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Basic Information

Last Closed Price	AUD 4.04
12M Target Price	AUD 4.66
+/- Potential	+15.4%
Bloomberg Ticker	NST ASE Equity
GICS Sector	Materials
GICS Sub-Industry	Precious Metals Mining

1Y Price vs Relative Index

Company Description

Northern Star Resources Limited is an ASX 200 gold producer with world-class projects located in highly prospective and low sovereign risk regions of Western Australia and the Northern Territory. Northern Star's mining operations are all world-class, low-cost, high-grade gold mines which have produced over 20 million ounces to date.

Key Financials (AUD)

Market Cap	2.32B
Basic Shares O/S	600.54M
Beta	0.94
52-Wk High-Low	2.36-5.89
Fiscal Year End	30-Jun-16

(AUD M)	FY15A	FY16A	FY17E	FY18E
Revenue	728.2	785.8	789.3	792.8
EBITDA	295.3	387.2	455.2	422.3
Net Profit	91.9	151.3	170.5	171.2
ROA	19%	22%	39%	40%
ROE	32%	39%	63%	63%
P/E Ratio	15.5	14.6	15.3	12.7

Key Executives

William Beament	Chief Executive Officer
Shaun Day	Chief Financial Officer
Stuart Tonkin	Chief Operating Officer

Price heading north for NST

We are initiating coverage of Northern Star Resources with a **Buy** rating and an AUD\$ 4.66 12M price target.

2Q16 Earnings Review

- Total gold inventory of ~100Koz and will continue to grow as investment in production and explorations are pouring in.
- Maintenance of zero bank debt by company, along with free cash flow of AUD\$24M
- AUD\$28mn invested in organic production growth and exploration within Northern Star's 4th quarter.
- Sale of Plutonic mine for AUD\$66mn finalised as of 12th October 2016.

Investment Thesis

- Low cost of production will help Northern Star Resources to tide through any short term periods of subdued gold prices in the future. NST converted Reserves at US\$36/oz whilst industry peers paid up to 10 times via acquisitions.
- Healthy free cash flow and strong cash generating abilities will allow it to capitalize on medium to long term opportunities. Underlying FCF at A\$224.3M and EBITDA of A\$401.3M in FY2016, up from A\$185.6M and A\$331M respectively
- High potential for financial leveraging given zero debt and high cash holdings puts NST in sweet spot to snap up local mine sales. Current ratio (FY2016: 3.38, FY2015: 1.88) and Cash Ratio (FY2016: 2.76, FY2015: 1.25) increased significantly for FY2015 and expected to maintain at high levels for next 3 FYs.
- Sale of Plutonic mine allows focus on core assets which reduces average all-in sustaining costs for Northern Star. FY2016 AISC stands at \$746/Oz (FY2015: \$1065/oz) compared industry avg. of \$863/Oz.

Catalysts

- Financial panic from investors due to increasing political risks and extreme uncertainty in the world will cause investors to take on a risk-averse stance and drive gold prices up.
- Ashburton mine production and development has been paused since 2013. With potential increases in gold prices, Ashburton Mine could be reopened and may enter commercial production, increasing Northern Star's current production.
- Diwali and Chinese New Year will trigger surge in gold demand leading to further increase in gold prices.

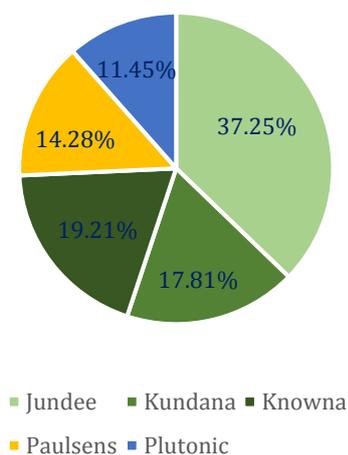
Valuations

Our 12 month price target from date of coverage is AUD 4.66, valued by NAV model. TP of \$4.66 is comparatively higher than RV or Analyst's estimates, but current low price reflects investor's lack of confidence on their ability to continue successful streak of low-cost exploration and discovery. NST's past performance has given us the confidence to take on a contrarian view and we believe that they will continue to deliver outstanding results in the year to come.

