. In FY2018, a total of 570,110 ounces of gold was sold at an average price of $1,704 (FY2017: $1,675). All-in sustaining costs for FY2018 were $1,029 per ounce (FY2017: $1,032).

During FY2018, 4.1 million tonnes were milled at an average head grade of 4.8gpt Au for 575,121 ounces Au recovered. Unprocessed ore stocks available for mill feed at the end of FY2018 contained 78,787 ounces Au. Gold in circuit at the end of FY2018 totalled 27,523 ounces. These items are reflected in the financial statements as ore stockpile and gold in circuit at cost, respectively.

Jundee Operations saw a number of achievements during FY2018 with delivery of strong gold production, extension of mine life through Reserve growth and improvement in operating cost base through productivity and procurement initiatives. A $15 million mill expansion project was completed ahead of schedule and under budget, resulting in a greater than 50% throughput increase to over 2 million tonnes per annum. Several records under Northern Star ownership were achieved at Jundee, including underground stope tonnes mined, total tonnes mined, and underground hard rock milled.

Kalgoorlie Operations comprises the Kanowna Belle, Kundana, and East Kundana Joint Venture (EKJV) (NST: 51%) operating areas. During FY2018, Kalgoorlie Operations produced record ounces under Northern Star ownership, had record yearly throughput through the Kanowna Belle mill and achieved commercial production at the Millennium mine in the June Quarter. The HBJ underground mine and Jubilee mill were added to the Kalgoorlie Operations portfolio through the purchase of Westgold Resources Limited's South Kalgoorlie Operations at the end of the March Quarter.

Substantial growth opportunities exist within Northern Star's existing portfolio of assets. A further $74 million has been budgeted for expansionary capital in FY2019, major items include $34 million on dual purpose drill drives to deliver significant Reserve/Resource and production growth; $20 million on ancillary projects for future years' production growth; and $11 million on a new 10-year capacity tailings facility for Kanowna Belle processing plant.

Financial Overview

TABLE 4.2 FINANCIAL OVERVIEW

	FY2018 $'000	FY2017 $'000	Change $'000	Change (%)
Revenue	964,025	869,407	94,618	11%
EBITDA [1]	442,953	424,182	18,772	4%
Net Profit [2]	194,113	188,897	5,216	3%
Cash flow from operating activities	353,061	349,595	3,466	1%
Cash flow used in investing activities	(247,294)	(227,456)	(19,838)	9%
Sustaining capital	(85,963)	(87,380)	1,417	(2)%
Non sustaining capital	(64,831)	(83,200)	18,369	(22)%
Exploration	(45,373)	(56,423)	11,050	(20)%
Acquisition of Western Tanami project	(4,000)	-	(4,000)	100%
Acquisition of South Kalgoorlie Operations	(17,461)	-	(17,461)	100%
Payments for available-for-sale financial assets	(30,613)	(1,000)	(29,613)	2,961%
Proceeds from sale of business	533	-	533	100%
Other investing	414	547	(133)	(24)%
Free Cash Flow [3]	105,767	122,139	(16,372)	(13)%
Underlying Free Cash Flow [4]	185,982	172,339	13,643	8%
Average gold price per ounce ($)	1,704	1,673	31	2%
Gold mined (ounces)	612,254	545,892	66,362	12%
Gold sold (ounces)	570,110	506,894	63,216	13%
All-in Sustaining Costs (AISC) per ounce sold ($)	1,029	1,013	16	2%
Cash and cash equivalents ($ million)	443	403	40	10%
Earnings Per Share (cents)	32.1	31.5	1.0	2%

Key highlights presented in the table above are from continuing operations.

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

(2) Net Profit is calculated as net profit after taxation.

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

(4) Underlying Free Cash Flow is calculated as follows: 30 June 2018 - free cash flow ($105.8 million), plus M&A ($21.5 million), plus payments for available-for-sale investments ($30.6 million), plus FY2017 tax ($35.2 million), less bullion awaiting settlement ($2.5 million), less working capital adjustments ($4.6 million).

30 June 2017 - free cash flow ($122.1 million), plus bullion awaiting settlement ($12.1 million), plus stamp duty paid on prior acquisitions ($1.7 million), plus payments for available-for-sale investments ($1.0 million), plus FY2016 tax ($33.6 million), plus working capital adjustments ($1.8 million).

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

Forward looking statements

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This public report is not an offer, invitation, solicitation or other recommendation with respect to the subscription for, purchase or sale of any security, and neither this public report nor anything in it shall form the basis of any contract or commitment whatsoever. This public report 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.

The Group's operating and financial performance for FY2018 reflects continued focus on productivity and cost reduction whilst maintaining growth options through acquisitions and on-going exploration.

Profit

For FY2018, the Group reported a profit after tax from continuing operations of $194.1 million (FY2017: $188.9 million). Revenue from continuing operations increased 11% to $964.0 million driven by the average realised gold price per ounce being 2% higher (FY2018: $1,704; FY2017: $1,673) and a 13% increase in gold sold (FY2018: 570,110oz; FY2017: 506,894oz). The profit for FY2018 was also impacted by the South Kalgoorlie acquisition, with the Group carrying full mining costs while honouring third-party toll treating contracts.

EBITDA from continuing operations was $442.9 million for FY2018, which was an increase of 4% from FY2017. Finance costs increased by 18% (FY2018: $3.2 million; FY2017: $2.7 million) which is due to additional accretion charged on rehabilitation liabilities acquired from Western Tanami Project and South Kalgoorlie Operations. An impairment charge of $11.8 million was recorded on exploration and evaluation assets (FY2017: $8.4 million).

Balance sheet

Current assets as at 30 June 2018 increased by 15% against FY2017 balance date. This was largely a result of cash and cash equivalents increasing by $39.9 million.

Non-current assets increased by $220.0 million primarily from the acquisitions of South Kalgoorlie and Western Tanami. A total of $76 million was added to exploration and evaluation assets through the Company's continued investment in organic growth, and as a result of the exercise of the first put option by Tanami Gold NL under the Heads of Agreement for the Central Tanami Project. Payments of $30.6 million for available-for-sale financial assets was made in FY2018 (FY2017: $1.0 million)

Current liabilities increased by 14% as at the end of FY2018, principally due to the recognition of a $20 million payable to Tanami Gold NL upon exercise of the first put option mentioned above. Current tax liabilities decreased to $14.9 million.

During FY2018 the Company issued 9,523,810 Shares at a deemed issue price of $6.28 per Share as part of the acquisition of South Kalgoorlie Operations from Westgold Resources Limited.

Cash flow

Cash flows from operating activities for FY2018 was $353.1 million which was $3.5 million higher than FY2017, driven by higher revenues due to higher gold sold and gold price received for FY2018 and higher interest income. This was offset by higher payments to suppliers and employees, and corporate taxes.

Cash flows for investing activities increased by 9% as a result of an additional $21.5 million spent on Western Tanami and South Kalgoorlie acquisitions (FY2017: nil). In addition, payments for available-for-sale assets increased by $29.6 million (FY2018: $30.6 million; FY2017: $1.0 million).

Cash flows from financing activities included payments for leased equipment of $7.1 million (FY2017: $8.7 million) and dividends totalling $63.3 million (FY2017: $60.0 million) paid to Shareholders.

FY2019 production and cost guidance

The following guidance was announced to the ASX on 18 July 2018:

TABLE 4.3 FY2019 GUIDANCE

	Production	AISC/oz
	ounces	$
Jundee	280,000 - 300,000	895 - 980
Kalgoorlie Operations	320,000 - 340,000	1,140 - 1,250
Total	**600,000 - 640,000**	**1,025 - 1,125**

Exploration Review

Kalgoorlie Operations

The Kundana and Kanowna Belle Operations continued large exploration programs that delivered further growth to the existing Mineral Resources. At Kanowna Belle Operations, exploration outlined resource growth across the mine and the expansion of the Velvet discovery continued.

In-mine exploration within the EKJV area (NST: 51%) in the Kundana region was successful in maintaining the growth in the total Resource inventory for Pegasus-Rubicon-Hornet complex and further expanding mineralisation at the Raleigh deposit.

Exploration within the Northern Star's 100% owned Kundana tenements was successful in maintaining the Resources at Millennium, Pope John, Barkers and Strzelecki areas. Extensional drilling at the new Millennium mine commenced late in FY2018.

Jundee Operations

Jundee Operations resource extension drilling within the mine was highly successful with significant increases in the Mineral Resource and Ore Reserve inventory. Exploration drilling from the 39 Level drill drive platform slowed during FY2018 with the focus on the growth of the Armada and Revelation trends.

Initial exploration of the new Zodiac discovery has defined a large mineralised corridor which will be the focus of future long-term exploration programs. Underground development to provide new drilling platforms for exploration of the Zodiac system has commenced.

South Kalgoorlie Operations

Following the completion of the acquisition, underground diamond drilling focussed on ore reserve definition within the mine whilst planning for new underground drilling platforms was completed.

With establishment of the new platforms, underground drilling activity will increase to expand in-mine Mineral Resource inventory.

A full review of the regional exploration targets within the extensive South Kalgoorlie tenement package is underway with a range of resource definition and exploration drilling programs expected to be undertaken in FY2019.

Jundee Regional

Surface exploration of defined anomalies from the broad scale regional aircore drilling programs had immediate success with the new Ramone discovery.

The Ramone discovery has progressed rapidly to a maiden open pit Ore Reserve within 12 months with the Ramone system open in all directions.

Numerous significant new drilling targets in the surrounding Deep Well area will be the focus of resource definition drilling in the coming years.

Kalgoorlie Regional

Kanowna Belle

Regional exploration in the area surrounding the Kanowna Belle mine expanded during FY2018 with drilling programs at Red Eye, Woodline, Red Hill and White Feather completed.

Exploration commenced within the Acra Joint Venture (NST: 20% increasing to 75%) with Pioneer Resources Limited.

Kundana EKJV (Northern Star 51%)

Surface and underground exploration drilling continued the growth of the Raleigh South area which is emerging as a significant extension to the original Raleigh deposit.

Carbine

Ongoing extensional drilling at Paradigm continued with further success leading to an upgraded open pit Ore Reserve announced. Initial drilling below the existing Carbine and Phantom open pits achieved early success that will require further extensional drilling.

Regional exploration of the Carbine and Carnage exploration tenure expanded during FY2018 with a range of new targets generated.

Tanami

Central Tanami (Northern Star 25%)

Work continued on historical geological datasets across the project highlighting the under-explored nature of the region. Major geophysical and geochemical programs were completed prior to the commencement of regional and resource drilling programs late in FY2018 to identify opportunities for growth.

Tanami Regional (Northern Star 100%)

Northern Star holds a substantial strategic land position in the Tanami region to complement existing activities at the Central Tanami Joint Venture.

Regional airborne and ground geophysical programs were completed or in progress at 30 June 2018 as part of the greenfield assessment of a 9,000km^2 footprint within prospective terrains that are largely unexplored.

Western Tanami (Northern Star 100%)

Post completion of the Western Tanami Project acquisition, initial drilling programs were completed at the Road Runner and Pebbles prospects located south of the existing Coyote mine site.

Following a review of all historical exploration data, a regional geophysical program commenced and was in progress at 30 June 2018.

Pilbara Regional

Surface sampling and exploration drilling targeting extensions to the Paulsens Mine sequence and regional targets across the Wyloo Dome area continued.

Paulsens Operations

At Paulsens, underground and surface drilling targeted exploration targets south of the Paulsens Mine. Following the completion of site operations, an extensive 3D seismic survey was undertaken over the mine corridor with initial processing of the acquired data in progress.

Resources and Reserves

As at 30 June 2018, Northern Star's Consolidated Group Mineral Resource Estimate (inclusive of Ore Reserves) was 174.2 million tonnes at 2.8 grams per tonne gold for 15.9 million ounces (refer Table 4.4 below) and the Consolidated Group Ore Reserve Estimate is 32.7 million tonnes at 3.8 grams per tonne gold for 4.0 million ounces (refer Table 4.5 below).

The substantial inventory growth stems from Northern Star's exploration success at its Jundee and Kalgoorlie Operations, the acquisition of the Western Tanami Project and South Kalgoorlie Operations and mining depletion of 612,000 ounces.

Group Mineral Resources increased significantly by 5.7 million ounces gold from 10.2 million ounces gold as at 30 June 2017 to the current 15.9 million ounces gold Measured, Indicated and Inferred Mineral Resource.

Group Proved and Probable Ore Reserve increased by 0.5 million ounces gold from 3.5 million ounces gold as at 30 June 2017 to the current 4.0 million ounces gold Proven and Probable Reserve at 30 June 2018.

Mineral resource and ore reserve governance and internal controls

Northern Star ensures that the Mineral Resource and Ore Reserve estimates quoted are subject to governance arrangements and internal controls activated at a site level and at the corporate level. Internal and external reviews of Mineral Resource and Ore Reserve estimation procedures and results are carried out through a technical review team that is comprised of highly competent and qualified professionals. These reviews have not identified any material issues. The Company has finalised its governance framework in relation to the Mineral Resource and Ore Reserve estimates in line with the expansion of its business.

Northern Star reports its Mineral Resources and Ore Reserves on an annual basis in accordance with the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code) 2012 Edition*. Mineral Resources are quoted inclusive of Ore Reserves. Competent Persons named by Northern Star are Members or Fellows of the Australasian Institute of Mining and Metallurgy and/or the Australian Institute of Geoscientists and qualify as Competent Persons as defined in the JORC Code.

Competent persons statements

The information in this public report that relates to Mineral Resource estimations, exploration results, data quality and geological interpretations for the Company's project areas is based on information compiled by Brook Ekers, a Competent Person who is a Member of the Australian Institute of Geoscientists and a full-time employee of Northern Star. Mr Ekers has sufficient experience that is relevant to the styles of mineralisation and type of deposits under consideration and to the activity being undertaken 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 Company's project areas. Mr Ekers consents to the inclusion in this public report of the matters based on this information in the form and context in which it appears.

The information in this public report that relates to Ore Reserve estimations for the Company's Project areas is based on information compiled by Jeff Brown, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy and a full-time employee of Northern Star. Mr Brown has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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 Brown consents to the inclusion in this public report of the matters based on this information in the form and context in which it appears.

The information in this public report that relates to Ore Reserve estimations for the Company's Ashburton Project is based on information compiled by Shane McLeay, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr McLeay has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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 McLeay consents to the inclusion in this public report of the matters based on this information in the form and context in which it appears.

The information in this public report that relates to the Central and Western Tanami Gold Projects 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.

The information in this public report that relates to mineral resource estimations, data quality, geological interpretations and potential for eventual economic extraction for the Groundrush deposit at the Central Tanami Gold Project based on information compiled by Brook Ekers a Competent Person who is a Member of the Australian Institute of Geoscientists and a full-time employee of Northern Star. 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 this public report of the matters based on this information in the form and context in which it appears.

The Company confirms that it is not aware of any further new information or data that materially affects the information included in the original market announcement by Tanami Gold NL entitled *Quarterly Report for the Period Ending 31 March 2014* released on 1 May 2014 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. To the extent disclosed above, 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.

TABLE 4.4 MINERAL RESOURCES

MINERAL RESOURCES As at 30 June 2018

NST ATTRIBUTABLE INCLUSIVE OF RESERVE	MEASURED			INDICATED			INFERRED			TOTAL RESOURCES		
	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)
JUNDEE GOLD PROJECT												
Surface	-	-	-	4,470	1.5	218	1,362	1.3	58	5,832	1.5	276
Underground	443	4.5	64	20,218	4.2	2,711	10,448	3.5	1,181	31,109	4.0	3,956
Stockpiles	831	1.0	26	-	-	-	-	-	-	831	1.0	26
Gold in Circuit	-	-	8	-	-	-	-	-	-	-	-	8
Sub-Total Jundee	**1,274**	**2.4**	**98**	**24,688**	**3.7**	**2,929**	**11,810**	**3.3**	**1,239**	**37,772**	**3.5**	**4,267**
KANOWNA GOLD PROJECT												
Surface	-	-	-	1,507	2.4	117	3,330	1.1	121	4,837	1.5	238
Underground	7,735	2.6	638	9,152	2.5	725	2,833	2.2	202	19,720	2.5	1,565
Stockpiles	23	3.7	3	-	-	-	-	-	-	23	3.7	3
Gold in Circuit	-	-	11	-	-	-	-	-	-	-	-	11
Sub-Total Kanowna	**7,758**	**2.6**	**651**	**10,659**	**2.5**	**842**	**6,164**	**1.6**	**323**	**24,581**	**2.3**	**1,817**
KUNDANA GOLD PROJECT												
Surface	-	-	-	-	-	-	-	-	-	-	-	-
Underground	1,088	4.1	145	4,850	4.8	755	4,495	4.1	593	10,434	4.5	1,493
Stockpiles	15	4.2	2	-	-	-	-	-	-	15	4.2	2
Sub-Total Kundana Gold	**1,103**	**4.1**	**147**	**4,850**	**4.8**	**755**	**4,495**	**4.1**	**593**	**10,449**	**4.5**	**1,495**
CARBINE PROJECT												
Surface	-	-	-	1,008	3.0	96	7,091	1.4	315	8,099	1.6	411
Underground	-	-	-	422	6.0	82	360	6.2	72	782	6.1	153
Sub-Total Carbine	**-**	**-**	**-**	**1,430**	**3.9**	**178**	**7,451**	**1.6**	**387**	**8,881**	**2.0**	**564**
EAST KUNDANA JOINT VENTURE												
Surface	-	-	-	148	4.8	23	201	1.6	10	349	3.0	33
Underground	1,310	7.1	298	2,919	6.2	580	769	5.4	135	4,998	6.3	1,013
EKJV Stockpiles	18	5.3	3	-	-	-	-	-	-	18	5.3	3
GEM Stockpiles	5	5.0	1	-	-	-	-	-	-	5	5.0	1
Gold in Circuit	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total East Kundana JV	**1,333**	**7.0**	**302**	**3,067**	**6.1**	**603**	**970**	**4.6**	**145**	**5,369**	**6.1**	**1,050**
PAULSENS PROJECT												
Surface	-	-	-	129	3.1	13	860	2.0	54	989	2.1	67
Underground	260	5.7	48	116	5.3	20	100	5.1	16	477	5.5	84
Stockpiles	11	1.6	1	-	-	-	-	-	-	11	1.6	1
Gold in Circuit	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total Paulsens	**272**	**5.6**	**49**	**245**	**4.2**	**33**	**960**	**2.3**	**70**	**1,477**	**3.2**	**152**
ASHBURTON PROJECT												
Surface	-	-	-	7,104	2.4	546	14,227	2.5	1,122	21,331	2.4	1,668
Stockpiles	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total Ashburton	**-**	**-**	**-**	**7,104**	**2.4**	**546**	**14,227**	**2.5**	**1,122**	**21,331**	**2.4**	**1,668**
CENTRAL TANAMI PROJECT JV												
Underground	1,564	2.9	145	2,769	2.8	250	3,026	2.9	283	7,359	2.9	678
Stockpiles	350	0.7	8	-	-	-	-	-	-	350	0.7	8
Sub-Total Western Tanami	**1,914**	**2.5**	**153**	**2,769**	**2.8**	**250**	**3,026**	**2.9**	**283**	**7,709**	**2.8**	**686**
WESTERN TANAMI PROJECT												
Underground	107	7.8	27	1,079	6.0	208	1,449	5.8	271	2,636	6.0	506
Stockpiles	375	1.4	17	-	-	-	-	-	-	375	1.4	17
Sub-Total Western Tanami	**482**	**2.8**	**44**	**1,079**	**6.0**	**208**	**1,449**	**5.8**	**271**	**3,011**	**5.4**	**523**
SKO GOLD PROJECT												
Surface	348	3.2	36	20,517	1.8	1,169	17,283	1.8	1,023	38,148	1.8	2,228
Underground	651	5.0	105	6,484	3.3	686	7,939	2.4	622	15,074	2.9	1,414
Stockpiles	368	1.1	13	-	-	-	-	-	-	368	1.1	13
Jubilee ROM stocks	169	2.4	13	-	-	-	-	-	-	169	2.4	13
Gold in Circuit	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total SKO	**1,536**	**3.4**	**168**	**27,000**	**2.1**	**1,855**	**25,222**	**2.0**	**1,645**	**53,759**	**2.1**	**3,668**
NORTHERN STAR TOTAL	15,672	3.2	1,612	82,891	3.1	8,199	75,775	2.5	6,078	174,338	2.8	15,890

Note:

1. Mineral Resources are inclusive of Reserves.
2. Mineral Resources are reported at various gold price guidelines (a. $1,750/oz Au- Jundee, Kanowna, Kundana Gold, Carbine, East Kundana JV, Jundee, Paulsens b. $1,850 /oz Au -Ashburton).
3. Rounding may result in apparent summation differences between tonnes, grade and contained metal content.
4. Numbers are 100 % Northern Star attributable.

Competent Persons:

1. Brook Ekers.

TABLE 4.5 ORE RESERVES

ORE RESERVES As at 30 June 2018

NORTHERN STAR ATTRIBUTABLE INCLUSIVE OF RESERVE	PROVED Tonnes (000's)	PROVED Grade (gpt)	PROVED Ounces (000's)	PROBABLE Tonnes (000's)	PROBABLE Grade (gpt)	PROBABLE Ounces (000's)	TOTAL RESERVE Tonnes (000's)	TOTAL RESERVE Grade (gpt)	TOTAL RESERVE Ounces (000's)
JUNDEE GOLD PROJECT									
Surface	-	-	-	2,357	1.5	117	2,357	1.5	117
Underground	443	4.5	64	8,566	5.0	1,378	9,008	5.0	1,442
Stockpiles	831	1.0	26	-	-	-	831	1.0	26
Gold in Circuit	-	-	8	-	-	-	-	-	8
Sub-Total Jundee	**1,274**	**2.4**	**98**	**10,923**	**4.3**	**1,495**	**12,197**	**4.1**	**1,593**
KANOWNA GOLD PROJECT									
Surface	-	-	-	1,002	2.1	69	1,002	2.1	69
Underground	2,672	2.7	235	3,811	2.9	352	6,483	2.8	587
Stockpiles	23	3.7	3	-	-	-	23	3.7	3
Gold in Circuit	-	-	11	-	-	-	-	-	11
Sub-Total Kanowna	**2,695**	**2.9**	**249**	**4,813**	**2.7**	**421**	**7,508**	**2.8**	**670**
KUNDANA GOLD PROJECT									
Surface	-	-	-	-	-	-	-	-	-
Underground	330	4.9	52	4,818	3.8	587	5,148	3.9	639
Stockpiles	15	4.2	2	-	-	-	15	4.2	2
Sub-Total Kundana Gold	**345**	**4.9**	**54**	**4,818**	**3.8**	**587**	**5,163**	**3.9**	**641**
CARBINE PROJECT									
Surface	-	-	-	1,099	3	89	1,099	3	89
Underground	-	-	-	-	-	-	-	-	-
Stockpiles	-	-	-	-	-	-	-	-	-
Sub-Total Carbine	**-**	**-**	**-**	**1,099**	**2.5**	**89**	**1,099**	**2.5**	**89**
EAST KUNDANA JOINT VENTURE									
Surface	-	-	-	68	5.8	13	68	5.8	13
Underground	920	7.2	212	2,125	5.9	401	3,045	6.3	613
EKJV Stockpiles	18	5.3	3	-	-	-	18	5.3	3
GEM Stockpiles	5	5.0	1	-	-	-	5	5.0	1
Gold in Circuit	-	-	-	-	-	-	-	-	-
Sub-Total East Kundana JV	**942**	**7.1**	**216**	**2,194**	**5.9**	**414**	**3,136**	**6.2**	**630**
PAULSENS PROJECT									
Surface	-	-	-	-	-	-	-	-	-
Underground	-	-	-	396	4.3	54	396	4.3	54
Stockpiles	11	1.6	1	-	-	-	11	1.6	1
Gold in Circuit	-	-	-	-	-	-	-	-	-
Sub-Total Paulsens	**11**	**1.6**	**1**	**396**	**4.3**	**54**	**407**	**4.2**	**55**
ASHBURTON PROJECT									
Surface	248	3.6	29	160	4.1	21	408	3.8	50
Stockpiles	-	-	-	-	-	-	-	-	-
Sub-Total Ashburton	**248**	**3.6**	**29**	**160**	**4.1**	**21**	**408**	**3.8**	**50**
WESTERN TANAMI PROJECT									
Underground	-	-	-	-	-	-	-	-	-
Stockpiles	-	-	-	-	-	-	-	-	-
Sub-Total Western Tanami	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
SKO GOLD PROJECT									
Surface	-	-	-	-	-	-	-	-	-
Underground	-	-	-	2,321	3.1	235	2,321	3.1	235
Stockpiles	323	1.3	13	-	-	-	323	1.3	13
Jubilee ROM stocks	169	2.4	13	-	-	-	169	2.4	13
Gold in Circuit	-	-	-	-	-	-	-	-	-
Sub-Total SKO	**491**	**1.7**	**26**	**2,321**	**3.1**	**235**	**2,812**	**2.9**	**261**
NORTHERN STAR TOTAL	**6,007**	**3.5**	**673**	**26,723**	**3.9**	**3,316**	**32,730**	**3.8**	**3,990**

Note:

1. Ore Reserves are reported at the gold price of $1,500/oz Au, except Ashburton which is reported at $1,600/oz.
2. Rounding may result in apparent summation differences between tonnes, grade and contained metal content.
3. Ounces are estimates of metal contained in the Ore Reserve and do not include allowances for processing losses.
4. Numbers are 100 % Northern Star attributable.

Competent Persons:

1. Jeff Brown (All Reserves except Ashburton).
2. Shane McLeay (Ashburton only).

DIRECTORS’ AND REMUNERATION REPORT

DIRECTORS' REPORT

Your Directors present their report on the consolidated entity consisting of Northern Star and the entities it controlled at the end of, or during, FY2018. Throughout the report, the consolidated entity is referred to as the Group.

Directors

The Directors of Northern Star during the whole of FY2018 and up to the date of this report were:

- Bill Beament
- John Fitzgerald
- Christopher Rowe
- Peter O'Connor
- Shirley In'tVeld

Director for part of FY2018

David Flanagan was a Non-Executive Director from the beginning of FY2018 until his resignation on 20 April 2018.

Company Secretary

Hilary Macdonald LLB (Hons), FGIA was appointed as Company Secretary on 23 February 2018 in addition to her existing role as General Counsel. Ms Macdonald is a corporate and resources lawyer with over 25 years' experience in private practice and industry who qualified as a solicitor in London. She was admitted to the Supreme Court of England and Wales in 1990, and admitted to the Supreme Court of Western Australia in 1995.

Principal activities

During FY2018 the principal activities of the Group were:

- exploration, development, mining and processing of gold deposits and sale of refined gold derived from the Jundee, Kundana (100% owned and 51% owned operations), Kanowna Belle, Paulsens, and South Kalgoorlie operations, and
- exploration in relation to gold deposits in Western Australia and in the Northern Territory.

There were no significant changes to the Group's activities during FY2018.

Dividends paid – Northern Star

TABLE 5.1 DIVIDENDS PAID TO MEMBERS DURING FY2018

	FY2018 $'000	FY2017 $'000
Final ordinary dividend for FY2017 of 6 cents (2016: 4 cents) per fully paid Share paid on 13 September 2017	**36,190**	24,022
Interim ordinary dividend for FY2018 of 4.5 cents (2017: 3 cents) per fully paid Share paid on 13 April 2018	**27,143**	18,012
Special dividend (2016: 3 cents per fully paid Share paid on 2 November 2016)	-	18,016
Total	**63,333**	60,050

Dividends recommended but not yet paid– Northern Star

Since the end of FY2018 the Directors have recommended the payment of a final fully franked ordinary dividend of $31 million (5 cents per fully paid Share) to be paid on 28 September 2018 out of retained earnings at 30 June 2018.

Review of operations

Information on the operations and financial position of the Group and its business strategies and prospects is set out in the Operations Review section of this Annual Report.

Significant changes in the state of affairs

Significant changes in the state of affairs of the Group during FY2018 were the acquisition of:

- the South Kalgoorlie Operations from Westgold Resources Ltd for total consideration of $78.3 million through the purchase of all the fully paid ordinary Shares on issue in Dioro Exploration Pty Ltd; and
- the Western Tanami Project through the purchase of 100% of the fully paid ordinary Shares in Tanami Exploration NL for total consideration of $4.0 million from Tanami Gold NL.