Investment Risks

- Potential exploration risks which means wasted investments that cannot be recovered permanently
- Unpredictability of gold prices and prospect of losses if price of gold is lesser than the cost of production.
- Inflation risks which causes mining costs to rise

Figure 1. Revenue by Mine, FY16



Source: Northern Star Annual Report 2016

Figure 2. All in Sustaining Cost by Mine, FY16 AUD/Ounce sold



Source: Northern Star Annual Report 2016

Figure 3. Jundee Mine



Source: Northern Star Resources

Company Overview

Northern Star Resources Limited (Northern Star) is an ASX 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. Northern Star has a Mineral Resource base of 9.25 million ounces and Ore Reserves of 2.0 million ounces, 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 growth strategy objective of being a significant gold company delivering outstanding value to its Shareholders. During FY2016, the Company sold 561,153 ounces of gold from its five West Australian operating business units being the Jundee, Kundana, Kanownna Belle, Paulsens and Plutonic Mines. The Company continues to advance activities at the Central Tanami Project in the Northern Territory. In parallel, the Company has had significant exploration success during the previous year through the diligent work of our Exploration Team and targeted expenditure of A\$50 million which has extended mine lives and has enabled the Company to progress the creation of an exciting organic pipeline of future projects for the business. Northern Star is also led by an exceptional, highly-experienced board and management team who has a clear strategy to deliver future growth and a demonstrated ability to move quickly to capitalise on strategic growth opportunities to maximise value for shareholders.

Company Strategy

- Significant exploration success over the past years provides high incentive for such trends to continue. Northern Star plans to continue with the company’s aggressive exploration strategy. Exploration projects include the Mount Olympus, Fortescue JV, Electric Dingo as well as ongoing exploration programs at Northern Star’s current mines.
- Organic growth strategy to create a new concentrated centre of production in future years. This will be aided by the Central Tanami project which was settled at the start of 2016 with Northern Star acquiring a 25% interest and the ability to expand to 60% through redevelopment of the processing facility.
- Northern Star has committed AUD\$70million to expansion capital in FY17 which will underpin growth in production.
- Forecast production of 485koz-515koz in FY17 with production rising to 600koz per annum from CY18 onwards.

FY 2016 Highlights

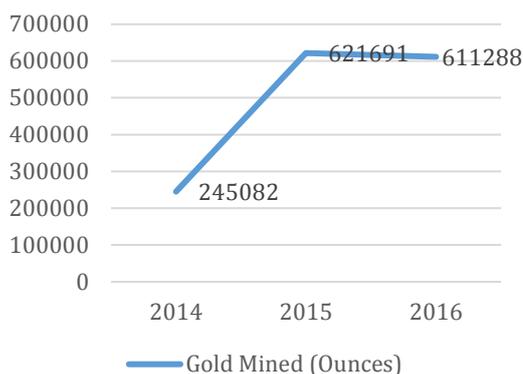
- Revenue up 5% to A\$887.4M
- Return on equity of 39% and Return on Invested Capital of 28% in FY 2016
- Record net profit after tax of A\$151.4M—up 65%
- Annual fully franked dividends of A7c per share—up 40%
- Reserves increased by 33% to 2.0Moz, after mining 611Koz and at a discovery cost of A\$50/oz
- EBITDA \$401.3M, up 27% over FY 2015
- Group reduced overall financial charges by 51% consistent with the refinancing and no-debt position of the company
- Resources increased to 9.25Moz
- Awarded Mines and Money “Best Australian Mining Company”

Industry Outlook

Increasing demand for gold due to increased political uncertainty

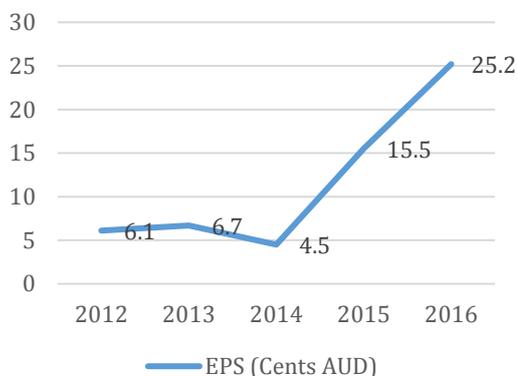
Continued economic and political uncertainty around the globe caused by events such as Brexit and the upcoming elections in European nations will fuel demand for gold as a high quality, liquid asset. This will continue the trend of increasing demand for gold in the long run, as seen when the demand for H1 2016 gold investment (1064 Tons) overtook the previous

Figure 4. Total Gold Mined (Ounces)