For details of these acquisitions refer to note 13 and 14 of the financial statements.

Events since the end of FY2018

On 9 July 2018, Northern Star executed a self-arranged three bank syndicated facility with Australian and international banks. The new facilities include a three-year $200 million revolving credit facility and contingent instrument facilities.

No other matter or circumstance has arisen since 30 June 2018 that has significantly affected the Group's operations, results or state of affairs, or may do so in future years.

Likely developments and expected results of operations

There are no likely developments to disclose in the Group's operations in future financial years.

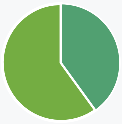
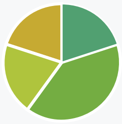
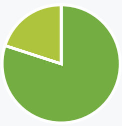
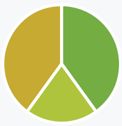
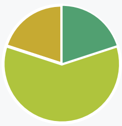
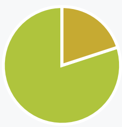
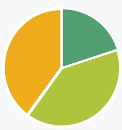
Performance in relation to environmental regulation

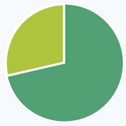
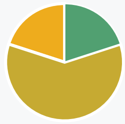
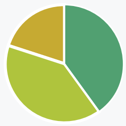
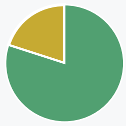
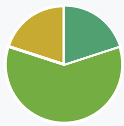
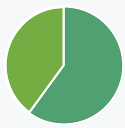
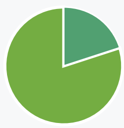
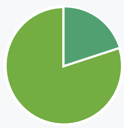
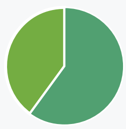
The Group's exploration, mining and processing operations are subject to Commonwealth and Western Australian legislation which regulates the environmental aspects of the Group's activities, including discharges to the air, surface water and groundwater, and the storage and use of hazardous materials.

The Group is not aware of any material breach of environmental legislation and regulations applicable to the Company's operations during FY2018. The Group continues to comply with environmental regulations.

DIRECTORS' REPORT

Board skills matrix

Skill and description	Board
Executive leadership Evaluating the performance of senior management, overseeing strategic human capital planning, industrial relations, organisational change management programmes and sustainable success in business at a senior level.	
Finance, commerce & accounting Financial accounting and reporting, internal financial and risk controls, corporate finance and, restructuring corporate transactions (eg: JVs, listings etc).	
ESG Experience in integrating environmental, social and governance (ESG) principles into Company decision-making, working in a legal and/or regulatory environment and/or dealing with ESG / legal / regulatory matters in an executive role in an organisation, and identifying key issues and developing appropriate policy parameters.	
HR & workplace relations Board Remuneration Committee membership or, succession planning, remuneration and talent management (including incentive programs, superannuation etc), the legislative and contractual framework governing remuneration and, the legislative framework for workplace relations.	
HSE Workplace health and safety and environmental experience, implementing health safety and wellbeing strategies, proactive identification and prevention of health, safety and environmental risks.	
IT & innovation Executive knowledge and experience in the management of information technology including but not limited to IT strategies and networks, data storage, data security, cyber security and experience in applying new technologies and innovation to deliver business improvement.	
Major projects & construction Contract negotiations, project management, projects involving large-scale outlays and projects with long-term investment horizons.	

Skill and description	Board
Capital markets Expertise and commitment to sustainability initiatives, social responsibility, and investor engagement.	
Technical skills Advanced technical understanding of geology, mining engineering or processing.	
Commodities exposure Executive expertise in commodities, mining or resources sectors.	
Previous board experience Serving on Boards of varying size and composition, in varying industries and for a range of organisations. An awareness of global practices and benchmarking and, some international experience.	
Risk management & compliance Applying broad based risk management frameworks in various regulatory or business environment, identifying key risks to an organisation related to key areas of operations, monitoring risk and compliance.	
Strategy Identifying and critically assessing strategic opportunities and threats to the organisation and, developing and implementing successful strategies in the context of an organisation's policies and business objectives.	
Board dynamics Constructively challenge and contribute to Board discussions and communicate effectively with management and other Directors. Build consensus, negotiate and obtain stakeholder support for Board decisions.	
Issues management Constructively manage major issues, provide leadership around solutions and contribute to a communications strategy with stakeholders.	
Ethics & integrity Model correct behaviours as a Director and, continue to self-educate on legal responsibility, maintain Board confidentiality, declare conflicts etc.	

LEGEND Expert | Extensive | Sufficient | Somewhat | Basic | None

DIRECTORS' REPORT

Information on Directors on 30 June 2018

The following information is current as at the date of this report.

BILL BEAMENT
B.Eng-Mining (Hons)

Executive Chairman

Experience and expertise
Mr Beament is a mining engineer with more than 20 years' experience in the resource sector. Previously he held several senior management positions, including General Manager of Operations for Barminco Limited with overall responsibility for 12 mine sites across Western Australia, and General Manager of the Eloise Copper Mine in Queensland. Mr Beament is also currently the Chairman of the Western Australian School of Mines Alumni Patrons Group, and a Director of the Channel 7 Telethon Trust.

Other listed company directorships
None.

Special responsibilities
Member of the Nomination Committee and ESG & Safety Committees.

JOHN FITZGERALD
CA, Fellow FINSIA, GAICD

Lead Independent Director

Experience and expertise
Mr Fitzgerald has over 25 years' resource financing experience and has provided project finance and corporate advisory services to a large number of companies in the resource sector. He has previously held senior positions at NM Rothschild & Sons, Investec Bank Australia, Commonwealth Bank, HSBC Precious Metals and Optimum Capital. Mr Fitzgerald is a Chartered Accountant, a Fellow of the Financial Services Institute of Australasia and a graduate member of the Australian Institute of Company Directors.

Other listed company directorships
Novo Litio Limited (Chairman) since 24 December 2015.

Danakali Ltd (Non-Executive Director) since 19 February 2015.

Carbine Resources Limited (Chairman) from 13 April 2016 to 23 March 2018.

Atherton Resources Limited (Chairman) from 14 December 2009 to 9 November 2015.

Special responsibilities
Lead Independent Director

Chairman of the Audit & Risk and Nomination Committees

Member of the Remuneration Committee and ESG & Safety Committee

CHRISTOPHER ROWE
BA, MA Economics and Law

Independent Non-Executive Director

Experience and expertise
Mr Rowe was the founding Chairman of Northern Star and held that position from 2003 to 2016. A Graduate of Cambridge University, Mr Rowe consulted to the oil, gas and hard rock sectors of the resource industry before becoming the Executive Chairman of Cultus Petroleum NL in 1979, where he served until 1990. During his tenure the Company participated in a number of commercial discoveries in Australia, New Zealand and the USA. Mr Rowe has studied at Clemson University, South Carolina USA, and gained broad resources industry experience with TSX and US oil and gas entities in the 1990's. Mr Rowe is currently a Director of unlisted Blue Ocean Monitoring Ltd.

In addition to his resource related activities, Mr Rowe acted as a Counsel Assisting the Royal Commission into Commercial Activities of Government and Other Matters ("WA INC"), and served on the Environmental Protection Authority of Western Australia as both a member and as Deputy Chairman.

Other listed company directorships
Target Energy Limited (Chairman) from 1 January 2010 to 22 September 2017.

Special responsibilities
Chairman of the ESG & Safety Committee

Member of the Remuneration Committee and Nomination Committee

DIRECTORS' REPORT

PETER O'CONNOR

MA, Economics and Political Science; Barrister-at Law

Independent Non-Executive Director

Experience and expertise

Mr O'Connor has extensive global experience in the funds management industry, both public and private companies in developed and emerging economies. He was co-founder, Director and deputy chairman of IMS Selection Management Ltd which had $10 billion under management or advice from 1998 to 2008. Following the sale of IMS to BNP Paribas in 2008, he was deputy chairman of FundQuest UK Ltd with $10 billion under management, and FundQuest globally had $35 billion of assets under management from 2008 to 2010. Mr O'Connor was the Lead Director and then Chairman of TSX-listed Neo Material Technologies from 1993 to 2012. Mr O'Connor is also a Director of unlisted Blue Ocean Monitoring Ltd.

Other listed company directorships

Neurotech International Limited (Chairman) since 15 January 2016.

Special responsibilities

Member of the Audit & Risk, Nomination, and ESG & Safety Committees

SHIRLEY IN'TVELD

BCOM LLB (HONS)

Independent Non-Executive Director

Experience and expertise

Ms In'tVeld was the CEO of Verve Energy, a WA utility, for five years. Prior to this Ms In'tVeld held a number of senior commercial, legal and marketing positions with Alcoa, WMC Resources Ltd, Bond Corporation and BankWest, including Managing Director of Alcoa of Australia Rolled Products based in Geelong. Ms In'tVeld is also Deputy Chairperson of CSIRO, a Director of NBN Co Ltd and a member of the Takeovers Panel.

Other listed company directorships

APA Group since 19 March 2018.

Duet Company Limited from 2 April 2013 to 15 May 2017 (delisted from ASX on 16 May 2017).

Special responsibilities

Chairman of the Remuneration Committee

Member of the Audit & Risk, Nomination, and ESG & Safety Committees

DAVID FLANAGAN

CITWA, BSC WASM, FAICD, AUSIMM

Independent Non-Executive Director until his resignation on 20 April 2018

Experience and expertise

David Flanagan is a geologist with more than 25 years' experience in the multi commodity mining and mineral exploration industry in Australia, Indonesia and Africa. Mr Flanagan is currently Chancellor of Murdoch University, Western Australia.

Other listed company directorships

Battery Minerals Limited (Managing Director) since 11 October 2016.

Atlas Iron Limited from 15 September 2004 to 5 August 2016.

Special responsibilities

Chairman of the Remuneration Committee and Member of the Nomination Committee (until his resignation on 20 April 2018)

DIRECTORS' REPORT

Attendance at meetings of Directors during FY2018

The Board has established standing committees to assist the Board to discharge its responsibilities.

The Board had an Audit & Risk Committee, a Remuneration Committee and a Nomination Committee for the whole of FY2018. Since the end of FY2018, in July 2018 the Board established the ESG & Safety Committee, which comprises the full Board and is chaired by Christopher Rowe.

Attendance of Directors at Committee meetings during FY2018 is set out below. In addition all the Non-Executive Directors attended four meetings of the Non-Executive Directors held separately to the full Board meetings and independently of management.

TABLE 5.2 MEETINGS OF BOARD COMMITTEES

Meetings of Board Committees	Board meetings		Audit & risk		Nomination		Remuneration	
	A	B	A	B	A	B	A	B
Bill Beament	14	14	*	*	2	2	*	*
John Fitzgerald	14	14	4	4	2	2	2	2
Christopher Rowe	13	14	*	*	1	2	1	2
Peter O'Connor	13	14	4	4	2	2	*	*
Shirley In'tVeld	13	14	4	4	2	2	1	1
David Flanagan (resigned 20/4/2018)	11	11	*	*	1	1	1	1

A = Number of meetings attended
B = Number of meetings held during the time the Director held office or was a member of the committee during FY2018
* = Not a member of the relevant committee
The ESG and Safety Committee was established on 19 July 2018 hence no meetings during FY2018

REMUNERATION REPORT

The Directors present the Northern Star Resources Limited 2018 Remuneration Report, detailing the Company's remuneration policy and framework, and remuneration paid to Key Management Personnel.

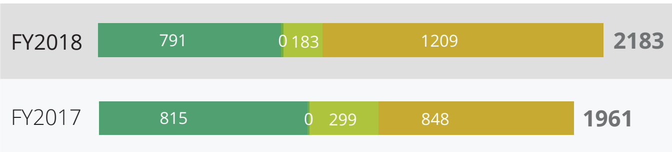
KMP Remuneration for FY2018 and FY2019 in a snapshot

The following charts illustrate remuneration earned during FY2017 and FY2018 for the current executive KMP, including:

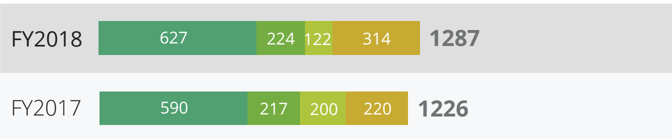
- total fixed remuneration received (inclusive of superannuation and other benefits);
- cash STI received as a result of a combination of Company and individual performance; and
- performance rights and performance shares that vested during FY2018 at fair value.

Figures have been rounded to the closest thousand – see the remuneration table in table 5.8 for further detail.

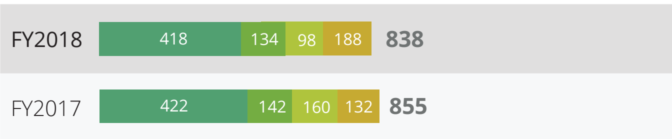
Bill Beament Executive Chairman ($000s)



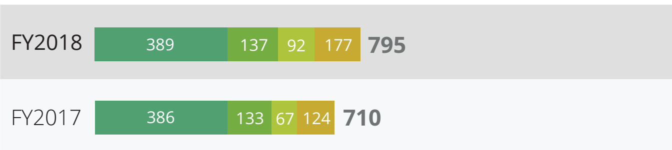
Stuart Tonkin Chief Executive Officer ($000s)



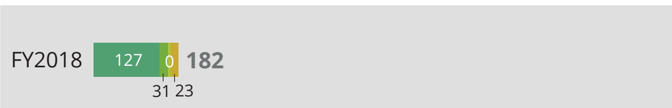
Shaun Day Chief Financial Officer ($000s)



Michael Mulroney Chief Geological Officer ($000s)



Hilary Macdonald General Counsel & Company Secretary (appointed 23 February 2018) ($000s)



LEGEND

- Total Fixed Remuneration
- STI Cash
- Performance shares
- Performance rights

Board policy for KMP remuneration

Our Remuneration Committee is made up of three independent Non-Executive Directors:

- Shirley In'tVeld (Chairman and CEO),
- John Fitzgerald; and
- Christopher Rowe.

The Committee meets several times a year to review and makes recommendations to the Board in accordance with the Remuneration Committee Charter to ensure KMP remuneration remains aligned to business needs and performance. The Committee is responsible for:

- the Company's remuneration policy and framework (including determining short term incentives (STIs) key performance indicators and long-term incentives (LTIs) performance hurdles, and vesting of STIs/LTIs);
- senior executives' remuneration and incentives (including KMP and other senior management);
- Non-Executive Director individual remuneration, and the aggregate pool for approval by Shareholders (as required);
- superannuation arrangements; and
- overseeing remuneration by gender.

The Committee and the Board developed the Remuneration Framework to ensure it:

- is competitive and reasonable to enable the Company to attract, retain and drive high performing individuals, reflective of the market for a position's responsibility. Target positioning of total remuneration against market is generally between the 50th and 75th percentile. External independent written reports are occasionally commissioned to monitor market levels of remuneration for comparable executive KMP roles;
- reflects the Company's STARR Core Values, the Company's strategic and business objectives, and the creation and maximisation of Shareholder value. The Board considers that a mix of fixed salary and variable performance-based remuneration drives superior performance and achievement of the Company's strategic goals, whilst avoiding escalation of fixed remuneration costs; long term incentives are currently measured over a three-year period, designed to promote long term stability in Shareholder returns;
- is transparent and easily understood; and
- is acceptable to Shareholders.

The Committee did not engage external remuneration consultants to provide a remuneration recommendation during FY2018. The Board retains discretion in the award and allocation of STIs and LTIs based on performance reported by the Executive Chairman and the Chief Executive Officer. The Remuneration Committee is responsible for assessing performance against KPIs and determining the STI and LTI to be awarded and paid. Discretion is retained by the Board to cancel performance-based remuneration, or waive forfeiture upon termination of employment, in appropriate circumstances.

The Remuneration Committee Chairman and Lead Independent Director are currently engaging with the Executive Chairman in relation to the framework and possible terms for a FY2020 Long Term Incentive plan for consideration by Shareholders at the annual general meeting in November 2019. The Company's long term strategy, the needs of the business from a human capital perspective in order to deliver on that strategy, the imperative to retain and continue to incentivise the Company's high performance team, and the link between executive KMP remuneration and the Company's performance, are expected to be significant drivers behind the structure of the FY2020 Long Term Incentive plan and remuneration framework generally.

REMUNERATION REPORT

The consequences of the relationship between the Company's policy for determining executive KMP remuneration and the Company's performance is demonstrated below, highlighting the effect on Shareholder wealth in FY2018, and in the previous 4 financial years:

TABLE 5.3 PERFORMANCE OVER 5 YEARS

	2018	2017*	2016	2015	2014
Net profit after tax ($m)	194	215	151	92	22
Cashflow from operations ($m)	353	359	383	359	80
Underlying free cashflow ($m)	186	176	224	186	45
AISC/oz ($)	1,029	1,032	1,041	1,065	1,094
EBITDA margin	46%	52%	45%	37%	30%
Share price (30 June) ($)	7.26	4.75	4.94	2.21	1.26
Basic EPS ($)	0.32	0.36	0.25	0.16	0.05
Dividends per Share ($)	0.105	0.100	0.060	0.045	0.035
Gold sold (oz)	570,110	526,515	561,153	580,784	210,055
Average realised gold price/oz ($)	1,704	1,675	1,578	1,453	1,410

*Includes divestment of Plutonic operations.
Underlying free cash flow is net cash flow from operation activities less net cash flow from investing activities adjusted for outflows/inflows not directly related to FY2018 operational performance.
AISC/oz is All-in-sustaining costs per ounce sold.
EBITDA margin is total revenue divided by EBITDA. EBITDA is earnings before interest, tax, depreciation, amortisation and impairment and is calculated as follows: Profit before income tax plus depreciation, amortisation, impairment and finance costs, less interest income.
Basic EPS is calculated as net profit after tax divided by the weighted average number of ordinary Shares.
Dividends per Share are those paid per Share in FY2018.

FY2018 remuneration framework

TOTAL FIXED REMUNERATION (TFR)

Comprises base salary, superannuation and other non-cash benefits (including private health and salary continuance insurance)

Objective	Links to FY2018 performance
To provide a base level of remuneration which is both appropriate for the responsibility of the position and competitive in the market for the individual's experience and value to the Company	Any review conducted takes into account the individual's performance, coupled with benchmarking against market data for comparable roles in companies in a similar industry sector and with similar market capitalisation

SHORT TERM INCENTIVES (STI) (EXECUTIVE CHAIRMAN IS NOT ELIGIBLE)

Cash payments based on the following percentage of TFR:

- 35% - CEO, CFO, CGO;
- 25% - Company Secretary

Objective	Links to FY2018 performance
To provide a market competitive incentive to reward high performing, engaged executive KMP, aligned with the creation of Shareholder wealth through the achievement of annual performance hurdles	Annual performance of the Company and the individual's performance as measured at 30 June 2018. **65% attributable to Company performance:** **KPI 1 (10%) - Safety:** • Target 25% • Reduce FY2017 14.3 TRIFR by ≥15% (50% at 12.20 TRIFR) to ≥25% (100% at 10.70 TRIFR) and pro rata in between **KPI 2 (15%) - Financial outcome:** • Achieve FY2018 Budget NPAT as approved by the Board (confidential) **KPI 3 (15%) - Production:** • Achieve gold sold 525Koz (0%) to 550Koz (100%), pro-rata up to 575Koz (120%) **KPI 4 (15%) - Costs:** • AISC within stated guidance $1,000/oz to $1,050/oz **KPI 5 (10%) - Social Licence:** • No significant environmental or community incidents and maintain female participation >17.10%. **35% attributable to individual performance:** • Personal KPIs being achieved • Personal performance being at least satisfactory.

REMUNERATION REPORT

LONG TERM INCENTIVES (LTI) - FY2016 PERFORMANCE SHARES

Tranche of performance shares granted in FY2016 which became eligible for measurement as at 30 June 2018 (and vested on 20 July 2018)

Objective	Links to FY2018 performance
To retain executive KMP and motivate with market competitive incentives to pursue the long-term growth and success of the Company	**Hurdle 1: Relative Total Shareholder Return (40%):** • Target ≥50% of peers (ASX: EVN, IGO, NCM, OGC, RRL, RSG, SAR, SBM); where the Company's percentile is greater than or equal to 50, but less than 75, the actual percentile is the percentage that the hurdle is satisfied - e.g., where the Company is on the 50th percentile, the hurdle is satisfied to the extent of 50%. Where the Company's percentile is greater than or equal to 75, the hurdle is 100% satisfied **Hurdle 2: Total Shareholder Return (40%):** • Target ≥15% compound annual growth rate **Hurdle 3: Resource / Reserve replacement (20%):** • Maintaining at least 2 years of Reserves and 6 years of Resources based on the annualised budgeted production The Board reserves the right to vest LTIs at its discretion.

Each performance share represented a legal interest in a fully paid ordinary Share in the Company upon issue. The holder subscribed for the performance shares at market value, funded by an interest free, limited recourse loan from the Company, such that if the performance shares are forfeited or do not vest, this is treated as full repayment against the loan balance. During FY2018 and following vesting, while a loan balance remains outstanding, any dividends paid on the performance shares will be automatically applied towards the repayment of the loan and a holding lock applies to secure repayment of the loan.

LONG TERM INCENTIVES (LTI) – FY2017 PERFORMANCE RIGHTS

One tranche of performance rights granted under the Company's FY2017 Long Term Incentive Plan during FY2017 with a three-year performance period. The quantity granted to executive KMP is based on the following percentage of TFR:

- Executive Chairman 281%
- CEO 125%
- CFO 115%
- CGO 115%
- Company Secretary 75% (resigned 23 February 2018)
- Company Secretary 55% (appointed 23 February 2018)

Objective	Links to FY2018 performance
To retain executive KMP and motivate with market competitive incentives to pursue the long-term growth and success of the Company	Vesting will occur subject to achievement of the following performance hurdles to be measured as at 16 October 2019: **Total Shareholder Return (60%):** • target 15% compound annual growth rate; • vesting: <10%=0%, 10%=50%, pro-rata >10% to <15%, ≥15%=100% **Relative Total Shareholder Return (20%):** • target ≥50% of peers (Acacia Mining PLC, Alacer Gold Corp, Alamos Gold Inc, B2Gold Corp, Centamin PLC, Centerra Gold Inc, Detour Gold Corp, Dundee Precious Metals Inc, Endeavour Mining Corp, Eldorado Gold Corp, Evolution Mining Ltd, Gold Fields Limited, IAMGOLD Corp, New Gold Inc, OceanaGold Corp, Regis Resources Limited, Resolute Mining Limited, Saracen Mineral Holdings Ltd, SEMAFO Inc, St Barbara Limited); and • vesting: <50th percentile = 0%, 50th percentile = 50%, pro-rata >50th to <75th percentile, ≥75th percentile = 100% **Safety (20%):** • target 20% year on year reduction in LTIFR from current levels (measured at 30 June 2019). • vesting: >2.5 = 0%, 2.5 = 50%, pro-rata <2.5 to ≥2.1, ≤2.0 = 100% Upon vesting, 50% of the resulting Shares will have no disposal restrictions. 25% are restricted from disposal until 17 October 2020, and 25% are restricted until 17 October 2021. The Board reserves the right to vest LTIs at its discretion.

A performance right is a right which, upon the satisfaction or waiver of the relevant vesting conditions entitles its holder to receive fully paid ordinary Share for nil consideration. Shareholders approved the 2017 Long Term Incentive Plan, and in relations to the Executive Chairman, the performance hurdles and disposal restrictions at the 2016 Annual General Meeting. The same performance hurdles and disposal restrictions are applicable to the other members of the executive KMP. On vesting, each performance right will automatically convert into one fully paid ordinary Share. The performance rights do not carry any voting rights or rights to receive a dividend prior to vesting. If an executive KMP ceases employment before the performance rights vest, the rights will be forfeited, except in limited circumstances that are approved by the Board on a case-by-case basis.

REMUNERATION REPORT

FY2019 remuneration framework

TOTAL FIXED REMUNERATION (TFR)

Base salary, superannuation and other non-cash benefits (including private health and salary continuance insurance)

Objective	Links to FY2019 performance
To provide a base level of remuneration which is both appropriate for the responsibility of the position and competitive in the market for the individual's experience and value to the Company	Any review conducted takes into account the individual's performance, coupled with benchmarking against market data for comparable roles in companies in a similar industry sector and with similar market capitalisation

SHORT TERM INCENTIVES (STI) (EXECUTIVE CHAIRMAN IS NOT ELIGIBLE)

Cash payments based on the following percentage of TFR:

- 35% - CEO, CFO, CGO
- 25% - Company Secretary

Objective	Links to FY2019 performance
To provide a market competitive incentive to reward high performing, engaged executive KMP, aligned with the creation of Shareholder wealth through the achievement of annual performance hurdles	Annual performance of the Company and the individual's performance to be measured at 30 June 2019. **70% attributable to Company performance:** **KPI 1 (15%) – Safety** • Target: TRIFR <7.5 (50%), TRIFR<5.0 (100%) **KPI 2 (10%) - Financial outcome:** • Target: Achieve FY2019 Budget NPAT as approved by the Board (confidential); **KPI 3 (25%) – Production** • Target: 600Koz (0%) – 640Koz (100%), pro-rata up to 650Koz (125%) **KPI 4 (10%) - Costs:** • Target: AISC within stated guidance $1,025/oz to $1,125/oz **KPI 5 (10%) - Social Licence:** • Target: No significant environmental or community incidents, and >15% female employment with target >20% **30% attributable to individual performance:** • Personal KPIs being achieved • Personal performance being at least satisfactory. The Board reserves the right to vest LTIs at its discretion.

LONG TERM INCENTIVES (LTI) – PERFORMANCE RIGHTS

One tranche of performance rights granted under the Company's FY2017 Long Term Incentive Plan during FY2017 with a three-year performance period. The quantity granted to executive KMP is based on the following percentage of TFR:

- 281% - Executive Chairman
- 125% - CEO
- 115% - CFO, CGO
- 75% - Company Secretary (resigned 23 February 2018)
- 55% - Company Secretary (appointed 23 February 2018)

Objective	Links to FY2019 performance
To retain executive KMP and motivate with market competitive incentives to pursue the long-term growth and success of the Company	Vesting will occur subject to achievement of the following performance hurdles to be measured as at 16 October 2019: **Total Shareholder Return (60%)**: • target 15% compound annual growth rate; • vesting: <10%=0%, >10%=50%, pro-rata 10% to <15%, ≥15%=100% **Relative Total Shareholder Return (20%):** • target ≥50% of peers (Acacia Mining PLC, Alacer Gold Corp, Alamos Gold Inc, B2Gold Corp, Centamin PLC, Centerra Gold Inc, Detour Gold Corp, Dundee Precious Metals Inc, Endeavour Mining Corp, Eldorado Gold Corp, Evolution Mining Ltd, Gold Fields Limited, IAMGOLD Corp, New Gold Inc, OceanaGold Corp, Regis Resources Limited, Resolute Mining Limited, Saracen Mineral Holdings Ltd, SEMAFO Inc,); • vesting: <50th percentile = 0%, 50th percentile = 50%, pro-rata >50th to <75th percentile, ≥75th percentile = 100% **Safety (20%):** • target 20% year on year reduction in LTIFR from current levels (measured at 30 June 2019). • vesting: >2.5 = 0%, 2.5 = 50%, pro-rata <2.5 to ≥2.1, ≤2.0 = 100% Upon vesting, 50% of the resulting Shares will have no disposal restrictions. 25% are restricted from disposal until 17 October 2020, and 25% are restricted until 17 October 2021. See page 41 for performance rights description. The Board reserves the right to vest LTIs at its discretion.

REMUNERATION REPORT

FY2018 and FY2019 remuneration for executive KMP

The table below shows the following for each of the executive KMP:

- Short term employee benefits paid during FY2018, divided into cash salary, short term incentive cash payments and other benefits, including non-monetary benefits such as private health insurance and salary continuance insurance. There were no executive KMP salary increases in FY2018.
- Post-employment benefits paid during FY2018 (superannuation is capped at $30,000 for each member of the executive KMP);
- Termination benefits paid during FY2018 (shown in Other Benefits);
- Details of the remuneration expense recognised for the executive KMP measured in accordance with the requirements of the Australian Accounting Standards for:
  - Share based payments – performance shares issued to executive KMP in FY2015 which became eligible for measurement as at 30 June 2018, and vested on 20 July 2018. The fair value at grant date is independently determined using a Monte Carlo simulation model (market based vesting conditions) and a Black Scholes Model (non-market vesting conditions) that takes into account the exercise price, the term of the performance share, the impact of dilution (where material), the Share price at grant date and expected price volatility of the underlying Share, the expected dividend yield, the risk free rate for the term of the performance share and the correlations and volatilities of the peer group companies; and
  - Share based payments – performance rights issued to each of the executive KMP on 29 November 2016 (Bill Beament) and 21 December 2016 (other executive KMP) during FY2017 which are measured for vesting purposes on 16 October 2019. The assessed fair value at the respective grant dates of the performance rights granted during FY2017 was as follows:

TABLE 5.4 FAIR VALUE

	29 Nov 2016 (Bill Beament)	21 Dec 2016 (other executive KMP)
Fair Value	$1.548	$1.151

  - The fair value at grant date is independently determined using a Monte Carlo simulation model (market based vesting conditions) and a Black Scholes Model (non-market vesting conditions) that takes into account the term of the performance rights, the impact of dilution (where material), the Share price at grant date and expected volatility of the underlying performance right, the expected dividend yield, the risk-free rate for the term of the performance right and the correlations and volatilities of the peer group companies.
  - The model inputs for the FY2017 performance rights included:

TABLE 5.5 MODEL INPUTS

	29 Nov 2016 (Bill Beament)	21 Dec 2016 (other executive KMP)
Exercise price	Nil	Nil
Grant date	29 November 2016	21 December 2016
Expiry date	21 December 2022	21 December 2022
Share price at grant date	$3.60	$3.15
Expected volatility of the Company's Shares	25%	25%
Expected dividend yield	1.94%	2.22%
Risk-free interest rate	1.91%	2.03%

  - The expected volatility is based on the historic volatility (based on the remaining life of the performance rights).

- In relation to the FY2017 performance rights granted to the executive KMP, the maximum possible total value of the performance rights is the fair value (Executive Chairman: $1.548, other executive KMP: $1.151) multiplied by the number of performance rights granted to that KMP.

TABLE 5.6 PERFORMANCE RIGHTS

	Performance rights granted	Value per right ($)	Maximum value ($)
Bill Beament	3,000,000	1.5484	4,645,200
Stuart Tonkin	1,100,000	1.1512	1,266,320
Shaun Day	660,000	1.1512	759,792
Michael Mulroney	620,000	1.1512	713,744
Liza Carpene	350,000	1.1512	402,920
Hilary Macdonald	235,000	1.1512	270,532

REMUNERATION REPORT

TABLE 5.7 REMUNERATION EXPENSES

Key management personnel		Remuneration expense - fixed remuneration				
		Cash salary (base salary excl. super & other benefits)	Cash salary (paid)	Other benefits^	Long service leave	Post employment benefits
Name	Year	$	$	$	$	$
Executive Directors						
Bill Beament	**2018**	**725,000**	**699,991#**	**11,931**	**49,240**	**30,000**
	2017	725,000	722,221	5,869	56,437	30,000
Other executive KMP						
Stuart Tonkin	**2018**	**590,000**	**590,000**	**7,136**	**-**	**30,000**
	2017	590,000	552,594##	7,085	-	30,000
Shaun Day	**2018**	**375,000**	**375,000**	**13,432**	**-**	**30,000**
	2017	375,000	375,000	16,685	-	30,000
Michael Mulroney	**2018**	**350,000**	**350,000**	**9,247**	**-**	**30,000**
	2017	350,000	350,000	6,050	-	30,000
Hilary Macdonald**	**2018**	**325,000**	**113,082**	**3,331**	**-**	**10,438**
	2017	-	-	-	-	-
Liza Carpene***	**2018**	**300,000**	**194,795**	**189,229**	**-**	**19,479**
	2017	300,000	300,000	13,173	-	30,000
Total	**2018**	**2,665,000**	**2,322,868**	**234,305**	**49,240**	**149,918**
Total	2017	2,340,000	2,299,815	48,862	56,437	150,000

This table represents remuneration for FY2018 or part thereof during which a person was a KMP
^ Other Benefits include telephone allowance, salary continuance insurance, health insurance and parking
* see details on page 47 regarding the limited recourse loan related to these Shares
** Appointed Company Secretary 23 February 2018. Remuneration disclosed in table is pro rata for the period since appointment as Company Secretary.
*** Resigned as Company Secretary 23 February 2018. Other Benefits includes a $150,000 termination payment (in addition to a payment of $48,587 made for accrued annual leave, which is not reflected as remuneration in this table) and a $25,000 payment in respect of a nominee Directorship. No performance shares or performance rights were forfeited upon resignation.
# Cash salary received is lower than base salary due to a period of unpaid leave taken during FY2018
Remuneration adjusted due to promotion from Chief Operating Officer to Chief Executive Officer on 29 November 2016
Full year STI earnt was $90,125

REMUNERATION REPORT

Remuneration expense – variable remuneration			Total remuneration	
STI cash payment	Performance shares* (vested on 20 July 2018)	Performance rights (measured 16 October 2019)	Total	Performance related
$	$	$	$	% of total
-	**182,699**	**1,208,904**	**2,182,765**	**64%**
-	299,035	847,889	1,961,450	58%
223,510	**122,202**	**313,823**	**1,286,672**	**51%**
217,000	199,652	220,106	1,226,437	52%
133,599	**98,004**	**188,294**	**838,330**	**50%**
141,750	159,899	132,064	855,397	51%
136,990	**91,954**	**176,882**	**795,073**	**51%**
133,000	67,311	124,060	710,421	46%
31,359###	**-**	**23,328**	**181,537**	**30%**
-	-	-	-	-
-	**20,437**	**64,836**	**488,776**	**17%**
82,500	70,045	70,034	565,752	39%
525,458	**515,297**	**1,976,067**	**5,773,153**	**52%**
574,250	795,940	1,394,152	5,319,457	52%

REMUNERATION REPORT

More detail on FY2018 executive KMP performance related remuneration:

SHORT TERM INCENTIVES (STIs) – PERFORMANCE DURING FY2018:
COMPANY PERFORMANCE (65%)

TABLE 5.8 EXECUTIVE KMP PERFORMANCE AGAINST FY2018 KPIs AS AT 30 JUNE 2018

Key performance indicators	Weighting	Measure	Achievement
KPI 1: Safety	10%	Reduce FY2017 14.3 TRIFR by ≥15% (50% at 12.20 TRIFR) to ≥25% (100% at 10.70 TRIFR) and pro rata in between	100% achieved
KPI 2: Financial Outcome	15%	Achieve FY2018 Budget NPAT as approved by the Board	100% achieved
KPI 3: Production	15%	Achieve 525Koz (0%) to 550Koz (100%), pro-rata up to 575Koz (120%)	120% achieved
KPI 4: Costs	15%	AISC within stated guidance $1,000 to $1,050	100% achieved
KPI 5: Social Licence	10%	No significant environmental or community incidents, and maintain female participation >17.10%	100% achieved
			105% of 65% Company performance achieved

INDIVIDUAL PERFORMANCE (35%)

TABLE 5.9 EXECUTIVE KMP PERFORMANCE AGAINST FY2018 KPIs AS AT 30 JUNE 2018

Name	Position	FY2017 STI achieved %	FY2017 STI paid[1] $	FY2018 STI achieved %	FY2018 STI paid[2] %
Bill Beament	Executive Chairman	N/A	N/A	N/A	N/A
Stuart Tonkin	Chief Executive Officer	100% Company and individual	217,000	100% Company and individual	223,510
Shaun Day	Chief Financial Officer	100% Company and individual	141,750	100% Company and 75% individual	133,599
Michael Mulroney	Chief Geological Officer	100% Company and individual	133,000	100% Company and individual	136,990
Hilary Macdonald	General Counsel & Company Secretary (appointed 23 February 2018)	N/A	N/A	100% Company and individual	90,125
Liza Carpene	Company Secretary (resigned 23 February 2018)	100% Company and individual	82,500	N/A	N/A

[1] STI measured as at 30 June 2017 and paid in FY2018.
[2] STI paid in FY2019 inclusive of superannuation.

LONG TERM INCENTIVES (LTIs) FY2016 PERFORMANCE SHARES – PERFORMANCE DURING FY2018

TABLE 5.10 LTIs PERFORMANCE SHARES FY2016

LTIs performance shares FY2016 – performance period 1 July 2015 to 30 June 2018		
Hurdles	**Criteria***	**Performance results as at 30 June 2018**
Hurdle 1	Relative Total Shareholder Return (40%): target ≥50% of peers (ASX: EVN, IGO, NCM, OGC, RRL, RSG, SAR, SBM);	Achieved 50% Northern Star ranked 50th percentile in peer group after 3 years
Hurdle 2	Total Shareholder Return (40%): target ≥15% compound annual growth rate;	Achieved 100% Exceeded 15% CAGR - 287% increase over 3 years
Hurdle 3	Resource / Reserve replacement (20%): maintaining at least 2 years of Reserves and 6 years of Resources based on the annualised budgeted production	Achieved 100% Reserves and Resources Update effective 30 June 2018 exceeds requirement

* the Relative Total Shareholder Return target is ≥50% of peers. Where the Company's percentile is greater than or equal to 50, but less than 75, the actual percentile is the percentage that the hurdle is satisfied - e.g., where the Company is on the 50th percentile, the hurdle is satisfied to the extent of 50%. Where the Company's percentile is greater than or equal to 75, the hurdle is 100% satisfied. On 30 June 2018 the hurdle was on the 50th percentile and therefore the hurdle was satisfied to the extent of 50%.

REMUNERATION REPORT

Although the Relative Total Shareholder Return hurdle was achieved as to 50%, the Board exercised its discretion to waive this hurdle in light of the Company's considerable outperformance of Hurdles 2 and 3 over the measurement period, as well as significantly stronger performance than the expanded peer group being used to measure FY2017 LTIs. Therefore, all performance hurdles were either achieved by the Company or waived by the Board, and the Board resolved that 100% allocation for each holder will vest. The FY2016 performance shares therefore all vested 100% on 20 July 2018.

As at 1 July 2017 an interest free limited recourse loan to executive KMP of $7,875,088 in aggregate remained outstanding, and on 30 June 2018 an interest free limited recourse loan to five members of the executive KMP of $5,699,385 in aggregate, remained outstanding. The difference between the amount of interest paid and payable for FY2018 (nil) and the amount of interest that would have been charged on an arm's-length basis in FY2018, is $300,850.

No write-downs or allowances for doubtful receivables have been recognised in relation to any loans made to executive KMP.

Refer to section 3 of the Financial Report for loan terms.

TABLE 5.11 LTIs HELD BY THE EXECUTIVE KMP ON 1 JULY 2017 AND ON 30 JUNE 2018

Name	Position	FY2016 performance shares (vested 20 July 2018)		FY2017 performance rights	
		Balance on 1 July 2017	Balance on 30 June 2018	Balance on 1 July 2017	Balance on 30 June 2018
Bill Beament	Executive Chairman	597,836	597,836	3,000,000	3,000,000
Stuart Tonkin	Chief Executive Officer	399,877	399,877	1,100,000	1,100,000
Shaun Day	Chief Financial Officer	320,694	320,694	660,000	660,000
Michael Mulroney	Chief Geological Officer	300,898	300,898	620,000	620,000
Hilary Macdonald	General Counsel & Company Secretary (appointed 23 February 2018)	-	-	235,000[2]	235,000
Liza Carpene	Company Secretary (resigned 23 February 2018)	140,703	140,703[1]	350,000	350,000[1]
TOTAL		1,760,008	1,760,008	5,965,000	5,965,000

[1] Number held at resignation date
[2] Number held at appointment date

TABLE 5.12 FULLY PAID ORDINARY SHARES HELD BY THE KMP (INCLUDING THEIR CLOSE FAMILY MEMBERS AND ENTITIES CONTROLLED BY THEM) ON 1 JULY 2017 AND ON 30 JUNE 2018

KMP Name	Balance on 1 July 2017	Other changes during FY2018	Balance on 30 June 2018
Directors			
Christopher Rowe	2,485,000	(735,000)	1,750,000
Bill Beament (Executive Chairman)	10,743,588	(1,000,000)	9,743,588
John Fitzgerald	60,000	-	60,000
Peter O'Connor	500,000	-	500,000
Shirley In'tVeld	50,000	-	50,000
David Flanagan (resigned 20 April 2018)	-	-	-
Executive KMP			
Stuart Tonkin	1,302,655	-	1,302,655
Shaun Day	1,042,916	(722,222)	320,694
Michael Mulroney	300,898	-	300,898
Hilary Macdonald	-	-	-
Liza Carpene (resigned 23 February 2018)	931,675	(931,675)[1]	-

[1] Number held at resignation date

There were no options or deferred Shares held by any KMP from the beginning to the end of FY2018.

None of the Shares above are held nominally by any of the KMP.

REMUNERATION REPORT

Non-Executive Director remuneration

The Board's objective is to set aggregate remuneration at a level which provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to Shareholders. All Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment which summarises the Board policies and terms, including remuneration, relevant to the office of Director. Non-Executive Directors receive a board fee and fees for chairing or participating on Board committees, detailed in the table below. They do not receive performance-based pay or retirement allowances. The fees are inclusive of superannuation. The Executive Chairman does not receive Board or committee fees.

Non-Executive Directors' fees are paid within an aggregate remuneration limit of $1,250,000 (inclusive of superannuation) per annum (approved in general meeting on 12 November 2014).

The Board takes into account comparable companies with similar market capitalisation, and the responsibilities and experience of the Non-Executive Directors, when reviewing Non-Executive Director remuneration.

TABLE 5.13 BOARD FEES

	From 1 July 2018	From 1 July 2017 to 30 June 2018
Board fees		
Non-Executive Directors	$125,000	$125,000
Additional fees		
Lead Independent Director	$35,000	$35,000
Audit & Risk committee – Chairman	$25,000	$25,000
Audit & Risk committee – member	$15,000	$15,000
Nomination committee – Chairman	Nil	Nil
Nomination committee – member	Nil	Nil
Remuneration committee – Chairman	$25,000	$25,000
Remuneration committee – member	$10,000	$10,000
ESG & Safety committee – Chairman	$25,000	n/a
ESG & Safety committee – member	$10,000	n/a

TABLE 5.14 FY2018 NON-EXECUTIVE DIRECTORS' REMUNERATION

FY2018 Non-Executive Directors' remuneration

	Year	Board of Directors fee $	Audit Committee $	Nomination Committee $	Remuneration Committee $	Superannuation $	Total* $
Christopher Rowe	**2018**	**125,000**	**-**	**-**	**10,000**	**-**	**135,000**
	2017	144,781	6,041	-	7,479	-	158,301
Peter O'Connor	**2018**	**125,000**	**15,000**	**-**	**-**	**-**	**140,000**
	2017	119,959	15,000	-	2,014	-	136,973
John Fitzgerald	**2018**	**143,082**	**25,000**	**-**	**10,000**	**16,918**	**195,000**
	2017	128,292	22,831	-	10,509	15,353	176,985
Shirley In'tVeld	**2018**	**112,549**	**15,000**	**-**	**4,110**	**12,508**	**144,167**
	2017	91,712	8,144	-	-	9,486	109,342
David Flanagan#	**2018**	**93,333**	**-**	**-**	**20,822**	**10,845**	**125,000**
	2017	91,712	-	-	12,710	9,920	114,342
Total Non-Executive Director remuneration	**2018**	**598,964**	**55,000**	**-**	**44,932**	**40,271**	**739,167**
	2017	576,456	52,016	-	32,712	34,759	695,943

* ESG and Safety Committee was established subsequent to 30 June 2018, therefore no fees paid

\# Resigned 20 April 2018

REMUNERATION REPORT

Contractual arrangements with executive KMP

TABLE 5.15 ELEMENT OF REMUNERATION

Element of remuneration	Summary of contractual terms
Fixed remuneration	Refer to table 5.7
Contract duration	Indefinite subject to termination with or without cause
Notice by the individual	3 months
Notice by the Company	6 months (Executive Chairman: 12 months)
Termination of employment by the Company (without cause)	STI entitlement and LTI forfeiture is at the discretion of the Board
Termination of employment (with cause) or by the individual	STI is not awarded, and all unvested LTIs will lapse, at the discretion of the Board. Vested LTIs remain with the individual.

OTHER TRANSACTIONS WITH KMP AND COMMENT ON PREVIOUS DISCLOSURES OF "RELATED PARTY" TRANSACTIONS WITH BILL BEAMENT

The Company has in place policies and procedures which govern transactions involving KMPs and their related parties, and these policies and procedures restrict the involvement of the KMP or related party in the negotiation, awarding or direct management of the resultant contract.

In the Company's 2017 Annual Report, specifically Note 18 to the Consolidated Financial Statements, the Company reported that the beneficial minority interest held by Mr Beament in:

(a) Premium Mining Personnel Pty Ltd, and

(b) AUD Pty Ltd, the sole Shareholder of Australian Underground Drilling Pty Ltd (AUD),

both suppliers of goods and services to the Company, did not require reporting under the Accounting Standards.

For the purposes of the 2018 Annual Report, the Company is of the same view, having applied the necessary criteria under the Australian Accounting Standards for FY2018.

With effect from 1 July 2018, the Company now has no contractual relationship with Premium Mining Personnel Pty Ltd and Mr Beament has no Shareholding in any of its related bodies corporate.

Mr Beament's continued Shareholding in AUD is the subject of regular review by the independent Directors. They recognise that, notwithstanding the position under the Australian Accounting Standards, good corporate governance would normally be exhibited by the absence of a key executive holding a 23% interest in a drilling contract with a material supplier to the Company.

AUD is a material supplier due to the aggregate total of fees paid, the nature of the services provided to the Company by the supplier, and the place the supplier has in the Company's risk mitigation strategy, in seeking to maintain diversity amongst its suppliers where it is commercially feasible to do so, to ensure that there is no reliance by the Company on one supplier for a particular service across all the Company's operations.

However, in this particular case, the independent Directors' unanimous view after having made inquiries of management, is that the continuing contractual relationship between the Company and AUD is more beneficial to the Company than terminating the contract, or not entering into a fresh contract with AUD, would be. The results of the multiple party tender process demonstrated that there was no comparable supplier with the capacity at the time of tender to provide the services to the Company's Kalgoorlie Operations for the same quality, productivity rates and price offered by AUD. Further, the selection of AUD was consistent with the Company-wide risk mitigation strategy in striving for diversity in its supply chain, having regard to the other suppliers providing underground diamond drilling services to the Company's other operations (in which Mr Beament has no shareholding or other basis for inferring a significant influence).

Consequently, the previous discussions within the Board regarding possible divestment of the Shareholding by Mr Beament or termination of or non-renewal of, the supply contract by the Company, have culminated in a decision by the Independent Directors to accept the position, because they believe it is in the best interests of the Company's Shareholders to do so. The Company's policies and procedures continue to apply to ensure that Mr Beament is not involved in the negotiation, awarding of contracts or direct management of the contract with AUD.

REMUNERATION REPORT

Other statutory disclosures

INSURANCE OF OFFICERS AND INDEMNITIES

During FY2018 the Company has paid a premium to insure the Directors and Officers of the Company and its controlled entities. Details of the premium are subject to a confidentiality clause under the contract of insurance. The liabilities insured are costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the Directors and Officers in their capacity as officers of entities in the Group, to the extent permitted by the Corporations Act. In addition similar liabilities are insured for Officers holding the position of nominee Director for the Company in other entities.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under Section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

NON-AUDIT SERVICES

The Company may decide to employ the Auditor on assignments additional to their statutory audit duties where the Auditor's expertise and experience with the Company and/or Group are important.

Details of the amounts paid or payable to the Auditor (Deloitte Touche Tohmatsu) for the audit and non-audit services provided during FY2018 are disclosed in note 22 to the financial statements.

The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for Auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the Auditor did not compromise the Auditor independence requirements of the Corporations Act 2001 because none of the services undermine the general principles relating to Auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

AUDITOR INDEPENDENCE DECLARATION

A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 51.

ROUNDING

The Company is of a kind referred to ASIC Legislative Instrument 2016/191, relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

CORPORATE GOVERNANCE STATEMENT

Northern Star and the Board are committed to achieving and demonstrating the highest standards of corporate governance. In addition to the Sustainability Report included in this Annual Report, a description of the Company's current corporate governance practices is set out in the Corporate Governance Statement (http://www.nsrltd.com/about/corporate-governance/).

Northern Star has elected to publish the 2018 Tax Corporate Governance Statement on a voluntary basis as a part of our commitment to tax transparency. The report includes information recommended to be disclosed under the Australian voluntary Tax Transparency Code (TTC). The report can be found on the Company website under Corporate Governance - Rules and Special Reports.

This report is made in accordance with a resolution of Directors dated 22 August 2018.

Bill Beament

BILL BEAMENT
Executive Chairman
Perth, Western Australia
22 August 2018

AUDITORS' INDEPENDENCE DECLARATION

Deloitte.

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The Directors
Northern Star Resources Limited
Level 1, 388 Hay Street
Subiaco WA 6008

22 August 2018

Dear Directors

Auditor's Independence Declaration to Northern Star Resources Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Northern Star Resources Limited and its controlled entities.

As lead audit partner for the audit of the financial report of Northern Star Resources Limited and its controlled entities for the financial year ended 30 June 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
(ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

David Newman
Partner
Chartered Accountants

TABLE OF CONTENTS

Consolidated statement of profit or loss and other comprehensive income	54
Consolidated statement of financial position	55
Consolidated statement of changes in equity	56
Consolidated statement of cash flows	57
Notes to the consolidated financial statements	58
Directors' declaration	110
Independent auditor's report to the members	111

FINANCIAL REPORT

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the year ended 30 June 2018

	Notes	30 June 2018 $'000	30 June 2017 $'000
Continuing operations			
Sales revenue	3	**964,025**	869,407
Cost of sales	6(a)	**(624,118)**	(556,789)
		339,907	312,618
Other income and expense	5	**8,784**	6,934
Corporate and technical services	6(b)	**(56,004)**	(34,647)
Impairment of assets	6(c)	**(11,753)**	(13,723)
Finance costs	6(d)	**(3,162)**	(2,678)
Profit before income tax		**277,772**	268,504
Income tax expense	7	**(83,659)**	(79,607)
Profit from continuing operations		**194,113**	188,897
Discontinued operations			
Profit from discontinued operation	15(b)	**-**	26,413
Profit for the year		**194,113**	215,310
Other comprehensive income			
Items that may be reclassified to profit or loss			
Changes in the fair value of available-for-sale financial assets		**(100)**	2,193
Share of other comprehensive income of associates and joint ventures accounted for using the equity method		**(218)**	45
Income tax relating to these items		**30**	(658)
Other comprehensive income for the year, net of tax		**(288)**	1,580
Total comprehensive income for the year		**193,825**	216,890
Total comprehensive income for the year is attributable to:			
Owners of the Company		**193,825**	216,890
Total comprehensive income for the year attributable to owners of Northern Star Resources Limited arises from:			
Continuing operations		**193,825**	190,477
Discontinued operations		**-**	26,413
		193,825	216,890

		Cents	Cents
Earnings per Share for profit from continuing operations attributable to the ordinary equity holders of the Company:			
Basic earnings per Share	23(a)	**32.1**	31.5
Diluted earnings per Share	23(b)	**31.5**	30.8
Earnings per Share for profit attributable to the ordinary equity holders of the Company:			
Basic earnings per Share	23(a)	**32.1**	35.9
Diluted earnings per Share	23(b)	**31.5**	35.1

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 30 June 2018

	Notes	30 June 2018 $'000	30 June 2017 $'000
ASSETS			
Current assets			
Cash and cash equivalents	8(c)	**442,997**	403,060
Trade and other receivables	8(a)	**31,136**	24,254
Inventories	9(f)	**83,941**	58,851
Total current assets		**558,074**	486,165
Non-current assets			
Trade and other receivables	8(a)	**1,688**	3,508
Derivative financial instruments	11(a)	**5,712**	4,921
Available-for-sale financial assets	8(b)	**42,132**	11,619
Investments accounted for using the equity method	16(c)	**15,399**	18,779
Property, plant and equipment	9(a)	**139,044**	104,851
Exploration and evaluation assets	9(b)	**225,735**	137,638
Mine properties	9(c)	**212,788**	157,477
Intangible assets	9(d)	**16,298**	-
Total non-current assets		**658,796**	438,793
Total assets		**1,216,870**	924,958
LIABILITIES			
Current liabilities			
Trade and other payables	8(d)	**140,073**	105,465
Borrowings	8(e)	**7,610**	5,541
Current tax liabilities	9(e)	**14,959**	40,811
Provisions	9(g)	**37,459**	23,141
Total current liabilities		**200,101**	174,958
Non-current liabilities			
Borrowings	8(e)	**9,513**	5,677
Provisions	9(g)	**128,686**	79,877
Deferred tax liabilities	9(e)	**57,134**	49,346
Total non-current liabilities		**195,333**	134,900
Total liabilities		**395,434**	309,858
Net assets		**821,436**	615,100
EQUITY			
Share capital	10(a)	**291,290**	217,811
Reserves		**15,388**	13,311
Retained earnings		**514,758**	383,978
Total equity		**821,436**	615,100

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the year ended 30 June 2018

	Notes	Share capital $'000	Available for sale reserve $'000	Share based payments reserve $'000	Other reserves $'000	Retained earnings $'000	Total equity $'000
Balance at 1 July 2016		214,950	3,952	4,294	-	228,718	451,914
Profit for the period		-	-	-	-	215,310	215,310
Other comprehensive income		-	1,535	-	45	-	1,580
Total comprehensive income for the year		**-**	**1,535**	**-**	**45**	**215,310**	**216,890**
Transactions with owners in their capacity as owners:							
Dividends provided for or paid	12(b)	-	-	-	-	(60,050)	(60,050)
Employee Share and option plans - value of employee services		622	-	3,573	-	-	4,195
Exercise of employee Share awards		2,239	-	(2,239)	-	-	-
Share plan loan repayment		-	-	2,151	-	-	2,151
		2,861	-	3,485	-	(60,050)	(53,704)
Balance at 30 June 2017		**217,811**	**5,487**	**7,779**	**45**	**383,978**	**615,100**
Balance at 1 July 2017		217,811	5,487	7,779	45	383,978	615,100
Profit for the period		-	-	-	-	194,113	194,113
Other comprehensive income		-	(70)	-	(218)	-	(288)
Total comprehensive income for the year		**-**	**(70)**	**-**	**(218)**	**194,113**	**193,825**
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs	10(a)	59,810	-	-	-	-	59,810
Dividends provided for or paid	12(b)	-	-	-	-	(63,333)	(63,333)
Employee Share and option plans - value of employee services		6,765	-	4,661	-	-	11,426
Exercise of employee Share awards		6,904	-	(6,802)	-	-	102
Share plan loan repayment		-	-	4,506	-	-	4,506
		73,479	-	2,365	-	(63,333)	12,511
Balance at 30 June 2018		**291,290**	**5,417**	**10,144**	**(173)**	**514,758**	**821,436**

NATURE AND PURPOSES OF RESERVES:

Available-for-sale financial assets

Changes in the fair value of investments that are classified as available-for-sale financial assets (e.g. equity securities), are recognised in other comprehensive income and accumulated in a separate reserve within equity. Amounts are reclassified to profit or loss when the associated assets are sold or impaired.

Share based payments

The Share based payments reserve relates to Shares, performance Shares, performance rights and Share options granted by the Company to its employees. Further information about Share based payments to employees is set out in note 21.