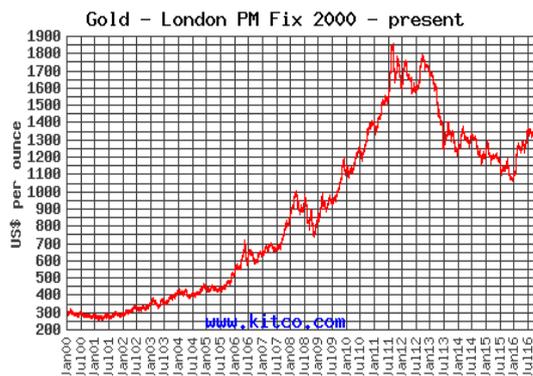
Source: Northern Star Annual Reports

Figure 5. Earnings per share in cents AUD



Source: Northern Star Annual Reports

Figure 6: Historical Gold Price 2000-2016



Source: Kitco

high which was H1 2009 (917 Tons) during the global financial crisis. Effects of events such as Brexit which threaten the stability of the European Union and the slowing of the Chinese Economy, which is greatly interlinked with the world economy, have just started to be felt and will weigh in heavily on investor sentiment and confidence in the long run.

Increasing negative yields for government bonds

Negative interest rate policies (NIRP) in Japan and Europe will cause gold prices to rise since gold has an inverse relationship with interest rates. Negative interest rates indicate enormous demand for government debt, much of which is consumed by global central bank demand for bonds and that demand is amplified by additional investors seeking relative safety. As these bond yields decrease and even enter negative territory, it puts pressure on the country’s currency prices, drives them lower and causes gold price to soar.

Declining Supply and Inflationary Trend

Falling grades and production levels, a lack of new discoveries, and extended project development timelines, are bullish for gold prices in the medium and long-term gold price outlook. In addition, US and UK government debts are at >10% GDP each and increasing each day, and the central banks might allow inflation to run wild in order to manage such extreme debt load. When inflation rates increase, fiat currency is worth lesser and gold prices, which are inversely related, will soar. Also, gold price has found strong support between \$1050 to \$1250 per ounce and is unlikely to go much further below that price range, as doing so would mean that many mines globally will be shut down. There is increasing belief in the markets that the trough for gold prices is in.

Fed’s monetary policy

The Fed’s monetary policy in the form of raising interest rates will put a cap on gold prices, but based on recent economic conditions and the Fed’s comments, either the interest rate hike will not happen anytime soon, or even if it does, rates will not be raised by much. Interest rates globally are set to remain low, taking into account that the Bank of England has also hinted at a rate cut and this means that the opportunity cost of holding gold reduces and will in turn spur demand.

Investment Thesis

1. High potential for financial leveraging with no debt

Northern Star Resources currently has no debt, and relatively high cash holdings, with cash ratio for FY2016 at 41.3%. The company is positioned among the top 25% gold miners globally with costs in the lowest quartile of its peer group, no debt and high asset diversity. This provides high potential for financial leveraging. Additionally, the company’s high financial standing allows for the purchase of local mines to expand the company’s production which is in line with Northern Star’s production strategies for the following years. Essentially, without debt, the company need not worry about the cash flow or future extension as they can raise the capital internally or externally when needed, providing high potential for financial leveraging.

The expansion phase for Northern Star in the short term would be through inorganic acquisition such as mergers and takeovers of developed and explored mines, rather than focusing on the company’s own exploration. This is a faster way for Northern Star to grow when compared with organic growth and can be observed since 2012 with the increased acquisition of new mines. Medium term growth fuelled by increased exploration efforts and progressive buyout of remaining interests in Tanami mine.

2. Low production costs with a ambitious exploration budget

With subdued gold commodity prices over the years, Northern Star Resources has benched many of their exploration projects and the Ashburton Gold Mines. The company stated that it would 'cut exploration and project development expenditure until gold prices stabilised'. During these periods of subdued gold prices, low cost production will help Northern Star through these periods while allowing them to capitalise on medium term opportunities.

The market seems to be expecting a December Federal Interest Rate price hike and this will likely keep prices depressed in the short term, followed by strengthening gold prices in light of heightened global geopolitical tensions and political risks in Europe as election uncertainties looms near. With the high possibility of increased gold prices, this will provide much incentive for Northern Star to continue exploration work of new mines. In the recent company presentation, the company has set aside an estimated AUD\$60million for exploration in the right 'environment'.