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS For the year ended 30 June 2018

	Notes	30 June 2018 $'000	30 June 2017 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**966,770**	892,637
Payments to suppliers and employees (inclusive of GST)		**(520,486)**	(466,539)
Interest received		**7,415**	6,051
Interest paid		**(527)**	(319)
Income taxes paid		**(100,111)**	(73,100)
Net cash inflow from operating activities	8(c)	**353,061**	358,730
Cash flows from investing activities			
Payments for property, plant and equipment	9(a)	**(35,579)**	(40,153)
Payments for exploration and evaluation	9(b)	**(45,373)**	(56,423)
Payments for mine properties		**(115,215)**	(135,345)
Payments for available-for-sale financial assets		**(30,613)**	(1,000)
Payments for acquisition of business, net of cash acquired	13	**(17,461)**	-
Payments for acquisition of assets, net of cash acquired	14	**(4,000)**	-
Proceeds from disposal of business	15	**533**	18,089
Proceeds from sale of property, plant and equipment		**414**	547
Proceeds from sale of investments		**-**	9,897
Net cash outflow from investing activities		**(247,294)**	(204,388)
Cash flows from financing activities			
Proceeds from issues of Shares and other equity securities		**4,626**	2,151
Finance lease payments		**(7,123)**	(8,724)
Dividends paid to Company's Shareholders	12(b)	**(63,333)**	(60,050)
Net cash outflow from financing activities		**(65,830)**	(66,623)
Net increase in cash and cash equivalents		**39,937**	87,719
Cash and cash equivalents at the beginning of the financial period		**403,060**	315,341
Cash and cash equivalents at end of year	8(c)	**442,997**	403,060

Details of cash flows related to discontinued operations in the prior year are presented in note 15.

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

CONTENTS OF THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

		PAGE
1	Critical estimates and judgements	59
HOW NUMBERS ARE CALCULATED		59
2	Segment information	59
3	Revenue	62
4	Significant changes in the current reporting period	62
5	Other income and expense items	63
6	Expenses	63
7	Income tax expense	65
8	Financial assets and financial liabilities	66
9	Non-financial assets and liabilities	71
10	Equity	81
RISK		83
11	Financial risk management	83
12	Capital management	86
GROUP STRUCTURE		87
13	Business combination	87
14	Asset acquisition	89
15	Discontinued operation	89
16	Interests in other entities	91
UNRECOGNISED ITEMS		94
17	Contingent liabilities	94
18	Commitments	94
19	Events occurring after the reporting period	95
OTHER INFORMATION		95
20	Related party transactions	95
21	Share-based payments	97
22	Remuneration of auditors	98
23	Earnings per Share	99
24	Deed of cross guarantee	100
25	Parent entity financial information	103
26	Summary of significant accounting policies	104

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Critical estimates and judgements

(a) Critical accounting estimates and assumptions

(i) DETERMINATION OF MINERAL RESOURCES AND ORE RESERVES

The Group reports its Mineral Resources and Ore Reserves in accordance with the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves - the JORC Code. The information on Mineral Resources and Ore Reserves is prepared by Competent Persons as defined by the JORC Code.

There are numerous uncertainties inherent in estimating Mineral Resources and Ore Reserves. Assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being restated. Such changes may impact asset carrying values, depreciation and amortisation rotes, deferred development costs and provisions for restoration.

Other critical accounting judgements, estimates and assumptions are discussed in the following notes:

Unit of production method of depreciation/amortisation	note 6(a)
Share based payments	note 6(b); 21
Exploration and evaluation expenditure	note 9(b)
Recovery of deferred tax assets	note 9(e)
Mine rehabilitation provision	note 9(g)
Impairment of assets	note 26(d); 9(c)

HOW NUMBERS ARE CALCULATED

This section provides additional information about those individual line items in the financial statements that the directors consider most relevant in the context of the operations of the entity, including:

(a) accounting policies that are relevant for an understanding of the items recognised in the financial statements. These cover situations where the accounting standards either allow a choice or do not deal with a particular type of transaction

(b) analysis and sub-totals, including segment information

(c) information about estimates and judgements made in relation to particular items.

2 Segment information

(a) Description of segments and principal activities

The Group's Executive Committee consisting of the Executive Chairman, Chief Executive Officer, Chief Financial Officer and Chief Geological Officer, examine the Group's performance and have identified five operating segments relating to the continuing operations of the business:

1. Paulsens, WA Australia - Mining and processing of gold
2. Kalgoorlie operations, WA Australia - Mining and processing of gold
3. Jundee, WA Australia - Mining and processing of gold
4. Tanami, NT Australia - Exploration and evaluation of gold mineralisation
5. Exploration - Exploration and evaluation of gold mineralisation

An operating segment is a component of the Group that engages in business activities from which it may earn revenues or incur expenses. During the current period, the Group completed the acquisition of the South Kalgoorlie operations (SKO), refer to note 13 for further details. In addition, the Group declared commercial production at the Millennium deposit in April 2018. Following the completion of the SKO transaction and Millennium entering commercial production, the Group now has eight segments (Paulsens, East Kundana JV, Kanowna Belle, Millennium, Jundee, South Kalgoorlie, Tanami and Exploration), however following a review by the Executive Committee on the Group's strategic direction Kanowna Belle, East Kundana JV, Millennium and South Kalgoorlie has been presented as one reporting segment (Kalgoorlie operations).

Exploration compromises all projects in the exploration, evaluation and feasibility phase of the Group, excluding Tanami. These include the Mt Olympus, Fortescue JV and Electric Dingo projects as well as ongoing exploration programmes at the Group's respective sites.

During the prior year the Group completed a sales process in relation to its Plutonic operations in WA, which is consequently classified as a discontinued operation as at 30 June 2017. Further information on Plutonic and the disposal process is included in note 15.

An analysis of segment revenues is presented in note 3.

2 Segment information continued

(b) Segment results

The segment information for the year ended 30 June 2018 is as follows:

2018	Paulsens $'000	Kalgoorlie Operations $'000	Jundee $'000	Tanami $'000	Exploration $'000	Total $'000
Segment net operating profit (loss) before income tax	(31,802)	129,848	239,511	(3,754)	(11,753)	322,050
Depreciation and amortisation	40,930	69,738	44,518	976	-	156,162
Impairment	-	-	-	-	11,753	11,753
Finance costs	98	1,187	864	142	-	2,291
Segment EBITDA	**9,226**	**200,773**	**284,893**	**(2,636)**	**-**	**492,256**
Total segment assets	2,193	334,701	135,833	233	225,735	698,695
Total segment liabilities	(6,014)	(177,006)	(82,662)	(37,851)	-	(303,533)

The segment information for the year ended 30 June 2017 is as follows:

2017	Paulsens $'000	Kalgoorlie Operations $'000	Jundee $'000	Tanami $'000	Exploration $'000	Total $'000
Segment net operating profit (loss) before income tax	4,218	158,138	143,549	(3,309)	(8,445)	294,151
Depreciation and amortisation	24,952	51,338	68,929	-	-	145,219
Impairment	4,923	-	-	-	8,445	13,368
Finance costs	100	921	769	-	-	1,790
Segment EBITDA	**34,193**	**210,397**	**213,247**	**(3,309)**	**-**	**454,528**
Total segment assets	48,700	188,336	105,079	255	137,638	480,008
Total segment liabilities	(19,039)	(111,100)	(77,593)	(649)	-	(208,381)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 Segment information continued

(c) Segment EBITDA

Segment EBITDA is a non-IFRS measure, being earnings before interest, tax, depreciation and amortisation and is calculated as follows: profit before income tax plus depreciation, amortisation, impairment and finance costs.

Interest income, finance charges, interest expense and acquisition costs are not allocated to the operating segments as this type of activity is driven by the corporate treasury function which manages the cash position of the Group.

Segment EBITDA reconciles to profit before income tax from continuing operations for the year ended 30 June 2018 as follows:

	30 June 2018 $'000	30 June 2017 $'000
Segment EBITDA	**492,256**	454,528
Other income	**8,784**	6,934
Finance costs	**(3,162)**	(2,678)
Depreciation	**(43,149)**	(25,455)
Amortisation	**(114,640)**	(120,066)
Corporate and technical services	**(39,138)**	(26,841)
Share based payments	**(11,426)**	(4,195)
Impairment of assets	**(11,753)**	(13,723)
Profit before income tax from continuing operations	**277,772**	268,504

(d) Segment assets

Segment assets are measured in the same way as in the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

Operating segments' assets are reconciled to total assets as follows:

	30 June 2018 $'000	30 June 2017 $'000
Segment assets	**698,695**	480,008
Unallocated:		
Available-for-sale financial assets	**42,132**	11,619
Investment in equity accounted associates	**15,399**	18,779
Derivative financial instruments	**5,712**	4,921
Cash and cash equivalents	**435,181**	390,868
Trade and other receivables	**17,641**	17,687
Property, plant and equipment	**2,110**	1,076
Total assets as per the Consolidated Statement of Financial Position	**1,216,870**	924,958

Investments in equity securities (classified as available-for-sale financial assets) held by the Group are not considered to be segment assets as they are managed by the corporate treasury function.

(e) Segment liabilities

Operating segments' liabilities are reconciled to total liabilities as follows:

	30 June 2018 $'000	30 June 2017 $'000
Segment liabilities	**303,533**	208,381
Unallocated:		
Trade and other payables	**5,444**	4,410
Provisions	**14,364**	6,910
Current tax liabilities	**14,959**	40,811
Deferred tax liabilities (net)	**57,134**	49,346
Total liabilities as per the Consolidated Statement of Financial Position	**395,434**	309,858

3 Revenue

ACCOUNTING POLICY

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Revenue is recognised when there has been a transfer of risks and rewards from the Group to an external party, no further processing is required by the Group, quality and quantity of the goods has been determined with reasonable accuracy, the selling price is fixed or determinable and collectability is probable. The point at which risk and rewards passes for the majority of the Group's commodity sales is when a contract for sale is entered into. If required, adjustments are made for variations in commodity price, assay and weight between the time of dispatch and the time of final settlement.

Tolling revenue is recognised as the tolling services are performed. Tolling revenue is earned per tonne of ore processed. Tolling revenue of $19.5 million for the year ended 30 June 2017 was originally netted against the processing costs to which they relate, and included in cost of sales. Tolling revenue has been reclassified in the comparative information to align with the current period presentation where it has been presented as a separate component of revenue. This reclassification of comparative information has no impact on gross or net profit, or the consolidated statement of financial position or cash flows.

The Group derives the following types of revenue:

	30 June 2018 $'000	30 June 2017 $'000
Sale of gold	**941,296**	847,964
Sale of silver	**1,873**	1,987
Toll treatment	**20,856**	19,456
Total revenue from continuing operations	**964,025**	869,407

(a) Segment revenue

The total of revenue, broken down by operating segment, is shown in the following table. All revenue is from external customers and from one geographical location (Australia). No revenues are generated by the Tanami or Exploration operating segments.

	Paulsens $'000	Kalgoorlie Operations $'000	Jundee $'000	Total $'000
2018	**39,997**	**438,261**	**485,767**	**964,025**
2017	93,564	396,188	379,655	869,407

4 Significant changes in the current reporting period

The financial position and performance of the Group was particularly affected by the following events and transactions during the reporting period:

- the acquisition of the Western Tanami Project through the purchase of 100% of the fully paid ordinary Shares in Tanami Exploration NL for total consideration of $4.0 million from Tanami Gold NL. For details of the acquisition refer to note 14 of the financial statements.
- the acquisition of the South Kalgoorlie Operations from Westgold Resources Ltd for total consideration of A$78.3 million through the purchase of 100% of the fully paid ordinary Shares in Dioro Exploration Pty Ltd. For details of the acquisition refer to note 13 of the financial statements.

For a detailed discussion about the Group's performance and financial position please refer to our operating and financial review on pages 24 to 27.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 Other income and expense items

	30 June 2018 $'000	30 June 2017 $'000
Net gain/(loss) on disposal of property, plant and equipment	**(24)**	350
Interest income	**7,523**	6,245
Other	**1,285**	339
	8,784	6,934

INTEREST

Interest income is recognised as it accrues using the effective interest method.

OTHER

Other includes the Group's Share of net profit or loss from equity accounted investments (2018: $1.4 million loss; 2017: $0.1 million gain)

6 Expenses

(a) Cost of sales

	30 June 2018 $'000	30 June 2017 $'000
Mining	**199,902**	188,273
Processing	**105,282**	90,762
Site services	**19,957**	18,171
Employee benefit expenses	**130,460**	92,940
Depreciation	**41,823**	25,153
Amortisation	**113,363**	120,066
Government royalty expense	**23,285**	20,434
Change in inventories	**(9,954)**	990
	624,118	556,789

DEPRECIATION/AMORTISATION METHOD

Items of property, plant and equipment and mine properties are depreciated/amortised over their useful lives. The Group uses the unit-of-production basis when depreciating/amortising mine specific assets which results in a depreciation/amortisation charge proportional to the depletion of the anticipated remaining life of mine which is referenced to the estimated economic reserve and resources of the property to which the assets relate. Each item's economic life, which is assessed annually has due regard to both its physical life limitations and to present assessments of economically recoverable reserves and resources of the mine property at which it is located.

Depreciation of non-mine specific property, plant and equipment is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

Land and buildings	5 - 20 years
Plant and equipment	2 - 20 years
Motor Vehicles	4 - 10 years
Office equipment	2 - 10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

ROYALTIES

Royalties under existing royalty regimes are payable on sales and are therefore recognised as the sale occurs.

TOLLING REVENUE

Refer to note 3 for further information in relation to the classification of tolling revenue.

6 Expenses continued

(b) Corporate and technical services

	30 June 2018 $'000	30 June 2017 $'000
Administration and technical services	**20,716**	13,742
Depreciation	**1,326**	302
Employee benefit expenses	**16,102**	13,918
Share based payments	**11,426**	4,195
Amortisation	**1,278**	-
Acquisition costs	**5,156**	2,490
	56,004	34,647

ACCOUNTING POLICY

Share-based compensation benefits are provided to employees via Option, Share and Performance Rights Plans as discussed in note 21.

The fair value of Shares and options granted under these Plans are recognised as a Share based payments expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the Shares or options granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

Non-market vesting conditions are included in assumptions about the number of Shares and options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of Shares and options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss with a corresponding adjustment to equity.

(c) Impairment of assets

	30 June 2018 $'000	30 June 2017 $'000
Exploration and evaluation assets (note 9(b))	**11,753**	8,445
Mine properties (note 9(c))	**-**	4,923
Available-for-sale financial assets	**-**	355
	11,753	13,723

(d) Finance costs

	30 June 2018 $'000	30 June 2017 $'000
Interest expense	**212**	240
Provisions: unwinding of discount (note 9(g))	**2,291**	1,790
Finance charges	**659**	648
	3,162	2,678

PROVISION - UNWINDING OF DISCOUNT

The Group records the present value of the estimated cost of legal and constructive obligations to rehabilitate operating locations in the period in which the obligation is incurred. The unwinding of the effect of discounting the provision is recorded as a finance charge in profit or loss.

Total expenses	**695,037**	607,837

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7 Income tax expense

This note provides an analysis of the Group's income tax expense, showing what amounts are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It explains significant estimates made in relation to the Group's tax position.

(a) Income tax expense

	30 June 2018 $'000	30 June 2017 $'000
CURRENT TAX		
Current tax on profits for the year	**73,612**	78,030
Adjustments for current tax of prior periods	**(173)**	(403)
Total current tax	**73,439**	77,627
DEFERRED INCOME TAX		
Decrease (increase) in deferred tax assets (note 9(e))	**(13,642)**	852
Increase in deferred tax liabilities (note 9(e))	**23,862**	11,654
Total deferred tax expense/(benefit)	**10,220**	12,506
Income tax expense	**83,659**	90,133
Income tax expense is attributable to:		
Profit from continuing operations	**83,659**	79,607
Profit from discontinued operations (note 15)	**-**	10,526
	83,659	90,133

(b) Accounting policy

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

7 Income tax expense continued

(c) Numerical reconciliation of income tax expense to prima facie tax payable

	30 June 2018 $'000	30 June 2017 $'000
Profit from continuing operations before income tax expense	**277,772**	268,504
Profit from discontinuing operations before income tax expense	**-**	36,940
	277,772	305,444
Tax at the Australian tax rate of 30.0% (2017 - 30.0%)	**83,331**	91,633
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Share based payments	**500**	473
Sundry items	**-**	107
Recognition of deferred tax assets not recoverable in prior periods	**-**	(1,677)
Adjustment for current tax of prior periods	**(172)**	(403)
Income tax expense	**83,659**	90,133

(d) Amounts recognised directly in equity

	Notes	30 June 2018 $'000	30 June 2017 $'000
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited or credited to equity:			
Deferred tax: available-for-sale financial assets	9(e)	**(30)**	658

8 Financial assets and financial liabilities

This note provides information about the Group's financial instruments, including:

- an overview of all financial instruments held by the Group
- specific information about each type of financial instrument
- accounting policies
- information about determining the fair value of the instruments, including judgements and estimation uncertainty involved.

The Group holds the following financial instruments:

	Notes	Assets at FVOCI $'000	Assets at FVPL $'000	Financial assets at amortised cost $'000	Total $'000
FINANCIAL ASSETS					
2018					
Cash and cash equivalents	8(c)	-	-	**442,997**	**442,997**
Trade and other receivables*	8(a)	-	-	**29,365**	**29,365**
Derivative financial instruments	11(a)	-	**5,712**	**-**	**5,712**
Available-for-sale financial assets	8(b)	**42,132**	**-**	**-**	**42,132**
		42,132	**5,712**	**472,362**	**520,206**
2017					
Cash and cash equivalents	8(c)	-	-	403,060	403,060
Trade and other receivables*	8(a)	-	-	25,164	25,164
Derivative financial instruments	11(a)	-	4,921	-	4,921
Available-for-sale financial assets	8(b)	11,619	-	-	11,619
		11,619	4,921	428,224	444,764

* excluding prepayments

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8 Financial assets and financial liabilities continued

	Notes	Liabilities at amortised cost $'000	Total $'000
FINANCIAL LIABILITIES			
2018			
Trade and other payables	8(d)	**140,073**	**140,073**
Borrowings	8(e)	**17,123**	**17,123**
		157,196	**157,196**
2017			
Trade and other payables	8(d)	105,465	105,465
Borrowings	8(e)	11,218	11,218
		116,683	116,683

The Group's exposure to various risks associated with the financial instruments is discussed in note 11. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

(a) Trade and other receivables

ACCOUNTING POLICY

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

	30 June 2018			30 June 2017		
	Current $'000	Non-current $'000	Total $'000	Current $'000	Non-current $'000	Total $'000
Trade receivables	**15,156**	**-**	**15,156**	16,084	-	16,084
Sundry debtors	**6,207**	**-**	**6,207**	287	1,570	1,857
Goods and services tax recoverable	**5,904**	**-**	**5,904**	5,296	-	5,296
Prepayments	**1,771**	**1,688**	**3,459**	660	1,938	2,598
Other receivables	**2,098**	**-**	**2,098**	1,927	-	1,927
	31,136	**1,688**	**32,824**	24,254	3,508	27,762

(i) CLASSIFICATION AS TRADE AND OTHER RECEIVABLES

If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are generally due for settlement within 30 days and therefore are all classified as current.

(ii) FAIR VALUE OF TRADE AND OTHER RECEIVABLES

As the majority of receivables are short term in nature, their carrying amount is assumed to be the same as their fair value.

8 Financial assets and financial liabilities continued

(b) Available-for-sale financial assets

ACCOUNTING POLICY

Investments are designated as available-for-sale financial assets if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long-term. Financial assets that are not classified into any of the other categories (at FVTPL loans and receivables or held-to-maturity investments) are included in the available-for-sale category. Refer to note 26 for further information on accounting policies for financial assets and note 8(f) in relation to fair value measurements.

Available-for-sale financial assets include the following classes of financial assets:

	30 June 2018 $'000	30 June 2017 $'000
Non-current assets		
Listed equity securities	**42,132**	11,619

(i) CLASSIFICATION OF FINANCIAL ASSETS AS AVAILABLE-FOR-SALE

The financial assets are presented as non-current assets unless they mature or management intends to dispose of them within 12 months of the end of the reporting period.

(ii) AMOUNTS RECOGNISED IN PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

During the year, the following gains were recognised in profit or loss and other comprehensive income.

	30 June 2018 $'000	30 June 2017 $'000
Gains/(losses) recognised in other comprehensive income	**(100)**	2,193

(c) Cash and cash equivalents

ACCOUNTING POLICY

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

	30 June 2018 $'000	30 June 2017 $'000
Cash at bank and in hand	**240,982**	223,045
Deposits at call	**202,015**	180,015
	442,997	403,060

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8 Financial assets and financial liabilities continued

(c) Cash and cash equivalents continued

(i) RECONCILIATION TO THE STATEMENT OF CASH FLOWS

Reconciliation of profit after tax to net cash flow from operating activities:

	30 June 2018 $'000	30 June 2017 $'000
Profit for the year	**194,113**	215,310
Adjustment for		
Depreciation and amortisation	**157,790**	145,519
Non-cash employee benefits expense - Share-based payments	**11,426**	4,195
Rehabilitation provision - unwinding of discount	**2,291**	1,926
Net (gain) / loss on sale of non-current assets	**24**	(353)
Transaction costs written off	**571**	-
Impairment of assets during the period	**11,753**	13,723
Fair value adjustment to derivatives	**(870)**	25
Share of profits of associates and joint venture	**1,371**	(72)
Gain on disposal of subsidiary	**-**	(30,418)
Change in operating assets and liabilities:		
Decrease in trade and other receivables	**(5,557)**	(12,138)
(Increase)/decrease in inventories	**(12,378)**	3,996
(Increase)/decrease in deferred tax assets	**(14,080)**	814
(Decrease)/increase in trade and other payables	**(3,474)**	2,792
(Decrease)/increase in current tax liability/asset	**(25,852)**	4,915
Increase in deferred tax liabilities	**23,480**	11,963
Increase in provisions	**12,453**	(3,467)
Net cash inflow from operating activities	**353,061**	358,730

(ii) RISK EXPOSURE

The Group's exposure to interest rate risk is discussed in note 11. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

(d) Trade and other payables

ACCOUNTING POLICY

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

	30 June 2018 $'000	30 June 2017 $'000
Trade payables	**54,391**	50,417
Accruals	**54,936**	44,305
Payroll tax and other statutory liabilities	**1,911**	1,577
Other payables	**28,835**	9,166
	140,073	105,465

The carrying amounts of trade and other payables are assumed to be the same as their fair values, due to their short-term nature.

Other payables includes $20 million payable to Tanami Gold NL ("TAM"). In accordance with the joint venture agreement between TAM and the Company, TAM was granted two put options. The first put option allowed TAM the right but not the obligation to sell 15% of the Central Tanami Project to the Company for $20 million in cash or Northern Star Shares at any time up to the earlier of three years after completion of the acquisition (31 July 2018) or commercial production being achieved (sometime after 31 July 2018). On 27 June 2018, TAM announced its intention to exercise the first put option on or immediately prior to 31 July 2018 in accordance with the terms of the joint venture agreement between TAM and the Company. On 31 July 2018, TAM exercised the first put option.

8 Financial assets and financial liabilities continued

(e) Borrowings

ACCOUNTING POLICY

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost.

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised under plant and equipment at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

	30 June 2018			30 June 2017		
	Current $'000	Non-current $'000	Total $'000	Current $'000	Non-current $'000	Total $'000
Lease liabilities	**7,610**	**9,513**	**17,123**	5,541	5,677	11,218
Total secured borrowings	**7,610**	**9,513**	**17,123**	5,541	5,677	11,218

(i) SECURED LIABILITIES AND ASSETS PLEDGED AS SECURITY

Lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

(ii) FINANCE LEASES

The Group has entered into various loan agreements for the purchase of mobile equipment. The interest rates are fixed and payable over a period of up to 36 months from the inception of the lease.

	30 June 2018 $'000	30 June 2017 $'000
Commitments in relation to finance leases are payable as follows:		
Within one year	**8,223**	5,918
Later than one year but not later than five years	**10,062**	5,981
Minimum lease payments	**18,285**	11,899
Future finance charges	**(1,162)**	(681)
Total lease liabilities	**17,123**	11,218
Representing lease liabilities:		
Current	**7,610**	5,541
Non-current	**9,513**	5,677
	17,123	11,218

(iii) FAIR VALUE

For the majority of the borrowings, the fair values are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature. Refer above for differences as at year end.

(iv) FINANCING ARRANGEMENTS

At the end of the reporting period, the Group had an undrawn $90 million (2017: $100 million) revolving credit facility and a $5 million guarantee facility which was drawn down by $3.3 million (2017: $5 million drawn down by $3.9 million). During the current period, the Group entered into an additional guarantee facility for $5 million which was drawn down by $4.5 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8 Financial assets and financial liabilities continued

(f) Recognised fair value measurements

(i) FAIR VALUE HIERARCHY

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

Recurring fair value measurements At 30 June 2018	Level 1 $'000	Level 2 $'000	Total $'000
Financial assets			
Financial assets at FVPL			
Australian listed equity securities	**42,132**	**-**	**42,132**
Derivatives			
Derivative financial asset - warrants	**-**	**5,712**	**5,712**
Total financial assets	**42,132**	**5,712**	**47,844**

Recurring fair value measurements At 30 June 2017	Level 1 $'000	Level 2 $'000	Total $'000
Financial assets			
Financial assets at FVPL			
Australian listed equity securities	11,619	-	11,619
Derivatives			
Derivative financial asset - warrants	-	4,921	4,921
Total financial assets	11,619	4,921	16,540

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Valuation inputs include underlying spot prices, implied volatility, discount curves and time until expiration, expressed as a percent of a year.

9 Non-financial assets and liabilities

This note provides information about the Group's non-financial assets and liabilities, including:

- specific information about the following non-financial assets and non-financial liabilities
  - property, plant and equipment
  - exploration and evaluation assets
  - mine properties assets
  - tax balances
  - inventories
  - provisions
- accounting policies
- information about determining the fair value of the assets and liabilities, including judgements and estimation uncertainty involved.

9 Non-financial assets and liabilities continued

(a) Property, plant and equipment

ACCOUNTING POLICY

Property, plant and equipment is carried at historical cost less accumulated depreciation and impairment losses. Refer to note 26 for further information on accounting policies associated with impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

	Land & buildings $'000	Plant & equipment $'000	Motor vehicles $'000	Office equipment $'000	Capital work in progress $'000	Total $'000
At 30 June 2017						
Cost or fair value	10,691	159,010	7,379	3,083	24,141	204,304
Accumulated depreciation	(6,962)	(85,804)	(4,874)	(1,813)	-	(99,453)
Net book amount	3,729	73,206	2,505	1,270	24,141	104,851
Year ended 30 June 2017						
Opening net book amount	4,858	71,594	1,728	1,158	2,437	81,775
Additions	-	-	-	-	50,202	50,202
Disposals	-	(168)	(25)	-	-	(193)
Transfers	35	24,553	1,731	640	(26,959)	-
Assets included in a disposal group classified as held for sale and other disposals	3	58	-	-	(1,539)	(1,478)
Depreciation charge	(1,167)	(22,831)	(929)	(528)	-	(25,455)
Closing net book amount	3,729	73,206	2,505	1,270	24,141	104,851

	Land & buildings $'000	Plant & equipment $'000	Motor vehicles $'000	Office equipment $'000	Capital work in progress $'000	Total $'000
At 30 June 2018						
Cost or fair value	13,541	238,841	9,050	4,735	17,688	283,855
Accumulated depreciation	(9,221)	(126,966)	(5,421)	(3,203)	-	(144,811)
Net book amount	4,320	111,875	3,629	1,532	17,688	139,044

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9 Non-financial assets and liabilities continued

(a) Property, plant and equipment continued

	Land & buildings $'000	Plant & equipment $'000	Motor vehicles $'000	Office equipment $'000	Capital work in progress $'000	Total $'000
Year ended 30 June 2018						
Opening net book amount	3,729	73,206	2,505	1,270	24,141	104,851
Additions	-	-	-	-	50,649	50,649
Acquired as part of asset acquisition	664	243	10	2	57	976
Acquired as part of business combination	1,364	25,991	296	155	3,376	31,182
Disposals	-	(1,231)	(62)	-	-	(1,293)
Transfers	753	52,464	2,258	888	(56,363)	-
Transfer to mine properties	-	-	-	-	(4,172)	(4,172)
Depreciation charge	(2,190)	(38,798)	(1,378)	(783)	-	(43,149)
Closing net book amount	4,320	111,875	3,629	1,532	17,688	139,044

(i) LEASED ASSETS

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the lease property, or, if lower, the present value of the minimum lease payments.

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Plant and equipment includes the following amounts where the Group is a lessee under a finance lease:

	30 June 2018 $'000	30 June 2017 $'000
Cost	**22,861**	20,969
Accumulation depreciation	**(8,311)**	(7,091)
Net book amount	**14,550**	13,878

(b) Exploration and evaluation assets

ACCOUNTING POLICY

Exploration and evaluation assets include the costs of acquiring licences, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditure is capitalised on an area of interest basis. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in the statement of profit or loss and other comprehensive income.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either, the expenditures are expected to be recouped through successful development and exploitation of the area of interest or activities in the area of interest have not at the reporting date; reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Once a development decision has been made all past exploration and evaluation expenditure in respect of an area of interest that has been capitalised is transferred to mine properties where it is amortised over the life of the area of interest to which it relates on a unit-of-production basis. No amortisation is charged during the exploration and evaluation phase.

The application of the above accounting policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of reserves will be found. Any such estimates and assumptions may change as new information becomes available, which may require adjustments to the carrying value of assets. Capitalised exploration and evaluation expenditure is assessed for impairment when an indicator of impairment exists, and capitalised assets are written off where required.

9 Non-financial assets and liabilities continued

(b) Exploration and evaluation asset continued

	30 June 2018 $'000	30 June 2017 $'000
Opening balance at 1 July	**137,638**	98,420
Expenditure for the period *	**76,373**	57,809
Acquired as part of asset acquisition (i)	**13,136**	2,917
Acquired as part of business combination (ii)	**36,800**	-
Assets included in a disposal group classified as held for sale	**-**	(560)
Transfer to mine properties	**(26,459)**	(12,503)
Impairment (iii)	**(11,753)**	(8,445)
Closing balance	**225,735**	137,638

* Includes $20 million in relation TAM put option exercisable. Refer to note 8(d) for further details.

(i) ASSET ACQUISITION

During the year, the Company completed the acquisition of the Western Tanami Project through the purchase of 100% of the fully paid ordinary Shares in Tanami Exploration NL from Tanami Gold NL for total consideration of $4.0 million. For details of the acquisition refer to note 14 of the financial statements.

(ii) BUSINESS COMBINATION

On 29 March 2018, the Company also completed the acquisition of the South Kalgoorlie Operations from Westgold Resources Ltd for $78.3 million consideration through the purchase of 100% of the fully paid ordinary Shares in Dioro Exploration Pty Ltd. For details of the acquisition refer to note 13 of the financial statements.

(iii) IMPAIRMENT

At each reporting date the Group undertakes an assessment of the carrying amount of its exploration and evaluation assets. During the year the Group identified indicators of impairment on certain exploration and evaluation assets under AASB 6 Exploration for and Evaluation of Mineral Resources. As a result of this review, an impairment loss of $11.8 million (2017: $8.4 million) has been recognised in the statement of profit or loss and other comprehensive income in relation to areas of interest where no future exploration and evaluation activities are expected.

(c) Mine properties

ACCOUNTING POLICY

Mine properties includes aggregate expenditure in relation to mine construction, mine development, exploration and evaluation expenditure where a development decision has been made and acquired mineral interests.

Expenditure incurred in constructing a mine by, or on behalf of, the Group is accumulated separately for each area of interest in which economically recoverable reserves and resources have been identified. This expenditure includes direct costs of construction, drilling costs and removal of overburden to gain access to the ore, borrowing costs capitalised during construction and an appropriate allocation of attributable overheads.

Mine development represents expenditure in respect of exploration and evaluation, overburden removal based on underlying mining activities and related mining data and construction costs and development incurred by or on behalf of the Group previously accumulated and carried forward in relation to properties in which mining has now commenced. Such expenditure comprises direct costs and an appropriate allocation of directly related overhead expenditure.

All expenditure incurred prior to commencement of production from each development property is carried forward to the extent to which recoupment out of future revenue from the sale of production, or from the sale of the property, is reasonably assured. When further development expenditure is incurred in respect of a mine property after commencement of commercial production, such expenditure is carried forward as part of the cost of the mine property only when future economic benefits are reasonably assured, otherwise the expenditure is classified as part of the cost of production and expensed as incurred. Such capitalised development expenditure is added to the total carrying value of mine development being amortised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9 Non-financial assets and liabilities continued

(c) Mine properties

Mine development costs (as transferred from exploration and evaluation and/or mines under construction) are amortised on a units-of-production basis over the life of mine to which they relate. In applying the units of production method, amortisation is calculated using the expected total contained ounces as determined by the life of mine plan specific to that mine property. For development expenditure undertaken during production, the amortisation rate is based on the ratio of total development expenditure (incurred and anticipated) over the expected total contained ounces as estimated by the relevant life of mine plan to achieve a consistent amortisation rate per ounce. The rate per ounce is typically updated annually as the life of mine plans are revised.

Mineral interests comprise identifiable exploration and evaluation assets, mineral resources and ore reserves, which are acquired as part of a business combination or joint venture acquisition and are recognised at fair value at the date of acquisition. Where possible, mineral interests are attributable to specific areas of interest and are classified within mine properties.

	30 June 2018 $'000	30 June 2017 $'000
Opening balance at 1 July	**157,477**	131,953
Expenditure for the period	**123,240**	138,010
Transfer from exploration and evaluation	**26,459**	12,503
Acquired as part of business combination	**13,945**	-
Net transfer from property, plant and equipment	**4,172**	-
Impairment	**-**	(4,923)
Amortisation	**(112,505)**	(120,066)
Closing balance	**212,788**	157,477

(i) IMPAIRMENT

At each reporting date, the Group assesses whether there is any indication that an asset, or group of assets is impaired. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any) which is the amount by which the assets carrying value exceeds its recoverable amount. Where the asset does not generate cash in-flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs.

The recoverable amount is the higher of 'fair value less costs to sell' (FVLCS) and 'value in use'.

Where an impairment loss subsequently reverses for assets other than goodwill, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

Impairment testing requires assets to be grouped together into the smallest group that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units. The smallest group of assets that generates cash inflows for the Group is defined by the location of the gold processing facility that produces saleable material. Therefore, Jundee operations, Kalgoorlie operations and Paulsens operations represent individual CGUs of the Group.

In FY2017 an impairment expense of $4.9 million was recognised in relation to Paulsens following the re-assessment of the life of mine.

No impairment was recognised in relation to any CGU in the current year.

9 Non-financial assets and liabilities continued

(d) Intangible assets

ACCOUNTING POLICY

The Group's intangible asset relates to the tolling synergies it obtained from the South Kalgoorlie Operation ("SKO") acquisition completed on 29 March 2018. The benefit reflects the expected cost savings to the Company of processing ore through the Jubilee mill rather under toll agreements with third parties.

The tolling benefits acquired as part of the SKO acquisition has been recognised at fair value at the acquisition date. This fair value reflects expectations about the probability that the expected future economic benefits embodied in the tolling benefits will flow to the Company. The tolling service could also be sold to third parties given the active tolling market locally.

The useful life of the tolling benefits is considered to be 5 years. The amortisation on this intangible asset has been allocated on a systematic basis over its useful life commencing from acquisition date.

Intangible assets	Tolling synergies $'000
At 30 June 2018	
Cost	17,156
Accumulation amortisation and impairment	(858)
Net book amount	16,298
Year ended 30 June 2018	
Acquisition of business (note 13)	17,156
Amortisation charge	(858)
Closing net book amount	16,298

Amortisation expense in relation to tolling benefit is included in costs of sales (2018: $0.9 million; 2017: nil)

(e) Tax balances

(i) CURRENT TAX LIABILITY

	30 June 2018 $'000	30 June 2017 $'000
Opening balance at 1 July	**(40,811)**	(35,896)
Tax paid	**100,111**	73,100
Current tax	**(73,612)**	(78,030)
Adjustment for current tax on prior periods	**(647)**	15
Closing balance	**(14,959)**	(40,811)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9 Non-financial assets and liabilities continued

(e) Tax balances continued

(ii) DEFERRED TAX ASSETS

	30 June 2018 $'000	30 June 2017 $'000
The balance comprises temporary differences attributable to:		
Employee benefits	**8,498**	6,357
Provisions	**39,319**	24,549
Accruals	**7,073**	-
Available-for-sale financial assets	**-**	1,979
Mine properties	**3,608**	5,937
	58,498	38,822
Other		
Other	**4,482**	1,768
Total deferred tax assets	**62,980**	40,590
Set-off of deferred tax liabilities pursuant to set-off provisions	**(62,980)**	(40,590)
Net deferred tax assets	**-**	-

Movements	Employee benefits $'000	Provisions $'000	Invest-ments $'000	Mine Properties $'000	Other $'000	Total $'000
At July 2016	8,442	31,031	302	-	1,629	41,404
(Charged) /credited						
- to profit or loss	(2,085)	(6,482)	1,677	5,937	101	(852)
- adjustments to prior year	-	-	-	-	38	38
At 30 June 2017	6,357	24,549	1,979	5,937	1,768	40,590
(Charged) /credited						
- to profit or loss	1,806	6,824	(1,979)	(2,329)	9,320	13,642
- adjustments to prior year	-	-	-	-	467	467
- acquisition of subsidiary	335	7,946	-	-	-	8,281
At 30 June 2018	8,498	39,319	-	3,608	11,555	62,980

9 Non-financial assets and liabilities continued

(e) Tax balances continued

(iii) DEFERRED TAX LIABILITIES

	30 June 2018 $'000	30 June 2017 $'000
The balance comprises temporary differences attributable to:		
Property, plant and equipment	**3,461**	1,411
Inventories	**5,113**	4,023
Exploration and evaluation	**56,407**	40,405
Mine properties	**51,145**	41,167
	116,126	87,006
Other		
Available-for-sale financial assets	**2,199**	2,229
Intangible assets	**1,089**	-
Other	**229**	-
Accrued income	**-**	230
Deferred consideration received from Plutonic Sale	**471**	471
Sub-total other	**3,988**	2,930
Total deferred tax liabilities	**120,114**	89,936
Set-off of deferred tax liabilities pursuant to set-off provisions	**(62,980)**	(40,590)
Net deferred tax liabilities	**57,134**	49,346

Offsetting within tax consolidated group

Northern Star Resources Limited and its wholly-owned Australian subsidiaries have applied the tax consolidation legislation which means that these entities are taxed as a single entity. As a consequence, the deferred tax assets and deferred tax liabilities of these entities have been offset in the consolidated financial statements.

Movements	Exploration and evaluation $'000	Mine properties $'000	Property, plant and equipment $'000	Inventories $'000	Other $'000	Total $'000
At 1 July 2016	25,710	41,036	1,554	8,102	1,571	77,973
Charged/ (credited)						
- profit or loss	14,695	481	(143)	(4,079)	701	11,655
- adjustment to prior year	-	(350)	-	-	-	(350)
- to other comprehensive income	-	-	-	-	658	658
At 30 June 2017	40,405	41,167	1,411	4,023	2,930	89,936
Charged/ (credited)						
- profit or loss	14,938	9,481	(397)	97	(258)	23,861
- adjustment to prior year	-	(353)	-	-	-	(353)
- to other comprehensive income	-	-	-	-	(30)	(30)
- acquisition of subsidiary	1,064	850	2,447	993	1,346	6,700
At 30 June 2018	56,407	51,145	3,461	5,113	3,988	120,114

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9 Non-financial assets and liabilities continued

(e) Tax balances continued

RECOVERY OF DEFERRED TAXES

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets, including those arising from unutilised tax losses (where applicable), require management to assess the likelihood that the Group will comply with the relevant tax legislation and will generate sufficient taxable earnings in future years in order to recognise and utilise those deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and existing tax laws in each jurisdiction. These assessments require the use of estimates and assumptions such as exchange rates, commodity prices and operating performance over the life of the assets. To the extent that cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the deferred tax assets reported at the reporting date could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Group operates could limit the ability of the Group to obtain tax deductions in future years.

(f) Inventories

ACCOUNTING POLICY

Gold bullion, gold in circuit and ore stockpiles are physically measured or estimated and valued at the lower of cost and net realisable value. Cost represents the weighted average cost and includes direct purchase costs and an appropriate portion of fixed and variable production overhead expenditure, including depreciation and amortisation, incurred in converting materials into finished goods.

Materials and supplies are valued at the lower of cost and net realisable value. Any allowance for obsolescence is determined by reference to specific stock items identified. A regular and on-going review is undertaken to establish the extent of surplus items and an allowance is made for any potential loss on their disposal.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Ore stockpiles which are not expected to be processed in the 12 months after the reporting date are classified as non-current inventory. There is a reasonable expectation the processing of these stockpiles will have a future economic benefit to the Group and accordingly values these stockpiles at the lower of cost and net realisable value

	30 June 2018 $'000	30 June 2017 $'000
Current assets		
Consumable stores	**17,044**	13,409
Ore stockpiles	**33,396**	27,132
Gold in circuit	**31,362**	18,310
Finished goods - dore	**2,139**	-
	83,941	58,851

(i) AMOUNTS RECOGNISED IN PROFIT OR LOSS

Write-downs of inventories consumable to net realisable value amounted to $1.0 million (2017 - $4.3 million). These were recognised as an expense during the year ended 30 June 2018 and included in 'cost of sales' in profit or loss.

(g) Provisions

ACCOUNTING POLICY

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of managements best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Refer to note 26 for further information on accounting policies associated with rehabilitation costs.

9 Non-financial assets and liabilities continued

(g) Provisions continued

	30 June 2018			30 June 2017		
	Current $'000	Non-current $'000	Total $'000	Current $'000	Non-current $'000	Total $'000
Employee entitlements	**31,615**	**757**	**32,372**	20,595	1,247	21,842
Rehabilitation	-	**127,929**	**127,929**	-	78,630	78,630
Other	**5,844**	-	**5,844**	2,546	-	2,546
	37,459	**128,686**	**166,145**	23,141	79,877	103,018

(i) EMPLOYEE ENTITLEMENTS - LEAVE OBLIGATIONS

The leave obligations cover the Group's liability for long service leave and annual leave.

The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required period of service and also those where employees are entitled to pro-rota payments in certain circumstances. The entire amount of the annual leave provision of $17.7 million (2017 - $12.5 million) is presented as current, as the Group does not have an unconditional right to defer settlement for any of these obligations. Based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not to be expected to be taken or paid within the next 12 months.

	30 June 2018 $'000	30 June 2017 $'000
Current leave obligations expected to be settled after 12 months	**6,784**	3,000

(ii) INFORMATION ABOUT INDIVIDUAL PROVISIONS AND SIGNIFICANT ESTIMATES

Rehabilitation provision

The Group assesses its mine rehabilitation provision annually. Significant judgement is required in determining the provision for mine rehabilitation and closure as there are many factors that will affect the ultimate liability payable to rehabilitate the mine sites, including future disturbances caused by further development, changes in technology, changes in regulations, price increases, changes in timing of cash flows which are based on life of mine plans and changes in discount rates. When these factors change or become known in the future, such differences will impact the mine rehabilitation provision in the period in which the change becomes known.

Long service leave

The liability for long service leave and other long-term benefits is measured at the present value of the estimated future cash outflows to be made by the Group for those employees with greater than 5 years' service up to the reporting date. Long-term benefits not expected to be settled within 12 months are discounted using the rates attaching to high quality corporate bonds at the reporting date, which most closely match the terms of maturity of the related liability. In determining the liability for these long-term employee benefits, consideration has been given to expected future increases in wage and salary rates, the Group's experience with staff departures and periods of service. Related on-costs are also included in the liability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9 Non-financial assets and liabilities continued

(g) Provisions continued

(iii) MOVEMENTS IN PROVISIONS

Movements in each class of provision during the financial year, other than employee entitlements, are set out below:

2018	Rehabilitation $'000	Other $'000
Carrying amount at the start of the year	**78,630**	2,546
- additional provisions recognised	**11,255**	5,972
Amounts used during the year	**(661)**	(2,674)
- acquired through asset acquisition	**9,930**	-
- acquired through business combination	**26,484**	-
- unwinding of discount	**2,291**	-
Carrying amount at end of year	**127,929**	5,844

2017	Rehabilitation $'000	Other $'000
Carrying amount at the start of the year	**77,436**	4,192
- additional provisions recognised	**232**	2,295
Amounts used during the year	**(828)**	(3,941)
- unwinding of discount	**1,790**	-
Carrying amount at end of year	**78,630**	2,546

10 Equity

ACCOUNTING POLICY

Ordinary Shares are classified as equity. They entitle the holder to participate in dividends and have no par value.

Incremental costs directly attributable to the issue of new Shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(a) Share capital

	30 June 2018 Shares	30 June 2017 Shares	30 June 2018 $'000	30 June 2017 $'000
Ordinary Shares				
Fully paid	**612,823,852**	600,542,315	**291,290**	217,811
Total Share capital	**612,823,852**	600,542,315	**291,290**	217,811

10 Equity continued

(a) Share capital

(i) MOVEMENTS IN ORDINARY SHARES:

2017	Number of Shares	Total $'000
Details		
Opening balance 1 July 2016	**600,396,469**	214,950
Employee Share Plan issues	**-**	622
Performance Share Plan issues	**-**	2,161
Exercise of options	**145,846**	78
Balance 30 June 2017	**600,542,315**	217,811
Employee Share Plan issues	**1,462,967**	6,765
Equity issue net of transaction costs	**9,523,810**	59,810
Performance Share Plan issues	**-**	6,298
Exercise of options	**1,294,760**	606
Balance 30 June 2018	**612,823,852**	291,290

Equity issue

On 29 March 2018, the Company issued 9,523,810 fully paid ordinary Shares at an issue price of $6.28 per Share as part of the settlement with Westgold Resourced Ltd to acquire the South Kalgoorlie Operations. Refer to note 13 of the financial statements for further details.

Option and Share Plan

Information relating to the Employee Option Plan, Employee Share Plan and LTI Incentive Plan including details of options issued, exercised and lapsed during the financial year, options outstanding at the end of the financial year and Shares issued during the year, is set out in note 21.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

RISK

This section of the notes discusses the Group's exposure to various risks and shows how these could affect the group's financial position and performance.

11 Financial risk management

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance. Current year profit and loss information has been included where relevant to add further context.

Risk	Exposure arising from	Measurement of risk	How the risk is managed
Market risk - foreign exchange	Future commercial transactions	Cash flow forecasting	Material expenses and revenues are denominated in Australian Dollars.
Market risk - interest rate	Borrowings at variable rates	Sensitivity analysis	Fixed interest rates over term of borrowings on plant and equipment
Market risk - security prices	Investments in equity securities	Sensitivity analysis	Management of equity investments
Market risk - commodity price risk	Fluctuations in the prevailing market prices of gold	Sensitivity analysis	Gold forward contracts
Credit risk	Cash and cash equivalents and trade and other receivables	Aging analysis and credit ratings	Diversification of bank deposits and credit risk
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Management of availability of committed borrowing facilities and maturity

The Board has the overall responsibility for the establishment and oversight of the risk management framework. The Audit and Risk Committee is responsible for developing and monitoring risk management policies. The Committee reports regularly to the Board on its activities.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Audit and Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

(a) Derivatives

Where derivatives do not meet the hedging criteria, they are classified as 'held for trading' for accounting purposes.

On 23 February 2017, as part of Superior Gold Inc. successful listing on the TSX Venture Exchange, the Company received 14,429,521 warrants as part of the consideration for the sale of the Plutonic operations. The warrants had the following terms, exercisable at USD$1.52 on or before 23 February 2022.

In June 2017, 468,960 warrants were transferred by the Company to the transaction adviser as part of the fee consideration in relation to the Plutonic operations sale. Consequently, as at 30 June 2017 the Company held 13,960,561 warrants.

No changes in the number of warrants held for the year ended 30 June 2018. The assumptions used for the valuation of the warrants received are as follows:

Underlying Security spot price	US$0.92827
Strike/exercise price	US$1.5166
Valuation date	30 June 2018
Grant date	23 February 2017
Expected volatility	60%
Expiry date	23 February 2022
Risk free interest rate	2.29%
Fair value of one warrant	US$0.3029
Rate of conversion AUD:USD	$0.7403
Fair value of one warrant (AUD)	$0.4092

A total of A$5.7 million has been included as a derivative financial asset as at 30 June 2018 (2017: $4.9 million).

11 Financial risk management continued

(a) Derivatives continued

	30 June 2018 $'000	30 June 2017 $'000
Movements in derivative asset		
Opening balance	**4,921**	-
Fair value on issue date	**-**	4,946
Movements in fair value of warrants	**791**	(25)
Closing balance	**5,712**	4,921

(i) CLASSIFICATION OF DERIVATIVES

Derivatives are classified as held for trading and accounted for at fair value through profit or loss unless they are designated as hedges. They are presented as current assets or liabilities if they are expected to be settled within 12 months after the end of the reporting period.

(ii) FAIR VALUE MEASUREMENTS

For information about the methods and assumptions used in determining the fair value of derivatives please refer to note 8(f).

(b) Market risk

(i) FOREIGN EXCHANGE RISK

At reporting date the Group has minimal exposure to foreign currency risk. The Group's operations are all located within Australia and material expenses and revenues are denominated in Australian Dollars, the Company's functional currency.

(ii) CASH FLOW AND FAIR VALUE INTEREST RATE RISK

At reporting date the Group has minimal exposure to interest rate risk. The majority of the Group's borrowings relate to the purchases of plant and equipment under finance lease arrangements which have fixed interest rates over their term and therefore not subject to interest rate risk as defined in AASB 7.

(iii) PRICE RISK

Exposure

The Group is exposed to the risk of fluctuations in the prevailing market prices for the gold and silver currently produced from its operating mines.

The Group manages this risk through the use of gold forward contracts. These contracts are accounted for as sale contracts with revenue recognised once gold has been physically delivered into the contract. The physical gold delivery contracts are considered a contract to sell a non-financial item and therefore do not fall within the scope of AASB 139 Financial Instruments: Recognition and Measurement. As at reporting date the Group has contractual sale commitments of 259,018 ounces of gold at an average price of A$1,752 per ounce (2017: 365,000 ounces at A$1,747 per ounce).

The Group is also exposed to equity securities price risk arising from investments held by the Group and classified in the statement of financial position as available-for-sale financial assets and investments accounted for using the equity method.

All of the Group's equity investments are publicly traded on the Australian Stock Exchange or TSX Venture Exchange.

Sensitivity

The table below summarises the impact of increases/decreases of the gold price on the Group's post-tax profit for the year. The analysis is based on the assumption that the gold price had increased/decreased by A$100 per ounce (2017: increased/decreased by A$100 per ounce) with all other variables held constant.

	Impact on post-tax profit 2018 $'000	2017 $'000
Gold price - increase A$100	**20,984**	15,703
Gold price - decrease A$100	**(20,984)**	(15,703)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11 Financial risk management continued

(c) Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the Group. Credit risk arises from cash and cash equivalents and credit exposures to gold sales counterparties and financial counterparties.

(i) RISK MANAGEMENT

The Group has adopted the policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Cash is deposited only with institutions approved by the Board, typically with a current minimum credit rating of A (or equivalent) as determined by a reputable credit rating agency e.g. Standard & Poor's. Permitted instruments by which the Group hedges gold price risk are entered into with financial counterparties with a minimum credit of A (or equivalent). The Group has established limits on aggregate funds on term deposit or invested in money markets to be placed with a single financial counterparty and monitors credit and counterparty risk using credit default swaps. The Group sells the majority of its unhedged gold and silver to a single counterparty with settlement terms of no more than 2 days. The counterparty currently has an AA+ long term rating and AAA short term rating. The Group does not have any other significant credit risk exposure to a single counterparty or any group of counterparties having similar characteristics.

(ii) CREDIT QUALITY

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

	30 June 2018 $'000	30 June 2017 $'000
Trade receivables		
Counterparties with external credit rating		
AA	**11,563**	14,100
Counterparties without external credit rating*		
Other	**3,593**	1,984
Total trade receivables	**15,156**	16,084
Cash at bank and short-term bank deposits		
AAA	**10,000**	-
AA	**432,997**	403,060
	442,997	403,060

* Other - counterparties with no defaults in the past

(iii) IMPAIRED TRADE RECEIVABLES

In determining the recoverability of trade and other receivables, the Group performs a risk analysis considering the type and age of the outstanding receivable and the creditworthiness of the counterparty. If appropriate, an impairment loss will be recognised in profit or loss. The Group does not have any impaired Trade and other receivables as at 30 June 2018 (2017: nil).

(d) Liquidity risk

The Group manages liquidity risk by monitoring immediate and forecasted cash requirements and ensures adequate cash reserves are maintained to pay debts as and when due.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. At the end of the reporting period the Group held deposits at call of $202.0 million (2017: $180.0 million) that are expected to readily generate cash inflows for managing liquidity risk. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding by maintaining availability under committed credit facilities.

Management monitors rolling forecasts of the Group's available cash reserve (comprising the undrawn borrowing facilities below and cash and cash equivalents) on the basis of expected cash flows. The Group's liquidity management policy involves seeking to maintain a minimum available cash of at least 30 days costs of goods sold plus net interest costs.

11 Financial risk management continued

(d) Liquidity risk continued

(i) FINANCING ARRANGEMENTS

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

	30 June 2018 $'000	30 June 2017 $'000
Floating rate		
- Expiring beyond one year (financing facility)	**90,000**	100,000

The credit facilities may be drawn at any time.

(ii) MATURITIES OF FINANCIAL LIABILITIES

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities

	Less than 6 months $'000	6-12 months $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying amount liabilities $'000
At 30 June 2018							
Trade and other payables	**140,073**	**-**	**-**	**-**	**-**	**140,073**	**140,073**
Finance lease liabilities	**4,411**	**3,812**	**7,209**	**2,853**	**-**	**18,285**	**17,123**
Total non-derivatives	**144,484**	**3,812**	**7,209**	**2,853**	**-**	**158,358**	**157,196**
At 30 June 2017							
Trade and other payables	105,465	-	-	-	-	105,465	105,465
Finance lease liabilities	3,398	2,521	3,258	2,722	-	11,899	11,218
Total non-derivatives	108,863	2,521	3,258	2,722	-	117,364	116,683

The weighted average interest rate on finance lease liabilities was 4.55% (2017: 5.92%)

12 Capital management

(a) Risk management

The Group's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for Shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital and maximise returns to Shareholders and benefits for other stakeholders.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to Shareholders, return capital to Shareholders or issue new Shares.

Total capital is equity, as shown in the statement of financial position. The Group is not subject to any externally imposed capital requirements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12 Capital management

(b) Dividends

(i) ORDINARY SHARES

	30 June 2018 $'000	30 June 2017 $'000
Final dividend for the year ended 30 June 2017 of 6 cents (2016: 4 cents) per fully paid Share paid on 13 September 2017 (2016: 13 October 2016)	**36,190**	24,022
Special dividend (2016: 3 cents per fully paid Share paid on 2 November 2016)	**-**	18,016
	36,190	42,038
Interim dividend for the year ended 30 June 2018 of 4.5 cents (2017: 3 cents) per fully paid Share paid on 13 April 2018 (2017: 6 April 2017)	**27,143**	18,012
	63,333	60,050

(ii) DIVIDENDS NOT RECOGNISED AT THE END OF THE REPORTING PERIOD

	30 June 2018 $'000	30 June 2017 $'000
In addition to the above dividends, since year end the Directors have recommended the payment of a final dividend of 5 cents per fully paid ordinary Share (2017 - 6 cents), fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 28 September 2018 out of retained earnings at 30 June 2018, but not recognised as a liability at year end, is	**30,667**	36,190

(iii) FRANKING CREDITS

At balance date the value of franking credits available (at 30%) was $146.6 million (2017: $73.7 million)

GROUP STRUCTURE

This section provides information which will help users understand how the Group structure affects the financial position and performance of the Group as a whole. In particular, there is information about:

- changes to the structure that occurred during the year as a result of business combinations and the disposal of a discontinued operation
- interests in joint operations
- interests in associates.

A list of significant subsidiaries is provided in note 16.

13 Business combination

ACCOUNTING POLICY

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the: fair values of the assets transferred; liabilities incurred to the former owners of the acquired business; equity interests issued by the Group; fair value of any asset or liability resulting from a contingent consideration arrangement; and fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate Share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred and the amount of any non-controlling interest in the acquiree over the acquisition date fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

13 Business combination continued

(a) South Kalgoorlie Operations

(i) SUMMARY OF THE ACQUISITION

On 29 March 2018, the Company completed the acquisition of the South Kalgoorlie Operations from Westgold Resources Ltd. The total consideration paid by the Company was $78.3 million.

Details of the purchase consideration and the net identifiable assets acquired are as follows:

	$'000
Purchase consideration	
Cash and cash equivalents*	**20,000**
Equity**	**59,810**
Working Capital	**(1,539)**
Total purchase consideration	**78,271**

* Cash consideration ($20.0 million), less retention amount recorded in trade and other payables ($1.0 million) less working capital payment ($1.5 million) = $17.5 million per statement of cash flows.

** Acquisition date fair value - 9,523,810 Shares multiplied by NST Share price 29 March 2018 (acquisition date) $6.28.

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value $'000
Inventories	**12,657**
Property, plant and equipment	**31,182**
Deferred tax asset	**8,281**
Exploration and evaluation assets	**36,800**
Mine properties	**13,945**
Intangible assets: tolling benefits	**17,156**
Trade and other payables	**(7,449)**
Provision for employee benefits	**(1,118)**
Deferred tax liability	**(6,699)**
Provision for rehabilitation	**(26,484)**
Net identifiable assets acquired	**78,271**

Acquisition related costs of $3.1 million have been excluded from the consideration transferred and have been recognised as an expense in the statement of profit or loss and other comprehensive income for the year ended 30 June 2018.

(ii) REVENUE AND PROFIT CONTRIBUTION

The acquired business contributed a net loss of $5.0 million to the Group for the period from 29 March 2018 to 30 June 2018, with nil revenues as the Group honoured third-party toll treating contracts, which are due to expire in the September quarter.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14 Asset acquisition

On 28 November 2017, the Company completed the acquisition of Tanami Exploration NL from Tanami Gold NL. The total cash consideration paid by the Company was $4.0 million.

The Group has determined that the transaction does not constitute a business combination in accordance with AASB 3. The acquisition of the net assets meets the definition of, and has been accounted for, as an asset acquisition.

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 is applied. No goodwill arises on the acquisition and transactions costs of the acquisition are included in the capitalised cost of the asset.

Details of the fair values of assets acquired as at date of purchase are as follows:

	$'000
Purchase consideration	
Cash	**4,000**
Acquisition costs	**203**
	4,203

	Fair value $'000
Trade and other receivables	**40**
Inventories	**55**
Property, plant and equipment	**976**
Exploration and evaluation assets	**13,136**
Trade and other payables	**(74)**
Provisions	**(9,930)**
Net identifiable assets acquired	**4,203**

15 Discontinued operation

ACCOUNTING POLICY

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

(a) Description

On 17 February 2016 the Group announced its intention to sell the Plutonic gold mine and initiated an active process to locate a buyer and complete the sale. The Sale and Purchase Agreement in relation to the disposal of the Plutonic operations was executed on 15 August 2016 with the disposal completed with an effective date of 30 September 2016. Consequently the Plutonic operations is reported as a discontinued operation during the year ended 30 June 2017.

Financial information relation to the discontinued operation for the period to the date of disposal and the comparative period are set out below.

15 Discontinued operation continued

(b) Financial performance and cash flow information

The financial performance and cash flow information presented are for the year ended 30 June 2018 and year ended 30 June 2017.

	30 June 2018 $'000	30 June 2017 $'000
Revenue (note 3)	-	33,812
Expenses	-	(27,291)
Profit/(loss) before income tax	-	6,521
Income tax (expense)/benefit	-	(1,956)
Profit/(loss) after income tax of discontinued operation	-	4,565
Gain on sale of the subsidiary after income tax (see (c) below)	-	21,848
Profit/(loss) from discontinued operation	-	26,413
Net cash inflow from operating activities	-	9,135
Net cash (outflow) from investing activities	-	(4,918)
Net cash (outflow) from financing activities	-	(975)
Net cash outflow from the disposal Group	-	3,242

(c) Details of the sale of the subsidiary

	30 June 2018 $'000	30 June 2017 $'000
Consideration received or receivable:		
Cash	-	18,089
Equity	-	28,559
Derivative financial assets (note 11(a))	-	4,946
Receivables	-	533
Fair value of contingent consideration	-	1,570
Total disposal consideration	-	53,697
Carrying amount of net assets sold	-	(23,279)
Gain on sale before income tax	-	30,418
Income tax expense on gain	-	(8,570)
Gain on sale after income tax	-	21,848

The consideration in respect of the sale of the Plutonic gold operations was disclosed to the Australian Securities Exchange on 1 August 2016. As previously disclosed, if the purchaser (Superior Gold Inc., parent entity of Billabong Gold Pty Ltd) of the Plutonic Gold operations listed on the Toronto Stock Exchange or TSX Venture Exchange, together referred to as 'TSX', six months after completion of the Sale and Purchase Agreement ('SPA'), it was required to issue Shares to the Company to the value of A$25.0 million at the "Go Public" issue price or Shares delivering 33% interest to the Company (whichever is greater). On the 23 February 2017, Superior Gold Inc. successfully listed on the TSX Venture Exchange. As apart of the successful listing and pricing of the initial public offering, the Company's equity investment in Superior Gold Inc. was valued at A$28.6 million representing 33% interest to the Company. On 28 February 2017, the Company reduced its interest in Superior Gold Inc. to 19.7% by selling 10 million ordinary Shares. In June 2017, 512,780 Shares were transferred by the Company to the transaction adviser as part of the fee consideration for the Plutonic operations sale. Consequently, as at 30 June 2017 the Company held 18,346,261 Shares, representing 19.2% interest to the Company. No further changes in Shares held for the year ended 30 June 2018.

In addition, on completion of the listing process, the Company received one 5 year warrant for every two Shares issued to the Company exercisable at a 100% premium of the IPO price. This equated to 14,429,521 warrants with a valuation of A$4.9 million. In June 2017, 468,960 warrants were transferred by the Company to the transaction adviser as part of the fee consideration in relation to the Plutonic operations sale. Consequently, as at 30 June 2017 the Company held 13,960,561 warrants. No further changes to the number of warrants held for the year ended 30 June 2018.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15 Discontinued operation continued

(c) Details of the sale of the subsidiary continued

A further element of consideration relates to a milestone payment capped at A$10.0 million where A$2.5 million is payable for each additional 250,000 ounces of NI 43-101 compliant indicated resources (or better) identified by Billabong Gold Pty Ltd on the Project tenements as at 23 February 2016 in excess of 1,694,000 ounces JORC 2012 measured, indicated or inferred Mineral Resources. As at 30 June 2017 the Company recognised a receivable of A$1.6 million in respect of this contingent consideration element. Based on Minerals Resources as at 31 December 2017, the Company has recognised the full value of A$2.5 million as a receivables as at 30 June 2018.

The carrying amounts of assets and liabilities as at the date of sale (30 September 2016) were:

	30 September 2016 $'000
Property, plant and equipment	**12,875**
Inventories	**11,920**
Exploration & evaluation assets	**7,992**
Mine properties	**20,832**
Total assets	**53,619**
Employee benefits obligations	**(5,916)**
Rehabilitation provision	**(23,189)**
Borrowings	**(1,235)**
Total liabilities	**(30,340)**
Net assets	**23,279**

16 Interests in other entities

(a) Material subsidiaries

The Group's principal subsidiaries at 30 June 2018 are set out below. Unless otherwise stated, they have Share capital consisting solely of ordinary Shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group 2018 %	2017 %
Northern Star Mining Services Pty Ltd	Australia	**100.0**	100.0
Northern Star (Kanowna) Pty Ltd	Australia	**100.0**	100.0
Kundana Gold Pty Ltd	Australia	**100.0**	100.0
Gilt-Edged Mining Pty Ltd	Australia	**100.0**	100.0
EKJV Management Pty Ltd	Australia	**100.0**	100.0
Kanowna Mines Pty Ltd	Australia	**100.0**	100.0
GKL Properties Pty Ltd	Australia	**100.0**	100.0
Northern Star (Tanami) Pty Ltd	Australia	**100.0**	100.0
Northern Star (Western Tanami) Pty Ltd	Australia	**100.0**	-
Northern Star (South Kalgoorlie) Pty Ltd	Australia	**100.0**	-
Northern Star (HBJ) Pty Ltd	Australia	**100.0**	-
Northern Star (Hampton Gold Mining Areas) Limited	England & Wales	**100.0**	-

All subsidiaries listed above, except for Northern Star (Western Tanami) Pty Ltd, Northern Star (South Kalgoorlie) Pty Ltd, Northern Star (HBJ) Pty Ltd and Northern Star (Hampton Gold Mining Areas) Ltd have been granted relief from the necessity to prepare financial reports in accordance with ASIC Instrument 2016/785 issued by the Australian Securities and Investments Commission. For further information refer to note 24.

16 Interests in other entities continued

(b) Joint arrangements

	Principal Activities	Ownership interest held 2018 %	2017 %
FMG JV	Exploration	65.90	65.24
Mt Clement JV	Exploration	20.00	20.00
East Kundana Production JV	Exploration & Production	51.00	51.00
Kanowna West JV	Exploration	87.70	83.92
Kalbara JV	Exploration	67.34	62.97
West Kundana JV	Exploration	75.50	75.50
Zebina JV	Exploration	80.00	80.00
Acra JV	Exploration	20.00	20.00
Robertson JV	Exploration	40.00	40.00
Cheroona JV	Exploration	49.00	49.00

The joint arrangements listed above are classified as joint operations and are not separate legal entities. They are contractual arrangements between participants for the sharing of costs and outputs and do not themselves generate revenue and profit. The joint operations are of the type where initially one party contributes tenements with the other party earning a specified percentage by funding exploration activities; thereafter the parties often Share exploration and development costs and output in proportion to their ownership of joint venture assets. The joint operations are accounted for in accordance with the Group's accounting policy set out in note 26.

(c) Interests in associates and joint ventures

Set out below are the associates of the Group as at 30 June 2018 which, in the opinion of the Directors, are material to the Group. The entities listed below have Share capital consisting solely of ordinary Shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	Place of business/ country of incorporation	% of ownership interest		Nature of relationship	Measurement method	Quoted fair value		Carrying amount	
		2018 %	2017 %			**2018 $'000**	2017 $'000	**2018 $'000**	2017 $'000
Superior Gold Inc.	Canada	**19.2**	19.2	Associate [(1)]	Equity method	**22,980**	18,896	**15,399**	18,779
Total equity accounted investments								**15,399**	18,779

(1) Superior Gold Inc. is a gold producer that operates the Plutonic gold mine in Western Australia. The Company completed the sale of the Plutonic gold operations with an effective date of 30 September 2016. Refer to note 15 for further details.

Although the Group holds less than 20% of the equity Shares of Superior Gold Inc. and has less than 20% of the voting power at Shareholder meetings, the Group exercises significant influence through the appointment of an officer of the Company as a nominee director on the board of Superior Gold Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16 Interests in other entities continued

(c) Interests in associates and joint ventures continued

(i) SUMMARISED FINANCIAL INFORMATION FOR ASSOCIATES AND JOINT VENTURES

The tables below provide summarised financial information for those joint ventures and associates that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and joint ventures and not the Company's Share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

	Superior Gold Inc.	
	30 June 2018 $'000	30 June 2017 $'000
Summarised balance sheet		
Current assets	**51,566**	55,883
Non-current assets	**95,663**	72,637
Current liabilities	**(34,011)**	(20,091)
Non-current liabilities	**(49,167)**	(37,315)
Net assets	**64,050**	71,114
Reconciliation to carrying amounts:		
Opening net assets (2017: 23 February)	**66,618**	66,028
Profit/(loss) for the period	**(7,152)**	364
Other comprehensive income	**(1,137)**	226
Closing net assets	**58,329**	66,618
Group Share in %	**19.2%**	19.2%
Group's Share in $	**11,186**	13,091
Acquisition fair value adjustment	**4,213**	5,688
Carrying amount	**15,399**	18,779
Summarised statement of comprehensive income		
Revenue	**90,752**	43,592
Profit/(loss) from continuing operations	**(7,152)**	364
Profit/(loss) for the period	**(7,152)**	364
Other comprehensive income	**(1,137)**	226
Total comprehensive income/(loss)	**(8,289)**	590

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

UNRECOGNISED ITEMS

This section of the notes provides information about items that are not recognised in the financial statements as they do not (yet) satisfy the recognition criteria.

17 Contingent liabilities

(a) Contingent liabilities

The Group had contingent liabilities at 30 June 2018 in respect of:

On 31 July 2015, Northern Star Resources Ltd ("NST"), completed settlement with Tanami Gold NL ("TAM") to progressively acquire a 60% interest in the Central Tanami Project ("CTP").

As part of the acquisition, NST has granted TAM two put options to sell the remaining 40% interest in the CTP following completion. The first put option grants TAM the right to sell 15% of CTP for $20 million in cash or NST Shares at TAM's election, at any time from completion up until three years after the completion of the initial acquisition. If commercial production is achieved more than three years after completion, TAM may exercise this option at any time up to 30 calendar days following achievement of commercial production. The second put option grants TAM the right to sell 25% of CTP for $32 million in cash or NST Shares at TAMs election at any time from completion up to six calendar months after the achievement of commercial production.

On 27 June 2018, TAM announced its intention to exercise the first put option on or immediately prior to 31 July 2018 in accordance with the terms of the joint venture agreement between TAM and the Company. As such, the Company has recognised a $20 million payable as at 30 June 2018. Refer to note 4 for further details. On 31 July 2018, TAM exercised the first put option under the joint venture agreement electing to take cash consideration.

The total undiscounted amount of payments that the Group could be required to make to TAM upon the exercise of the second put options is $32 million.

18 Commitments

(a) Capital commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	30 June 2018 $'000	30 June 2017 $'000
Property, plant and equipment	**22,005**	27,242

(b) Non-cancellable operating leases

The Group leases various offices and equipment under non-cancellable operating leases expiring within two to eight years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

	30 June 2018 $'000	30 June 2017 $'000
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	**21,942**	16,567
Later than one year but not later than five years	**6,783**	14,859
Later than five years	**7,079**	8,378
	35,804	39,804

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18 Commitments continued

(c) Gold delivery commitments

	Gold for physical delivery (Ounces)	Weighted average contracted sales price (A$)	Value of committed sales ($000)
Within one year	179,018	1,748	312,846
Later than one year but not later than five years	80,000	1,761	140,915

19 Events occurring after the reporting period

Subsequent to the period ended 30 June 2018 the Company announced:

- a final fully franked dividend of 5 cents per Share to Shareholders on the record date of 7 September 2018, payable on 28 September 2018; and
- on 9 July 2018, the Company executed a self-arranged three bank syndicated facility with Australian and international banks. The new facilities include a three year $200 million revolving credit facility and contingent instrument facilities.

OTHER INFORMATION

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

20 Related party transactions

(a) Subsidiaries

Interests in subsidiaries are set out in note 16(a).

(b) Key management personnel compensation

	30 June 2018 $	30 June 2017 $
Short-term employee benefits	**3,631,932**	3,414,079
Employee entitlements	**198,836**	226,469
Post-employment benefits	**190,188**	184,761
Share-based payments	**2,491,364**	2,190,093
	6,512,320	6,015,402

Detailed remuneration disclosures are provided in the remuneration report on pages 39 to 50.

20 Related party transactions continued

(c) Transactions with other related parties

(i) PURCHASES FROM ENTITIES CONTROLLED BY KEY MANAGEMENT PERSONNEL

The Company has in place policies and procedures which govern transactions involving KMPs and their related parties, and these policies and procedures restrict the involvement of the KMP or related party in the negotiation, awarding or direct management of the resultant contract.

In the Company's 2017 Annual Report, specifically note 18 to the Consolidated Financial Statements, the Company reported that the beneficial minority interest held by Mr Beament in:

(a) Premium Mining Personnel Pty Ltd, and

(b) AUD Pty Ltd, the sole Shareholder of Australian Underground Drilling Pty Ltd (AUD),

both suppliers of goods and services to the Company, did not require reporting under the Accounting Standards. For the purposes of the 2018 Annual Report, the Company is of the same view, having applied the necessary criteria under the Accounting Standards for the financial year.

With effect from 1 July 2018, the Company now has no contractual relationship with Premium Mining Personnel Pty Ltd and Mr Beament has no Shareholding in any of its related bodies corporate.

Mr Beament's continued Shareholding in AUD is the subject of regular review by the Independent Directors. They recognise that, notwithstanding the position under the Accounting Standards, good corporate governance would normally be exhibited by the absence of a key executive holding a 23% interest in a drilling contract with a material supplier to the Company.

AUD is a material supplier due to the aggregate total of fees paid, the nature of the services provided to the Company by the supplier, and the place the supplier has in the Company's risk mitigation strategy, in seeking to maintain diversity amongst its suppliers where it is commercially feasible to do so, to ensure that there is no reliance by the Company on one supplier for a particular service across all the Company's operations.

However, in this particular case, the Independent Directors' unanimous view after having made inquiries of management, is that the continuing contractual relationship between the Company and AUD is more beneficial to the Company than terminating the contract, or not entering into a fresh contract with AUD, would be. The results of the multiple party tender process demonstrated that there was no comparable supplier with the capacity at the time of tender to provide the services to the Company's Kalgoorlie Operations for the same quality, productivity rates and price offered by AUD. Further, the selection of AUD was consistent with the company-wide risk mitigation strategy in striving for diversity in its supply chain, having regard to the other suppliers providing underground diamond drilling services to the Company's other operations (in which Mr Beament has no shareholding or other basis for inferring a significant influence).

Consequently, the previous discussions within the Board regarding possible divestment of the shareholding by Mr Beament or termination of or non-renewal of, the supply contract by the Company, have culminated in a decision by the independent Directors to accept the position, because they believe it is in the best interests of the Company's Shareholders to do so. The Company's policies and procedures continue to apply to ensure that Mr Beament is not involved in the negotiation, awarding of contracts or direct management of the contract with AUD.

The following transactions occurred with related parties:

Shirley In'tVeld:

- is a board member of CSIRO. During the year, a revenue amount of $75,000 was paid to this business for consulting services provided at normal commercial rates (2017: $96,492).

(d) Outstanding balances arising from sales/purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	30 June 2018 $	30 June 2017 $
Current payables (purchases of goods and services)		
Related entities of key management personnel	-	25,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21 Share-based payments

(a) Employee Option Plan

Set out below are summaries of options granted under the Employee Option Plan:

	2018		2017	
	Average exercise price per Share option	Number of options	Average exercise price per Share option	Number of options
As at 1 July	**1.58**	**2,673,638**	1.88	3,495,147
Exercised during the year	**1.28**	**(1,791,241)**	1.56	(204,342)
Cancelled during the year	**2.18**	**(123,709)**	1.59	(617,167)
As at 30 June	**2.18**	**758,688**	1.58	2,673,638

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Grant date	Expiry date	Exercise price	Share options 30 June 2018	Share options 30 June 2017
19 November 2014	Expiring 31 July 2017	1.28	-	1,791,241
9 July 2015	Expiring 31 July 2018	2.18	758,688	882,397
Total			758,688	2,673,638

(b) Employee Share Plan

Under the Employee Share Plan, eligible employees may be granted up to $1,000 of fully paid ordinary Shares in the Company annually for no cash consideration. The number of Shares issued to participants in the scheme is the offer amount divided by the weighted average price at which the Company's Shares are traded on the ASX during the week up to and including the date of grant. The fair value of Shares issued during the year was $6.33 (2017: $4.74) per Share.

	2018	2017
Number of Shares issued under the plan to participating employees on 13 June 2018 (2017: 26 June)	**144,754**	131,250

In addition to the above, on 31 July 2017, a further 1,334,894 (2017: nil) Shares were issued to employees as part of June 2017 Employee Share Plan. The number of Shares issued to participants in the scheme is the offer amount, which is dependant on number of years the individual employee has been employed with the Company, divided by the weighted average price at which the Company's Shares are trade on the ASX during the week up to and include the grant date. The fair value the Shares issued in relation to this plan was $4.37 (2017: nil).

(c) Performance Share Plan

No performance Shares were issued in FY2018.

Total performance Shares on issue at 30 June 2018 is 5,031,535 (2017: 9,409,586), with a corresponding total non-recourse loan value of $7,542,509 (2017: $12,066,557).

(d) Performance Rights

On 22 December 2017, 505,940 Category B performance rights were issued to the senior management of the Company.

The Company may issue performance rights to one or more eligible employee under the Long Term Incentive Plan. A performance right is a conditional right which, upon the satisfaction or waiver of the relevant vesting conditions, and, if required by the Company the exercise of that right, entitles its holder to received one Share.

The assessed fair value at grant dates of the performance rights granted during the year ended 30 June 2018 was as follows:

	22 Dec 17
Fair value	$3.639

21 Share-based payments continued

(d) Performance Rights

The fair value at grant date is independently determined using a Monte Carlo simulation model (market based vesting conditions) and a Black Scholes Model (non market vesting conditions) that takes into account the term of the performance rights, the impact of dilution (where material), the Share price at grant date and expected volatility of the underlying Share, the expected dividend yield, the risk-free rate for the term of the performance right and the correlations and volatilities of the peer group companies.

The model inputs for performance rights granted on 22 December 2017 included:

	Tranche A	Tranche B	Tranche C
(a) Exercise price	Nil	Nil	Nil
(b) Grant date	22-Dec-17	22-Dec-17	22-Dec-17
(c) Expiry date	22-Dec-23	22-Dec-23	22-Dec-23
(d) Share price at grant date	$5.96	$5.96	$5.96
(e) Expected volatility of the Company's Shares	25%	25%	45%
(f) Expected dividend yield	2.00%	2.00%	2.00%
(g) Risk-free interest rate	2.16%	2.16%	2.16%

The expected volatility is based on the historic volatility (based on the remaining life of the performance rights). Total performance rights on issue at 30 June 2018 is 10,047,140 (2017: 9,577,150).

Total Share based payments expense for the year ended 30 June 2018 was $11.4 million (2017: $4.2 million).

22 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

(a) Deloitte Touche Tohmatsu

(i) AUDIT AND OTHER ASSURANCE SERVICES

	2018 $	2017 $
Audit and other assurance services		
Audit and review of financial statements	**306,200**	270,222
Other assurance services		
Other	**39,500**	-
Total remuneration for audit and other assurance services	**345,700**	270,222

(ii) TAXATION SERVICES

	2018 $	2017 $
Total remuneration for taxation services	**-**	-

(iii) OTHER SERVICES

	2018 $	2017 $
Other services		
Other assurance and advisory services	**14,600**	-
Total remuneration for other services	**14,600**	-
Total remuneration of Deloitte Touche Tohmatsu	**360,300**	270,222
Total auditors' remuneration	**360,300**	270,222

It is the Group's policy to employ Deloitte Touche Tohmatsu on assignments additional to their statutory audit duties where Deloitte Touche Tohmatsu expertise and experience with the Group are important. These assignments are principally tax advice and due diligence reporting on acquisitions, or where Deloitte Touche Tohmatsu is awarded assignments on a competitive basis. It is the Group's policy to seek competitive tenders for all major consulting projects.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23 Earnings per Share

Basic earnings per Share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average numbers of ordinary Shares outstanding during the financial year, excluding treasury Shares.

Diluted earnings per Share adjusts the figures used in the determination of basic earnings per Share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary Shares, and
- the weighted average number of additional ordinary Shares that would have been outstanding assuming the conversion of all dilutive potential ordinary Shares.

(a) Basic earnings per Share

	30 June 2018 Cents	30 June 2017 Cents
From continuing operations attributable to the ordinary equity holders of the Company	**32.1**	31.5
From discontinued operation	**-**	4.4
Total basic earnings per Share attributable to the ordinary equity holders of the Company	**32.1**	35.9

(b) Diluted earnings per Share

	30 June 2018 Cents	30 June 2017 Cents
From continuing operations attributable to the ordinary equity holders of the Company	**31.5**	30.8
From discontinued operation	**-**	4.3
Total diluted earnings per Share attributable to the ordinary equity holders of the Company	**31.5**	35.l

(c) Reconciliation of earnings used in calculating earnings per Share

	30 June 2018 $	30 June 2017 $
Basic earnings per Share		
Profit attributable to the ordinary equity holders of the Company used in calculating basic earnings per Share:		
From continuing operations	**194,113**	188,897
From discontinued operation	**-**	26,413
	194,113	215,310
Diluted earnings per Share		
Profit from continuing operations attributable to the ordinary equity holders of the Company		
Used in calculating basic earnings per Share	**194,113**	188,897
Profit from discontinued operation	**-**	26,413
Profit attributable to the ordinary equity holders of the Company used in calculating diluted earnings per Share	**194,113**	215,310

23 Earnings per Share continued

(d) Weighted average number of Shares used as the denominator

	2018 Number	2017 Number
Weighted average number of ordinary Shares used as the denominator in calculating basic earnings per Share	**604,546,244**	600,533,924
Adjustments for calculation of diluted earnings per Share:		
Options	**758,688**	2,673,638
Performance rights	**10,047,140**	9,577,150
Weighted average number of ordinary and potential ordinary Shares used as the denominator in calculating diluted earnings per Share	**615,352,072**	612,784,712

24 Deed of cross guarantee

Northern Star Resources Limited and the following entities are parties to a deed of cross guarantee under which each Company guarantees the debts of the others:

Closed Group:

Northern Star Mining Services Pty Ltd;
Northern Star (Kanowna) Pty Ltd;
Kanowna Mines Pty Ltd;
Gilt-Edged Mining Pty Ltd; and
Northern Star (Tanami) Pty Ltd

Extended Closed Group:

GKL Properties Pty Ltd;
Kundana Gold Pty Ltd; and
EKJV Management Pty Ltd

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24 Deed of cross guarantee continued

(a) Consolidated income statement, statement of comprehensive income and summary of movements in consolidated retained earnings

The above companies represent a 'closed group' for the purposes of the revised AISC Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Northern Star Resources Limited, they also represent the 'extended closed group'.

Set out below is a consolidated statement of profit or loss, a Consolidated Statement of Profit or Loss and Other Comprehensive Income and a summary of movements in consolidated retained earnings for the year ended 30 June 2018 of the closed group consisting of Northern Star Resources Limited and the above listed entities.

	30 June 2018 $'000
CONSOLIDATED STATEMENT OF PROFIT OR LOSS	
Revenue from continuing operations	964,025
Other income	8,749
Cost of sales	(620,723)
Other expenses from ordinary activities	(62,671)
Finance costs	(2,846)
Share of net profits of associates and joint venture partnership accounted for using the equity method	(1,371)
Profit before income tax	285,163
Income tax expense	(83,659)
Profit for the year	201,504
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	
Profit for the year	201,504
Other comprehensive income	
Available-for-sale financial assets	(100)
Share of other comprehensive income of associates and joint ventures	(218)
Income tax relating to components of other comprehensive income	30
Other comprehensive income for the year, net of tax	(288)
Total comprehensive income for the year	201,216
SUMMARY OF MOVEMENTS IN CONSOLIDATED RETAINED EARNINGS	
Retained earnings at the beginning of the financial year	383,978
Profit for the year	201,504
Dividends provided for or paid	(63,333)
Retained earnings at the end of the financial year	522,149

24 Deed of cross guarantee continued

(b) Consolidated Statement of Financial Position

Set out below is a Consolidated Statement of Financial Position as at 30 June 2018 of the closed group consisting of Northern Star Resources Limited the above listed entities.

	30 June 2018 $'000
CURRENT ASSETS	
Cash and cash equivalents	442,995
Trade and other receivables	29,143
Inventories	57,837
Total current assets	529,975
NON-CURRENT ASSETS	
Trade and other receivables	94,946
Investments accounted for using the equity method	19,399
Available-for-sale financial assets	42,132
Exploration and evaluation assets	172,450
Property, plant and equipment	109,790
Mine properties	199,722
Derivative financial instruments	5,712
Total non-current assets	644,151
Total assets	1,174,126
CURRENT LIABILITIES	
Trade and other payables	125,868
Borrowings	7,610
Current tax liabilities	14,959
Provision	37,459
Total current liabilities	185,896
NON-CURRENT LIABILITIES	
Borrowings	9,513
Deferred tax liabilities	58,716
Provisions	91,174
Total non-current liabilities	159,403
Total liabilities	345,299
Net assets	828,827
EQUITY	
Contributed equity	291,290
Other reserves	15,388
Retained earnings	522,149
Total equity	828,827

For the year ended 30 June 2017, the consolidated statement of profit or loss and other comprehensive income and statement of financial position for the closed Group is materially consistent with those of the consolidated entity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25 Parent entity financial information

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	30 June 2018 $	30 June 2017 $
BALANCE SHEET		
Current assets	**451,814**	432,932
Non-current assets	**306,527**	261,541
Total assets	**758,340**	694,472
Current liabilities	**(69,608)**	(97,735)
Non-current liabilities	**(402,188)**	(390,548)
Total liabilities	**(471,796)**	(488,283)
SHAREHOLDERS' EQUITY		
Issued capital	**291,290**	217,811
Reserves		
Available-for-sale financial assets	**5,417**	5,201
Share-based payments	**10,144**	7,778
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	**(173)**	45
Retained earnings	**(20,134)**	(24,646)
	286,544	206,189
Profit for the year	**68,132**	65,605
Total comprehensive income	**67,844**	67,186

(b) Guarantees entered into by the parent entity

Refer to note 24 for details of guarantees entered into by the parent entity in relation to the debts of its subsidiaries.

(c) Contingent liabilities of the parent entity

Refer to note 17 for details of contingent liabilities relating to the parent entity as at 30 June 2018 or 30 June 2017. For information about guarantees given by the parent entity, please see above.

(d) Contractual commitments for the acquisition of property, plant or equipment

Refer to note 18 for commitments of the Group for the acquisition of property, plant and equipment as at 30 June 2018 or 30 June 2017.

(e) Determining the parent entity financial information

The financial information for the parent entity, Northern Star Resources Limited, has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE ENTITIES

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of Northern Star Resources Limited.

(ii) TAX CONSOLIDATION LEGISLATION

Northern Star Resources Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity, Northern Star Resources Limited, and the controlled entities in the tax consolidated Group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated Group continues to be a stand-alone taxpayer in its own right.

25 Parent entity financial information continued

(e) Determining the parent entity financial information continued

(ii) TAX CONSOLIDATION LEGISLATION CONTINUED

In addition to its own current and deferred tax amounts, Northern Star Resources Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated Group.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate Northern Star Resources Limited for any current tax payable assumed and are compensated by Northern Star Resources Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Northern Star Resources Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the Group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

26 Summary of significant accounting policies

This note provides a list of all significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of Northern Star Resources Limited and its subsidiaries.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Northern Star Resources Limited is a for-profit entity for the purpose of preparing the financial statements.

(i) COMPLIANCE WITH IFRS

Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and the Group complies with international financial reporting standards (IFRS).

(ii) HISTORICAL COST CONVENTION

These financial statements have been prepared under the historical cost basis, except for the following: available-for-sale financial assets, financial assets and liabilities (including derivative instruments); and assets held for sale - measured at the lower of cost and fair value less cost of disposal.

(iii) NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact of the accounting policies of the Group from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

(iv) NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2018 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26 Summary of significant accounting policies continued

(a) Basis of preparation continued

Title of standard	Nature of change	Impact	Mandatory application date/ Date of adoption by Group
AASB 9 **Financial Instruments**	AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.	The Group has reviewed its financial assets and liabilities and is expecting the following impact from the adoption of the new standard on 1 July 2018: The majority of the Groups debt instruments are currently classified as available-for-sale (AFS) financial assets would appear to satisfy the conditions for classification as at fair value through other comprehensive income (FVOCI) and hence there will be no change to the accounting for these assets. The other financial assets held by the Group include: • equity instruments currently classified as AFS for which a FVOCI election is available • equity investments currently measured at fair value through profit or loss (FVPL) which would likely continue to be measured on the same basis under AASB 9, and Accordingly, the Group does not expect the new guidance to have a significant impact on the classification and measurement of its financial assets. There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed. The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under AASB 139. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, contract assets under AASB 15 Revenue from Contracts with Customers, lease receivables, loan commitments and certain financial guarantee contracts. While the Group has not yet undertaken a detailed assessment of how its impairment provisions would be affected by the new model, it may result in an earlier recognition of credit losses. The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.	Must be applied for financial years commencing on or after 1 January 2018. Based on the transitional provisions in the completed AASB 9, early adoption in phases was only permitted for annual reporting periods beginning before 1 February 2015. After that date, the new rules must be adopted in their entirety. Expected date of adoption by the Group: 1 July 2018.

26 Summary of significant accounting policies continued

(a) Basis of preparation continued

Title of standard	Nature of change	Impact	Mandatory application date/ Date of adoption by Group
AASB 15 **Revenue from Contracts with Customers**	The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers revenue arising from the sale of goods and the rendering of services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption.	During the current year we completed our assessment of the impact on our consolidated financial statements. The assessment is as follows: Bullion (gold and silver) sales, along with tolling revenue will not be affected by AASB 15.	Mandatory for financial years commencing on or after 1 January 2018, but available for early adoption. Expected date of adoption by the Group: 1 July 2018.
AASB 16 **Leases**	AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The exceptions are short-term and low-value leases.	The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of $35,803,602, see note 18. Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under AASB 16 and will be recognised on a straight-line basis as an expense in profit or loss. However, the Group has not yet assessed what other adjustments, if any, are necessary for example because of the change in the definition of the lease term and the different treatment of variable lease payments and of extension and termination options. It is therefore not yet possible to estimate the amount of right-of-use assets and lease liabilities that will have to be recognised on adoption of the new standard and how this may affect the Group's profit or loss and classification of cash flows going forward.	Mandatory for financial years commencing on or after 1 January 2019. At this stage, the Group does not intend to adopt the standard before its effective date. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26 Summary of significant accounting policies continued

(b) Principles of consolidation

(i) SUBSIDIARIES

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated.

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Northern Star Resources Limited ('Company' or 'parent entity') as at 30 June 2018 and the results of all subsidiaries for the year then ended. Northern Star Resources Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

(ii) JOINT ARRANGEMENTS

Under AASB 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Northern Star Resources Limited has only joint operations. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Joint operations

Northern Star Resources Limited recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its Share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings. Details of the joint operation are set out in note 16(b).

(iii) CHANGES IN OWNERSHIP INTERESTS

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Northern Star Resources Limited.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(c) Foreign currency translation

(i) FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars ($), which is Northern Star Resources Limited's functional and presentation currency.

(d) Impairment of assets

At each reporting date, the Group reviews the carrying amounts of its tangible and other intangible assets to determine whether there is any indication that those assets might be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any) which is the amount by which the assets carrying value exceeds its recoverable amount. Where the asset does not generate cash in-flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell (FVLCS) and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

26 Summary of significant accounting policies continued

(d) Impairment of assets continued

Where an impairment loss subsequently reverses for assets other than goodwill, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

Estimates of quantities of recoverable minerals, production levels, operating costs and capital requirements are sourced from out planning process, including the LOM plans, five-year plans, one-year budgets and CGU-specific studies.

The determination of FVLCS for each CGU are considered to be Level 3 fair value measurements in both years, as they are derived from valuation techniques that include inputs that are not based on observable market data. The Group considers the inputs and the valuation approach to be consistent with the approach taken by market participants.

(e) Investments and other financial assets

(i) CLASSIFICATION

The Group classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss,
- loons and receivables,
- held-to-maturity investments, and
- available-for-sale financial assets.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting period. See note 8 for details about each type of financial asset.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are expected to be settled within 12 months, otherwise they are classified as non-current.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets. Loans and receivables are included in trade and other receivables and receivables in the Statement of Financial Position.

Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the investment within 12 months of the end of the reporting period. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long-term.

(ii) MEASUREMENT

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Loans and receivables and held-to-maturity investments are subsequently carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value are recognised as follows:

- for 'financial assets at fair value through profit or loss' - in profit or loss within other income or other expenses
- for available-for-sale financial assets that are monetary securities denominated in a foreign currency - translation differences related to changes in the amortised cost of the security are recognised in profit or loss and other changes in the carrying amount are recognised in other comprehensive income
- for other monetary and non-monetary securities classified as available for sale - in other comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26 Summary of significant accounting policies continued

(e) Investments and other financial assets continued

(ii) MEASUREMENT CONTINUED

Dividends on financial assets at fair value through profit or loss and available-for-sale equity instruments are recognised in profit or loss as part of revenue from continuing operations when the group's right to receive payments is established.

Interest income from financial assets at fair value through profit or loss is included in the net gains/(losses). Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement as part of revenue from continuing operations.

(iii) IMPAIRMENT

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

(f) Provision tor rehabilitation

Rehabilitation costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with the requirements of the mining permits. Such costs are determined using estimates of future costs, current legal requirements and technology.

Rehabilitation costs are recognised in full at present value as a non-current liability. An equivalent amount is capitalised as part of the cost of the asset when an obligation arises to decommission or restore a site to a certain condition after abandonment as a result of bringing the assets to its present location. The capitalised cost is amortised over the life of the project and the provision is accreted periodically as the discounting of the liability unwinds. The unwinding of the discount is recorded as a finance cost.

Any changes in the estimates for the costs or other assumptions against the cost of relevant assets are accounted for on a prospective basis. In determining the costs of site restoration there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation.

(g) Rounding of amounts

The Company is of a kind referred to ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

(h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

DIRECTORS' DECLARATION

In the Directors' opinion:

(a) the financial statements and notes set out on pages 54 to 109 are in accordance with the *Corporations Act 2001*, including:

  (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

  (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2018 and of its performance for the year ended on that date, and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and

(c) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in note 24 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 24.

Note 26(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of Directors.

Bill Beament

BILL BEAMENT
Executive Chairman

Perth, Western Australia
22 August 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Deloitte.

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Independent Auditor's Report
to the members of Northern Star Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Northern Star Resources Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Deloitte.

<table>
<tr><th>Key Audit Matter</th><th>How the scope of our audit responded to the Key Audit Matter</th></tr>
<tr><td>Acquisition Accounting – South Kalgoorlie Operations

As disclosed in Note 13, effective 29 March 2018 the Group acquired the South Kalgoorlie Operations, for a purchase price of $78.3 million.

Further details of the acquisition accounting, by material asset class, is disclosed in Note 13.

Significant judgement is required by management in assessing the fair values of identifiable assets and liabilities including:
assumptions relating to forecast cash flows, including ore volumes and grades, processing costs, toll treating costs, gold price and foreign exchange rates;
resource multiples applied, and resource conversion factors;
assumptions relating to the manner in which rehabilitation will be undertaken;
scope and quantum of costs, and
timing of the rehabilitation activities; and
calculation of discount rates applied to each valuation.</td><td>Our procedures, performed in conjunction with our valuation experts, included but were not limited to:
reviewing the purchase contract to understand the entities being acquired and the consideration payable for the acquisition;
obtaining a copy of the external valuation report to critically assess the determination of the fair values of the assets and liabilities associated with the acquisition;
assessing the independence, competence and objectivity of experts used by management;
assessing the identification of assets and liabilities acquired, and the appropriateness of the methodologies and assumptions utilised by management and their experts in relation to the following:
Tolling benefit: challenging the forecast cash flows associated with the Tolling Benefit, including comparing processed ore volume to underlying mine plans, processing costs to historic actual costs, and toll treating costs to current actual costs.
Mineral interest: assessing key assumptions for reasonableness, such as gold price, foreign exchange rates, processing costs, and ore volumes.
Mineral Resources: assessing the reasonableness of resource multiples applied, by comparing them to recent transactions, and challenging the resource conversion factor.
Rehabilitation Provision: agreeing rehabilitation cost estimates to underlying support, which included reports from external experts.
evaluating discount rates used by assessing the cost of capital applied in each valuation by comparing them to market data and industry research.
We also assessed the appropriateness of the disclosures included in Note 13 to the financial statements.</td></tr>
</table>

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Deloitte.

<table>
<tr><th>Key Audit Matter</th><th>How the scope of our audit responded to the Key Audit Matter</th></tr>
<tr><td>Accounting for mine properties

As at 30 June 2018 the carrying value of mine properties amounts to $212.8 million as disclosed in Note 9 (c). During the year the group incurred $123.2 million of capital expenditure related to mine properties and recognised related amortisation expenses of $112.5 million.

The accounting for underground mining operations includes a number of significant estimates and judgements, including:
• the allocation of mining costs between operating and capital expenditure; and
• determination of the units of production used to amortise mine properties.

A key driver of the allocation of costs between operating and capital expenditure is the physical mining data associated with the different underground mining activities including the development of declines, lateral and vertical development, as well as capital non-sustaining costs.</td><td>In respect of the allocation of mining costs our procedures included, but were not limited to:
• obtaining an understanding of the key controls management has in place in relation to the capitalisation of underground mining expenditure and the production of physical underground mining data;
• testing the mining costs through agreeing to source data on a sample basis, or completion of substantive analytical procedures;
• assessing the appropriateness of the allocation of costs between operating and capital expenditure based on the nature of the underlying activity, and recalculating the allocation based on the underlying physical data; and
• testing on a sample basis the underlying capitalisation models for mathematical accuracy.

In respect of the group's unit of production amortisation calculations our procedures included, but were not limited to:
• obtaining an understanding of the key controls management has in place in relation to the calculation of the unit of production amortisation rate;
• testing the mathematical accuracy of the rates applied; and
• agreeing the inputs to source documentation, including:
- the allocation of contained ounces to the specific mine properties;
- the contained ounces to the applicable reserves statement; and
- the anticipated development expenditure to life of mine models, which were assessed for reasonableness compared to historical development expenditure for the respective operations.

We also assessed the appropriateness of the disclosures included in Note 9 (c) to the financial statements.</td></tr>
<tr><td>Rehabilitation provision

As at 30 June 2018 a rehabilitation provision of $127.9 million has been recognised as disclosed in Note 9 (g).

Significant judgement is exercised in the determination of the rehabilitation provision, including:
• assumptions relating to the manner in which rehabilitation will be undertaken,
• scope and quantum of costs, and
• timing of the rehabilitation activities.</td><td>Our procedures included, but were not limited to:
• obtaining an understanding of the key controls management has in place to estimate the rehabilitation provision;
• agreeing rehabilitation cost estimates to underlying support, including reports from external experts;
• assessing the independence, competence and objectivity of experts used by management;
• confirming the closure and related rehabilitation dates are consistent with the latest estimates of life of mines;
• comparing the inflation and discount rates to available market information; and
• testing the mathematical accuracy of the rehabilitation provision.

We also assessed the appropriateness of the disclosures included in Note 9 (g) and Note 26 (f) to the financial statements.</td></tr>
</table>

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Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

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- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 39 to 50 of the Director's Report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Northern Star Resources Limited, for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

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David Newman
Partner
Chartered Accountants
Perth, 22 August 2018

SHAREHOLDER INFORMATION

The Shareholder information set out below was applicable as at 14 August 2018.

A. Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

	Ordinary Shares			
Holding	**Shares**	**%**	**No. holders**	**%**
1 – 1,000	2,400,045	0.39	4,900	39.17
1,001 – 5,000	12,068,795	1.97	4,585	36.65
5,001 – 10,000	10,256,661	1.67	1,334	10.66
10,001 – 100,000	41,100,269	6.70	1,505	12.03
100,001 and over	547,507,960	89.27	185	1.48
Total	**613,333,730**	**100.00**	**12,509**	**100.00**

There were no holders of less than a marketable parcel of ordinary Shares.

B. Equity security holders

Twenty largest quoted equity security holders

			Ordinary Shares	
	Name	**A/C**	**Number held**	**% issued capital**
1.	HSBC Custody Nominees (Australia) Limited		289,952,710	47.27
2.	J P Morgan Nominees Australia Limited		104,827,349	17.09
3.	Citicorp Nominees Pty Limited		50,513,846	8.24
4.	National Nominees Limited		15,023,250	2.45
5.	BNP Paribas Nominees Pty Ltd	<Agency Lending DRP A/C>	8,510,747	1.39
6.	Mr William James Beament	<The Beament Family A/C>	7,691,585	1.25
7.	BNP Paribas Noms Pty Ltd	<DRP>	4,413,610	0.72
8.	Citicorp Nominees Pty Limited	<Colonial First State Inv A/C>	4,232,482	0.69
9.	HSBC Custody Nominees (Australia) Limited	<NT-Comnwlth Super Corp A/C>	4,125,942	0.67
10.	National Nominees Limited	<DB A/C>	2,992,194	0.49
11.	Mr Hendrius Petrus Indrisie		2,011,628	0.33
12.	William James Beament		1,952,003	0.32
13.	AMP Life Limited		1,905,934	0.31
14.	HSBC Custody Nominees (Australia) Limited-GSCO ECA		1,602,893	0.26
15.	Stuart Peter Tonkin		1,302,655	0.21
16.	Pacific Custodians Pty Limited	NST Employee Sub Register	1,273,356	0.21
17.	Mr John Gerard Farrell		1,254,128	0.20
18.	UBS Nominees Pty Ltd		997,409	0.16
19.	Rosiano Pty Ltd	<Jubilee S/F A/C>	930,950	0.15
20.	Mr Joseph Mario Cervelli & Mrs Deborah Beghilde Cervelli		850,213	0.14
	Total		**506,364,884**	**82.56**
	Balance of register		**106,968,846**	**17.44**
	Grant total		**613,333,730**	**100.00**

SHAREHOLDER INFORMATION

B. Equity security holders continued

Restricted securities

Class	Number	Latest date that voluntary escrow period ends
Shares[1]	84,868	29 June 2019
Shares[2]	109,200	26 June 2020
Shares[3]	145,696	13 June 2021
Shares	4,632,260	Upon repayment in full of the limited recourse loan

Unquoted equity securities

	Number	Holders
Performance rights issued under the Northern Star Long Term Incentive Plan	10,418,420[4]	66

1 Shares issued under the Employee Share Plan Rules No. 2 (approved in December 2011) on 29 June 2016
2 Shares issued under the Employee Share Plan Rules No. 3 (approved in June 2017) on 26 June 2017
3 Shares issued under the Employee Share Plan Rules No. 3 (approved in June 2017) on 30 July 2018
4 Number of unissued ordinary Shares under the performance rights. No person holds 20% or more of these securities.

C. Substantial holders

Substantial holders in the Company are set out below:

	Ordinary Shares	
	Number	%
Van Eck Associates Corporation	85,502,777	13.94%
BlackRock Group	77,406,423	12.62%

D. Voting rights

The voting rights attaching to each class of equity securities are set out below:

- Ordinary Shares: On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each Share shall have one vote.
- Performance rights: No voting rights

E. On-market buy-back

There is no current on-market buy-back of the Company's equity securities.

TENEMENT SCHEDULE

Tenement	Interest	Project & Location	NST Status
E27/278	20%	Acra - Kalgoorlie	Holder & Earning-In
E27/438	20%	Acra - Kalgoorlie	Holder & Earning-In
E27/491	20%	Acra - Kalgoorlie	Holder & Earning-In
E27/520	20%	Acra - Kalgoorlie	Holder & Earning-In
E27/548	20%	Acra - Kalgoorlie	Holder & Earning-In
E27/579	20%	Acra - Kalgoorlie	Holder & Earning-In
E28/1746	20%	Acra - Kalgoorlie	Holder & Earning-In
E28/2483	20%	Acra - Kalgoorlie	Holder & Earning-In
E08/2499	100%	Ashburton - Ashburton	Holder
E08/2659	100%	Ashburton - Ashburton	Holder
E08/2755 (A)	100%	Ashburton - Ashburton	Holder
E08/2760	100%	Ashburton - Ashburton	Holder
E47/3305	100%	Ashburton - Ashburton	Holder
L08/103	100%	Ashburton - Ashburton	Holder
L08/168 (A)	100%	Ashburton - Ashburton	Holder
P08/653	100%	Ashburton - Ashburton	Holder
EL24177	100%	Boulder Ridge - Tanami	Holder
EL25171	100%	Boulder Ridge - Tanami	Holder
EL27590	100%	Boulder Ridge - Tanami	Holder
EL29595	100%	Boulder Ridge - Tanami	Holder
EL24174	100%	Browns Range - Tanami	Holder
EL24193	100%	Browns Range - Tanami	Holder
EL26270	100%	Browns Range - Tanami	Holder
EL26286	100%	Browns Range - Tanami	Holder
EL26498	100%	Browns Range - Tanami	Holder
EL26541	100%	Browns Range - Tanami	Holder
EL26635	100%	Browns Range - Tanami	Holder
EL29592	100%	Browns Range - Tanami	Holder
L16/57	100%	Carbine Zuleika - Kalgoorlie	Holder
L16/75	100%	Carbine Zuleika - Kalgoorlie	Holder
M16/548	100%	Carbine Zuleika - Kalgoorlie	Holder
P24/4602	100%	Carbine Zuleika - Kalgoorlie	Holder
P24/4629	100%	Carbine Zuleika - Kalgoorlie	Holder
P24/4630	100%	Carbine Zuleika - Kalgoorlie	Holder
P24/4688	100%	Carbine Zuleika - Kalgoorlie	Holder
P24/4760	100%	Carbine Zuleika - Kalgoorlie	Holder
P24/4761	100%	Carbine Zuleika - Kalgoorlie	Holder
P24/4762	100%	Carbine Zuleika - Kalgoorlie	Holder
P24/4763	100%	Carbine Zuleika - Kalgoorlie	Holder
P24/4807	100%	Carbine Zuleika - Kalgoorlie	Holder
P24/4814	100%	Carbine Zuleika - Kalgoorlie	Holder
P24/4815	100%	Carbine Zuleika - Kalgoorlie	Holder
P24/4889	100%	Carbine Zuleika - Kalgoorlie	Holder
P24/4890	100%	Carbine Zuleika - Kalgoorlie	Holder
P24/4891	100%	Carbine Zuleika - Kalgoorlie	Holder
P24/4894	100%	Carbine Zuleika - Kalgoorlie	Holder
P24/4895	100%	Carbine Zuleika - Kalgoorlie	Holder
P24/4898	100%	Carbine Zuleika - Kalgoorlie	Holder
P24/4899	100%	Carbine Zuleika - Kalgoorlie	Holder
P24/4907	100%	Carbine Zuleika - Kalgoorlie	Holder
P24/4964	100%	Carbine Zuleika - Kalgoorlie	Holder
P24/4965	100%	Carbine Zuleika - Kalgoorlie	Holder
P24/5022	100%	Carbine Zuleika - Kalgoorlie	Holder
P24/5121	100%	Carbine Zuleika - Kalgoorlie	Holder
P24/5122	100%	Carbine Zuleika - Kalgoorlie	Holder
P24/5123	100%	Carbine Zuleika - Kalgoorlie	Holder
P24/5124	100%	Carbine Zuleika - Kalgoorlie	Holder
P24/5241 (A)	100%	Carbine Zuleika - Kalgoorlie	Holder
P24/5243 (A)	100%	Carbine Zuleika - Kalgoorlie	Holder
P24/5248 (A)	100%	Carbine Zuleika - Kalgoorlie	Holder
M24/319	100%	Carnage - Kalgoorlie	Holder
M24/972 (A)	100%	Carnage - Kalgoorlie	Holder
P24/4409	100%	Carnage - Kalgoorlie	Holder
P24/4565	100%	Carnage - Kalgoorlie	Holder
P24/4566	100%	Carnage - Kalgoorlie	Holder
P24/4603	100%	Carnage - Kalgoorlie	Holder
P24/4637	100%	Carnage - Kalgoorlie	Holder
P24/4681	100%	Carnage - Kalgoorlie	Holder

Tenement	Interest	Project & Location	NST Status
P24/4682	100%	Carnage - Kalgoorlie	Holder
P24/4683	100%	Carnage - Kalgoorlie	Holder
P24/4684	100%	Carnage - Kalgoorlie	Holder
P24/4685	100%	Carnage - Kalgoorlie	Holder
P24/4686	100%	Carnage - Kalgoorlie	Holder
P24/4687	100%	Carnage - Kalgoorlie	Holder
EL10355	25%	Cave Hill - Tanami	Holder & Earning-in
EL10411	25%	Cave Hill - Tanami	Holder & Earning-in
EL22229	25%	Cave Hill - Tanami	Holder & Earning-in
EL22378	25%	Cave Hill - Tanami	Holder & Earning-in
EL23342	25%	Cave Hill - Tanami	Holder & Earning-in
EL9763	25%	Cave Hill - Tanami	Holder & Earning-in
EL26925	25%	Central - Tanami	Holder & Earning-in
EL26926	25%	Central - Tanami	Holder & Earning-in
EL28474	25%	Central - Tanami	Holder & Earning-in
EL8797	25%	Central - Tanami	Holder & Earning-in
MLS119	25%	Central - Tanami	Holder & Earning-in
MLS120	25%	Central - Tanami	Holder & Earning-in
MLS121	25%	Central - Tanami	Holder & Earning-in
MLS122	25%	Central - Tanami	Holder & Earning-in
MLS123	25%	Central - Tanami	Holder & Earning-in
MLS124	25%	Central - Tanami	Holder & Earning-in
MLS125	25%	Central - Tanami	Holder & Earning-in
MLS126	25%	Central - Tanami	Holder & Earning-in
MLS127	25%	Central - Tanami	Holder & Earning-in
MLS128	25%	Central - Tanami	Holder & Earning-in
MLS129	25%	Central - Tanami	Holder & Earning-in
MLS130	25%	Central - Tanami	Holder & Earning-in
MLS131	25%	Central - Tanami	Holder & Earning-in
MLS132	25%	Central - Tanami	Holder & Earning-in
MLS133	25%	Central - Tanami	Holder & Earning-in
MLS153	25%	Central - Tanami	Holder & Earning-in
MLS167	25%	Central - Tanami	Holder & Earning-in
MLS168	25%	Central - Tanami	Holder & Earning-in
MLS180	25%	Central - Tanami	Holder & Earning-in
E51/1391	100%	Cheroona - East Murchison	Holder & Farm-Out
E51/1837	100%	Cheroona - East Murchison	Holder & Farm-Out
E51/1838	100%	Cheroona - East Murchison	Holder & Farm-Out
M15/1413	51%	East Kundana JV - Kalgoorlie	Holder & Production Joint Venture
M15/993	51%	East Kundana JV - Kalgoorlie	Holder & Production Joint Venture
M16/181	51%	East Kundana JV - Kalgoorlie	Holder & Production Joint Venture
M16/182	51%	East Kundana JV - Kalgoorlie	Holder & Production Joint Venture
M16/308	51%	East Kundana JV - Kalgoorlie	Holder & Production Joint Venture
M16/309	51%	East Kundana JV - Kalgoorlie	Holder & Production Joint Venture
M16/325	51%	East Kundana JV - Kalgoorlie	Holder & Production Joint Venture
M16/326	51%	East Kundana JV - Kalgoorlie	Holder & Production Joint Venture
M16/421	51%	East Kundana JV - Kalgoorlie	Holder & Production Joint Venture
M16/428	51%	East Kundana JV - Kalgoorlie	Holder & Production Joint Venture
M24/924	51%	East Kundana JV - Kalgoorlie	Holder & Production Joint Venture
E08/1650	100%	Electric Dingo - Ashburton	Holder
EL22061	25%	Farrands Hill - Tanami	Holder & Earning-in
EL9843	25%	Farrands Hill - Tanami	Holder & Earning-in
E08/1915	65.19%	FMG JV - Ashburton	Earning-In
E08/2000	65.19%	FMG JV - Ashburton	Earning-In
E08/2065	65.19%	FMG JV - Ashburton	Earning-In
E08/2114	65.19%	FMG JV - Ashburton	Earning-In
E47/1773	65.19%	FMG JV - Ashburton	Earning-In
E47/2236	65.19%	FMG JV - Ashburton	Earning-In
E52/2786	65.19%	FMG JV - Ashburton	Earning-In

TENEMENT SCHEDULE

Tenement	Interest	Project & Location	NST Status
EL23932	100%	Gardiner - Tanami	Holder
EL25009	100%	Gardiner - Tanami	Holder
EL27367	100%	Gardiner - Tanami	Holder
EL29593	100%	Gardiner - Tanami	Holder
ML22934	25%	Groundrush - Tanami	Holder & Earning-in
E53/1872	100%	Jundee - East Murchison	Holder
E53/1922	100%	Jundee - East Murchison	Holder
E53/1923	100%	Jundee - East Murchison	Holder
E53/1938	100%	Jundee - East Murchison	Holder
E53/1939	100%	Jundee - East Murchison	Holder
E53/1976	100%	Jundee - East Murchison	Holder
E53/1977	100%	Jundee - East Murchison	Holder
G53/20	100%	Jundee - East Murchison	Holder
L53/100	100%	Jundee - East Murchison	Holder
L53/102	100%	Jundee - East Murchison	Holder
L53/112	100%	Jundee - East Murchison	Holder
L53/113	100%	Jundee - East Murchison	Holder
L53/117	100%	Jundee - East Murchison	Holder
L53/136	100%	Jundee - East Murchison	Holder
L53/137	100%	Jundee - East Murchison	Holder
L53/138	100%	Jundee - East Murchison	Holder
L53/142	100%	Jundee - East Murchison	Holder
L53/143	100%	Jundee - East Murchison	Holder
L53/153	100%	Jundee - East Murchison	Holder
L53/169	100%	Jundee - East Murchison	Holder
L53/174	100%	Jundee - East Murchison	Holder
L53/52	100%	Jundee - East Murchison	Holder
L53/60	100%	Jundee - East Murchison	Holder
L53/68	100%	Jundee - East Murchison	Holder
L53/69	100%	Jundee - East Murchison	Holder
L53/70	100%	Jundee - East Murchison	Holder
L53/71	100%	Jundee - East Murchison	Holder
L53/72	100%	Jundee - East Murchison	Holder
L53/73	100%	Jundee - East Murchison	Holder
L53/75	100%	Jundee - East Murchison	Holder
L53/99	100%	Jundee - East Murchison	Holder
M53/155	100%	Jundee - East Murchison	Holder
M53/156	100%	Jundee - East Murchison	Holder
M53/182	100%	Jundee - East Murchison	Holder
M53/191	100%	Jundee - East Murchison	Holder
M53/192	100%	Jundee - East Murchison	Holder
M53/196	100%	Jundee - East Murchison	Holder
M53/197	100%	Jundee - East Murchison	Holder
M53/198	100%	Jundee - East Murchison	Holder
M53/199	100%	Jundee - East Murchison	Holder
M53/221	100%	Jundee - East Murchison	Holder
M53/226	100%	Jundee - East Murchison	Holder
M53/228	100%	Jundee - East Murchison	Holder
M53/229	100%	Jundee - East Murchison	Holder
M53/230	100%	Jundee - East Murchison	Holder
M53/235	100%	Jundee - East Murchison	Holder
M53/236	100%	Jundee - East Murchison	Holder
M53/237	100%	Jundee - East Murchison	Holder
M53/245	100%	Jundee - East Murchison	Holder
M53/246	100%	Jundee - East Murchison	Holder
M53/247	100%	Jundee - East Murchison	Holder
M53/248	100%	Jundee - East Murchison	Holder
M53/249	100%	Jundee - East Murchison	Holder
M53/250	100%	Jundee - East Murchison	Holder
M53/326	100%	Jundee - East Murchison	Holder
M53/347	100%	Jundee - East Murchison	Holder
M53/372	100%	Jundee - East Murchison	Holder
M53/412	100%	Jundee - East Murchison	Holder
M53/413	100%	Jundee - East Murchison	Holder
M53/414	100%	Jundee - East Murchison	Holder
M53/441	100%	Jundee - East Murchison	Holder
M53/446	100%	Jundee - East Murchison	Holder
M53/451	100%	Jundee - East Murchison	Holder
M53/452	100%	Jundee - East Murchison	Holder
M53/461	100%	Jundee - East Murchison	Holder
M53/477	100%	Jundee - East Murchison	Holder
M53/478	100%	Jundee - East Murchison	Holder
M53/479	100%	Jundee - East Murchison	Holder
M53/480	100%	Jundee - East Murchison	Holder
M53/492	100%	Jundee - East Murchison	Holder
M53/535	100%	Jundee - East Murchison	Holder
M53/536	100%	Jundee - East Murchison	Holder
M53/537	100%	Jundee - East Murchison	Holder
M53/538	100%	Jundee - East Murchison	Holder
M53/539	100%	Jundee - East Murchison	Holder
M53/540	100%	Jundee - East Murchison	Holder
M53/541	100%	Jundee - East Murchison	Holder
M53/552	100%	Jundee - East Murchison	Holder
M53/588	100%	Jundee - East Murchison	Holder
M53/589	100%	Jundee - East Murchison	Holder
M53/611	100%	Jundee - East Murchison	Holder
M53/707	100%	Jundee - East Murchison	Holder
M53/708	100%	Jundee - East Murchison	Holder
M53/711	100%	Jundee - East Murchison	Holder
M53/712	100%	Jundee - East Murchison	Holder
M53/836	100%	Jundee - East Murchison	Holder
M53/874	100%	Jundee - East Murchison	Holder
M53/895	100%	Jundee - East Murchison	Holder
M53/911	100%	Jundee - East Murchison	Holder
M53/929	100%	Jundee - East Murchison	Holder
M53/935	100%	Jundee - East Murchison	Holder
M53/940	100%	Jundee - East Murchison	Holder
M53/966	100%	Jundee - East Murchison	Holder
P53/1672	100%	Jundee - East Murchison	Holder
M27/181	62.97%	Kalbara JV - Kalgoorlie	Holder & Earning-In
E24/212 (A)	100%	Kanowna - Kalgoorlie	Holder
E24/213 (A)	100%	Kanowna - Kalgoorlie	Holder
E27/457	100%	Kanowna - Kalgoorlie	Holder
E27/542	100%	Kanowna - Kalgoorlie	Holder
E27/557	100%	Kanowna - Kalgoorlie	Holder
E27/587	100%	Kanowna - Kalgoorlie	Holder
E27/598 (A)	100%	Kanowna - Kalgoorlie	Holder
E27/599 (A)	100%	Kanowna - Kalgoorlie	Holder
E27/589	100%	Kanowna - Kalgoorlie	Holder
E31/1159	100%	Kanowna - Kalgoorlie	Holder
L26/198	100%	Kanowna - Kalgoorlie	Holder
L27/49	100%	Kanowna - Kalgoorlie	Holder
L27/50	100%	Kanowna - Kalgoorlie	Holder
L27/51	100%	Kanowna - Kalgoorlie	Holder
L27/60	100%	Kanowna - Kalgoorlie	Holder
L27/61	100%	Kanowna - Kalgoorlie	Holder
L27/62	100%	Kanowna - Kalgoorlie	Holder
L27/83	100%	Kanowna - Kalgoorlie	Holder
L27/87	100%	Kanowna - Kalgoorlie	Holder
M24/640	100%	Kanowna - Kalgoorlie	Holder
M27/103	100%	Kanowna - Kalgoorlie	Holder
M27/122	100%	Kanowna - Kalgoorlie	Holder
M27/123	100%	Kanowna - Kalgoorlie	Holder
M27/127	100%	Kanowna - Kalgoorlie	Holder
M27/128	100%	Kanowna - Kalgoorlie	Holder
M27/133	100%	Kanowna - Kalgoorlie	Holder
M27/157	100%	Kanowna - Kalgoorlie	Holder
M27/159	100%	Kanowna - Kalgoorlie	Holder
M27/164	100%	Kanowna - Kalgoorlie	Holder
M27/175	100%	Kanowna - Kalgoorlie	Holder
M27/18	100%	Kanowna - Kalgoorlie	Holder
M27/182	100%	Kanowna - Kalgoorlie	Holder
M27/191	100%	Kanowna - Kalgoorlie	Holder
M27/197	100%	Kanowna - Kalgoorlie	Holder
M27/198	100%	Kanowna - Kalgoorlie	Holder
M27/202	100%	Kanowna - Kalgoorlie	Holder

TENEMENT SCHEDULE

Tenement	Interest	Project & Location	NST Status
M27/219	100%	Kanowna - Kalgoorlie	Holder
M27/22	100%	Kanowna - Kalgoorlie	Holder
M27/228	100%	Kanowna - Kalgoorlie	Holder
M27/23	100%	Kanowna - Kalgoorlie	Holder
M27/232	100%	Kanowna - Kalgoorlie	Holder
M27/245	40%	Kanowna - Kalgoorlie	Holder
M27/272	100%	Kanowna - Kalgoorlie	Holder
M27/287	100%	Kanowna - Kalgoorlie	Holder
M27/37	100%	Kanowna - Kalgoorlie	Holder
M27/378	100%	Kanowna - Kalgoorlie	Holder
M27/406	100%	Kanowna - Kalgoorlie	Holder
M27/420	100%	Kanowna - Kalgoorlie	Holder
M27/438	100%	Kanowna - Kalgoorlie	Holder
M27/49	100%	Kanowna - Kalgoorlie	Holder
M27/496	100%	Kanowna - Kalgoorlie	Holder
M27/53	100%	Kanowna - Kalgoorlie	Holder
M27/57	100%	Kanowna - Kalgoorlie	Holder
M27/63	100%	Kanowna - Kalgoorlie	Holder
M27/92	100%	Kanowna - Kalgoorlie	Holder
P24/4498	100%	Kanowna - Kalgoorlie	Holder
P24/4499	100%	Kanowna - Kalgoorlie	Holder
P24/4818	100%	Kanowna - Kalgoorlie	Holder
P24/4819	100%	Kanowna - Kalgoorlie	Holder
P24/4820	100%	Kanowna - Kalgoorlie	Holder
P24/4995	100%	Kanowna - Kalgoorlie	Holder
P26/4064	100%	Kanowna - Kalgoorlie	Holder
P26/4065	100%	Kanowna - Kalgoorlie	Holder
P26/4127	100%	Kanowna - Kalgoorlie	Holder
P26/4129	100%	Kanowna - Kalgoorlie	Holder
P26/4132	100%	Kanowna - Kalgoorlie	Holder
P26/4156	100%	Kanowna - Kalgoorlie	Holder
P27/1878	100%	Kanowna - Kalgoorlie	Holder
P27/1880	100%	Kanowna - Kalgoorlie	Holder
P27/1881	100%	Kanowna - Kalgoorlie	Holder
P27/2025	100%	Kanowna - Kalgoorlie	Holder
P27/2026	100%	Kanowna - Kalgoorlie	Holder
P27/2099	100%	Kanowna - Kalgoorlie	Holder
P27/2100	100%	Kanowna - Kalgoorlie	Holder
P27/2101	100%	Kanowna - Kalgoorlie	Holder
P27/2102	100%	Kanowna - Kalgoorlie	Holder
P27/2222	100%	Kanowna - Kalgoorlie	Holder
P27/2223	100%	Kanowna - Kalgoorlie	Holder
P27/2302	100%	Kanowna - Kalgoorlie	Holder
P27/2303	100%	Kanowna - Kalgoorlie	Holder
P27/2375 (A)	100%	Kanowna - Kalgoorlie	Holder
P27/2379 (A)	100%	Kanowna - Kalgoorlie	Holder
P27/2380 (A)	100%	Kanowna - Kalgoorlie	Holder
P27/2381 (A)	100%	Kanowna - Kalgoorlie	Holder
P27/2382 (A)	100%	Kanowna - Kalgoorlie	Holder
M27/114	83.92%	Kanowna West JV - Kalgoorlie	Holder & Earning-In
M27/196	83.92%	Kanowna West JV - Kalgoorlie	Holder & Earning-In
M27/41	83.92%	Kanowna West JV - Kalgoorlie	Holder & Earning-In
M27/414	83.92%	Kanowna West JV - Kalgoorlie	Holder & Earning-In
M27/415	83.92%	Kanowna West JV - Kalgoorlie	Holder & Earning-In
M27/47	83.92%	Kanowna West JV - Kalgoorlie	Holder & Earning-In
M27/493	83.92%	Kanowna West JV - Kalgoorlie	Holder & Earning-In
M27/494	83.92%	Kanowna West JV - Kalgoorlie	Holder & Earning-In
M27/498 (A)	83.92%	Kanowna West JV - Kalgoorlie	Holder & Earning-In
M27/499 (A)	83.92%	Kanowna West JV - Kalgoorlie	Holder & Earning-In
M27/495	83.92%	Kanowna West JV - Kalgoorlie	Holder & Earning-In
M27/59	83.92%	Kanowna West JV - Kalgoorlie	Holder & Earning-In
M27/72	83.92%	Kanowna West JV - Kalgoorlie	Holder & Earning-In
M27/73	83.92%	Kanowna West JV - Kalgoorlie	Holder & Earning-In
P27/1826	83.92%	Kanowna West JV - Kalgoorlie	Holder & Earning-in
P27/1827	83.92%	Kanowna West JV - Kalgoorlie	Holder & Earning-in
P27/1828	83.92%	Kanowna West JV - Kalgoorlie	Holder & Earning-in
P27/1829	83.92%	Kanowna West JV - Kalgoorlie	Holder & Earning-in
E24/151	80%	KRGP - Kalgoorlie	Holder

Tenement	Interest	Project & Location	NST Status
E27/343	80%	KRGP - Kalgoorlie	Holder
M27/497 (A)	80%	KRGP - Kalgoorlie	Holder
P27/1743	80%	KRGP - Kalgoorlie	Holder
E24/152	100%	Kundana - Kalgoorlie	Holder
E24/153	100%	Kundana - Kalgoorlie	Holder
E24/206 (A)	100%	Kundana - Kalgoorlie	Holder
E26/140	100%	Kundana - Kalgoorlie	Holder
E26/194	100%	Kundana - Kalgoorlie	Holder
E26/198	100%	Kundana - Kalgoorlie	Holder
E26/199	100%	Kundana - Kalgoorlie	Holder
E26/200	100%	Kundana - Kalgoorlie	Holder
L16/104	100%	Kundana - Kalgoorlie	Holder
L16/105	100%	Kundana - Kalgoorlie	Holder
L16/106	100%	Kundana - Kalgoorlie	Holder
L16/28	100%	Kundana - Kalgoorlie	Holder
L16/38	100%	Kundana - Kalgoorlie	Holder
L16/39	100%	Kundana - Kalgoorlie	Holder
L16/69	100%	Kundana - Kalgoorlie	Holder
L24/205	100%	Kundana - Kalgoorlie	Holder
L24/206	100%	Kundana - Kalgoorlie	Holder
M15/1351	100%	Kundana - Kalgoorlie	Holder
M15/669	100%	Kundana - Kalgoorlie	Holder
M16/157	100%	Kundana - Kalgoorlie	Holder
M16/260	100%	Kundana - Kalgoorlie	Holder
M16/366	100%	Kundana - Kalgoorlie	Holder
M16/367	100%	Kundana - Kalgoorlie	Holder
M16/408	100%	Kundana - Kalgoorlie	Holder
M16/436	100%	Kundana - Kalgoorlie	Holder
M16/438	100%	Kundana - Kalgoorlie	Holder
M16/440	100%	Kundana - Kalgoorlie	Holder
M16/441	100%	Kundana - Kalgoorlie	Holder
M16/72	100%	Kundana - Kalgoorlie	Holder
M16/73	100%	Kundana - Kalgoorlie	Holder
M16/74	100%	Kundana - Kalgoorlie	Holder
M16/75	100%	Kundana - Kalgoorlie	Holder
M16/87	100%	Kundana - Kalgoorlie	Holder
M16/97	100%	Kundana - Kalgoorlie	Holder
M24/142	100%	Kundana - Kalgoorlie	Holder
M24/435	100%	Kundana - Kalgoorlie	Holder
M24/606	100%	Kundana - Kalgoorlie	Holder
M24/626	100%	Kundana - Kalgoorlie	Holder
M26/680	100%	Kundana - Kalgoorlie	Holder
M26/681	100%	Kundana - Kalgoorlie	Holder
M26/687	100%	Kundana - Kalgoorlie	Holder
M26/688	100%	Kundana - Kalgoorlie	Holder
P16/2575	100%	Kundana - Kalgoorlie	Holder
P16/3032	100%	Kundana - Kalgoorlie	Holder
P24/4969	100%	Kundana - Kalgoorlie	Holder
P24/4970	100%	Kundana - Kalgoorlie	Holder
P24/4971	100%	Kundana - Kalgoorlie	Holder
P24/4972	100%	Kundana - Kalgoorlie	Holder
P24/5242 (A)	100%	Kundana - Kalgoorlie	Holder
M08/191	20%	Mt Clement - Ashburton	Free-Carried Interest
M08/192	20%	Mt Clement - Ashburton	Free-Carried Interest
M08/193	20%	Mt Clement - Ashburton	Free-Carried Interest
E52/1941	100%	Mt Olympus - Ashburton	Holder
E52/3024	100%	Mt Olympus - Ashburton	Holder
E52/3025	100%	Mt Olympus - Ashburton	Holder
E52/3026	100%	Mt Olympus - Ashburton	Holder
M52/639	100%	Mt Olympus - Ashburton	Holder
M52/640	100%	Mt Olympus - Ashburton	Holder
M52/734	100%	Mt Olympus - Ashburton	Holder
M52/735	100%	Mt Olympus - Ashburton	Holder
E08/1649	100%	Paulsens - Ashburton	Holder
E08/1744	100%	Paulsens - Ashburton	Holder
E08/1745	100%	Paulsens - Ashburton	Holder
E08/1845	100%	Paulsens - Ashburton	Holder
E08/2555	100%	Paulsens - Ashburton	Holder

TENEMENT SCHEDULE

Tenement	Interest	Project & Location	NST Status
E08/2556	100%	Paulsens - Ashburton	Holder
E08/2558	100%	Paulsens - Ashburton	Holder
E08/2559	100%	Paulsens - Ashburton	Holder
E08/2560	100%	Paulsens - Ashburton	Holder
E08/2655	100%	Paulsens - Ashburton	Holder
E08/2791	100%	Paulsens - Ashburton	Holder
E47/1553	100%	Paulsens - Ashburton	Holder
E47/3396	100%	Paulsens - Ashburton	Holder
L08/113	100%	Paulsens - Ashburton	Holder
L08/12	100%	Paulsens - Ashburton	Holder
L08/13	100%	Paulsens - Ashburton	Holder
L08/14	100%	Paulsens - Ashburton	Holder
L08/148	100%	Paulsens - Ashburton	Holder
L08/15	100%	Paulsens - Ashburton	Holder
L08/81	100%	Paulsens - Ashburton	Holder
L08/91	100%	Paulsens - Ashburton	Holder
L08/92	100%	Paulsens - Ashburton	Holder
M08/196	100%	Paulsens - Ashburton	Holder
M08/222	100%	Paulsens - Ashburton	Holder
M08/515	100%	Paulsens - Ashburton	Holder
M08/99	100%	Paulsens - Ashburton	Holder
P47/1637	100%	Paulsens - Ashburton	Holder
E52/2509	100%	Peak Hill	Holder & Farm-Out
E15/1211	100%	South Kalgoorlie	Holder
E15/985	100%	South Kalgoorlie	Holder
E25/268	100%	South Kalgoorlie	Holder
E25/543	100%	South Kalgoorlie	Holder
E26/122	100%	South Kalgoorlie	Holder
E26/139	100%	South Kalgoorlie	Holder
E26/206	100%	South Kalgoorlie	Holder
E26/213 (A)	100%	South Kalgoorlie	Holder
L15/221	100%	South Kalgoorlie	Holder
L15/356	100%	South Kalgoorlie	Holder
L25/48	100%	South Kalgoorlie	Holder
L26/122	100%	South Kalgoorlie	Holder
L26/123	100%	South Kalgoorlie	Holder
L26/233	100%	South Kalgoorlie	Holder
L26/260	100%	South Kalgoorlie	Holder
L26/273	100%	South Kalgoorlie	Holder
L26/276	100%	South Kalgoorlie	Holder
M15/1204	100%	South Kalgoorlie	Holder
M15/1272	100%	South Kalgoorlie	Holder
M15/1361	100%	South Kalgoorlie	Holder
M15/1847 (A)	100%	South Kalgoorlie	Holder
M15/1833	100%	South Kalgoorlie	Holder
M15/1834 (A)	100%	South Kalgoorlie	Holder
M15/1842 (A)	100%	South Kalgoorlie	Holder
M15/1843 (A)	100%	South Kalgoorlie	Holder
M15/26	100%	South Kalgoorlie	Holder
M15/456	100%	South Kalgoorlie	Holder
M15/469	100%	South Kalgoorlie	Holder
M15/518	100%	South Kalgoorlie	Holder
M15/533	100%	South Kalgoorlie	Holder
M15/637	100%	South Kalgoorlie	Holder
M15/652	100%	South Kalgoorlie	Holder
M15/663	100%	South Kalgoorlie	Holder
M15/717	100%	South Kalgoorlie	Holder
M15/724	100%	South Kalgoorlie	Holder
M15/726	100%	South Kalgoorlie	Holder
M15/740	100%	South Kalgoorlie	Holder
M15/753	100%	South Kalgoorlie	Holder
M15/937	100%	South Kalgoorlie	Holder
M15/938	100%	South Kalgoorlie	Holder
M25/357	100%	South Kalgoorlie	Holder
M26/118	100%	South Kalgoorlie	Holder
M26/132	100%	South Kalgoorlie	Holder
M26/143	100%	South Kalgoorlie	Holder
M26/204	100%	South Kalgoorlie	Holder

Tenement	Interest	Project & Location	NST Status
M26/224	100%	South Kalgoorlie	Holder
M26/245	100%	South Kalgoorlie	Holder
M26/328	100%	South Kalgoorlie	Holder
M26/41	100%	South Kalgoorlie	Holder
M26/433	100%	South Kalgoorlie	Holder
M26/452	100%	South Kalgoorlie	Holder
M26/458	100%	South Kalgoorlie	Holder
M26/482	100%	South Kalgoorlie	Holder
M26/534	100%	South Kalgoorlie	Holder
M26/567	100%	South Kalgoorlie	Holder
M26/782	100%	South Kalgoorlie	Holder
P15/4848	100%	South Kalgoorlie	Holder
P15/4849	100%	South Kalgoorlie	Holder
P15/4979	100%	South Kalgoorlie	Holder
P15/4980	100%	South Kalgoorlie	Holder
P15/4981	100%	South Kalgoorlie	Holder
P15/4982	100%	South Kalgoorlie	Holder
P15/4983	100%	South Kalgoorlie	Holder
P15/4984	100%	South Kalgoorlie	Holder
P15/5049	100%	South Kalgoorlie	Holder
P15/5050	100%	South Kalgoorlie	Holder
P15/5235	100%	South Kalgoorlie	Holder
P15/5910	100%	South Kalgoorlie	Holder
P26/4019	100%	South Kalgoorlie	Holder
EL28282	25%	Suplejack - Tanami	Holder & Earning-in
EL23933 (A)	100%	Tanami	Holder
EL23935 (A)	100%	Tanami	Holder
EL24179 (A)	100%	Tanami	Holder
EL24941 (A)	100%	Tanami	Holder
EL24947 (A)	100%	Tanami	Holder
EL25003 (A)	100%	Tanami	Holder
EL25004 (A)	100%	Tanami	Holder
EL25157 (A)	100%	Tanami	Holder
EL25158 (A)	100%	Tanami	Holder
EL25159 (A)	100%	Tanami	Holder
EL25160 (A)	100%	Tanami	Holder
EL25172 (A)	100%	Tanami	Holder
EL28613 (A)	25%	Tanami	Holder & Earning-in
EL28868 (A)	100%	Tanami	Holder
EL29619 (A)	100%	Tanami	Holder
EL29621 (A)	100%	Tanami	Holder
EL31796 (A)	100%	Tanami	Holder
EL31997 (A)	100%	Tanami	Holder
EL31998 (A)	100%	Tanami	Holder
EL31999 (A)	100%	Tanami	Holder
EL30132 (A)	100%	Tanami	Holder
M16/213	75.50%	West Kundana JV - Kalgoorlie	Holder & Earning-In
M16/214	75.50%	West Kundana JV - Kalgoorlie	Holder & Earning-In
M16/218	75.50%	West Kundana JV - Kalgoorlie	Holder & Earning-In
M16/310	75.50%	West Kundana JV - Kalgoorlie	Holder & Earning-In
E80/1481	100%	Western Tanami	Holder
E80/1483	100%	Western Tanami	Holder
E80/1737	100%	Western Tanami	Holder
E80/3388	100%	Western Tanami	Holder
E80/3389	100%	Western Tanami	Holder
E80/3665	100%	Western Tanami	Holder
E80/5039	100%	Western Tanami	Holder
L80/45	100%	Western Tanami	Holder
L80/46	100%	Western Tanami	Holder
L80/51	100%	Western Tanami	Holder
M80/559	100%	Western Tanami	Holder
M80/560	100%	Western Tanami	Holder
M80/561	100%	Western Tanami	Holder
M80/563	100%	Western Tanami	Holder
P80/1840	100%	Western Tanami	Holder
P80/1841	100%	Western Tanami	Holder

GLOSSARY

Au	The chemical symbol for gold
Auditor	The auditor of the Company duly appointed under the Corporations Act 2001
Board	Board of Directors
CEO	Chief Executive Officer
Company	Northern Star Resources Limited ABN 43 092 832 892
Director	A director of the Company duly appointed under the Corporations Act 2001
EPS	Earnings per Share
ESR	Environment & Social Responsibility
FY2017	Financial year ending 30 June 2017
FY2018	Financial year ending 30 June 2018
FY2019	Financial year ending 30 June 2019
gpt	Grams per tonne
Group	Northern Star Resources Limited and all of its wholly owned subsidiaries
Indicated Mineral Resource	As defined in the JORC Code
Inferred Mineral Resource	As defined in the JORC Code
JORC Code	Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves 2012 Edition, prepared by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia
K	Thousand
Key Management Personnel or KMP	Defined in the Australian Accounting Standards
koz	Thousand ounces
LTIFR	Lost Time Injury Frequency Rate; calculated based on the number of lost time injuries occurring in a workplace per 1 million hours worked
M or m	Million
Measured Mineral Resource	As defined in the JORC Code
Mineral Resource	As defined in the JORC Code
Northern Star	Northern Star Resources Limited ABN 43 092 832 892
NSMS	Northern Star Mining Services Pty Ltd, a wholly owned subsidiary of the Company, dedicated to underground mining operations
NST	Northern Star Resources Limited ABN 43 092 832 892
Officer	An officer of the Company defined under the Corporations Act 2001
Ore Reserve	As defined in the JORC Code
Probable Ore Reserve	As defined in the JORC Code
Proved Ore Reserve	As defined in the JORC Code
Quarter or Q	Financial year quarter, commencing either 1 July, 1 October, l January or 1 April
Share	Fully paid ordinary share in Northern Star Resources Limited
Shareholder	A shareholder of Northern Star Resources Limited
TRIFR	Total recordable injury frequency rate
$	Means Australian dollars, unless the context says otherwise. All A$ to $US currency conversions used in this Annual Report are at $0.74.

CORPORATE DIRECTORY

DIRECTORS

Bill Beament	(Executive Chairman)
John Fitzgerald	(Lead Independent Director)
Christopher Rowe	(Non-Executive Director)
Peter O'Connor	(Non-Executive Director)
Shirley In'tVeld	(Non-Executive Director)

COMPANY SECRETARY

Hilary Macdonald

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

Level 1, 388 Hay Street
Subiaco WA 6008 Australia

Telephone: +61 8 6188 2100
Facsimile: +61 8 6188 2111
Website: www.nsrltd.com
Email: info@nsrltd.com

SHARE REGISTRY

Link Market Services Limited
Level 12, QV1 Building
250 St Georges Terrace
Perth WA 6000 Australia

Telephone: +61 1300 554 474
Website: www.linkmarketservices.com.au

SECURITIES EXCHANGE

ASX Limited
Level 40, Central Park 152-158 St Georges Terrace
Perth WA 6000 Australia

ASX CODE: NST

AUDITORS

Deloitte Touche Tohmastu
Brookfield Place, Tower 2 123 St Georges Terrace
Perth WA 6000 Australia

Raising the Aboriginal flag in Centennial Park Kalgoorlie, as part of National Reconciliation Week, 2018.

BACK COVER:
Members of the Jundee Emergency Response Team, from left to right: Audie Trutwein (ERT Captain), Sandra Wagner (ERT medic) and Leon Mussel (ERT Co-ordinator).

The Jundee Emergency Response Team won the Mines Emergency Response Competition (MERC) in November 2017.

NORTHERN STAR
RESOURCES LIMITED

www.nsrltd.com