3. Focus on core assets

The sale of the Plutonic gold mine would further drive down Northern Star's all in sustaining cost given that it now can focus on its core assets and keep up with industry leaders such as Newcrest which is operating at an even lower all-in sustaining cost. Completion of new drilling drive at Jundee mine and advanced development at Kundana mine could further extend useful life and increase reserve. The sale of the Plutonic mine also shows the management's decisiveness to drive down cost given that the mine was only acquired two years back.

Catalysts

- Financial panic from investors due to increasing political risks and extreme uncertainty in the world will cause investors to take on a risk-averse stance and drive gold prices up.
- Ashburton mine production and development has been paused since 2013. With potential increases in gold prices, Ashburton Mine could be reopened and may enter commercial production, increasing Northern Star's current production.
- Northern Star Resources half year results show increase in production output and decrease in all-in sustaining costs.

Financial Analysis

Financial Ratios	2015A	2016A	2017E	2018E	2019E
Profitability					
Net Profit Margin	12.6%	19.3%	21.6%	21.6%	21.6%
Return on Asset	26.5%	31.1%	39.1%	40.4%	41.2%
Return on Equity	48.6%	52.6%	63.2%	63.3%	63.5%
Liquidity					
Current Ratio	1.88	3.38	3.29	3.17	3.06
Cash Ratio	1.25	2.76	2.62	2.50	2.39
Asset Utilization					
Total Asset Turnover	1.23	1.03	1.27	1.31	1.34
Inventory Turnover	7.27	7.83	8.20	7.87	7.87
Receivables Turnover	53.25	41.08	43.00	39.41	39.41

Overview:

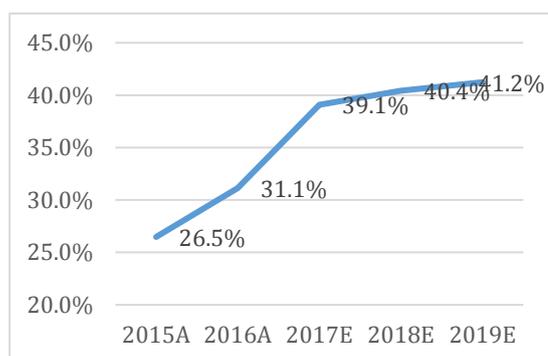
The financial condition chart above reveals NST's prospects moving 3 years forward, highlighting our assumptions with specific attention paid to profitability, liquidity and asset utilization ratios. While NST made a few acquisitions over the past 2 years, the impact on balance sheet and income statements are non-material and thus included in our projections.

Figure 7. Plutonic Mine



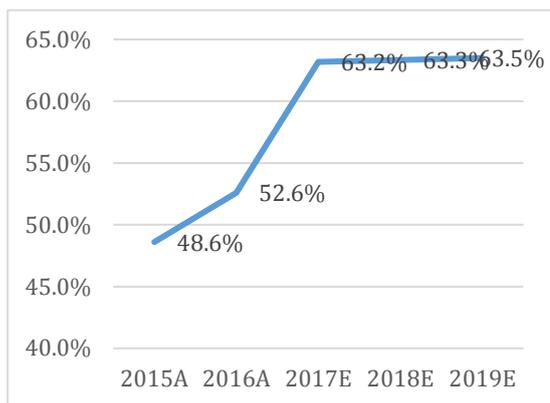
Source: NST Denver Gold Presentation

Figure 7. NST Return on Asset Trend



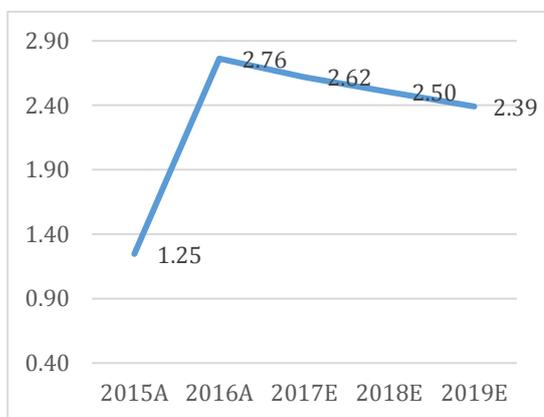
Source: Northern Star Annual Reports & NUS Investment Society Estimates

Figure 8. NST Return on Equity Trend



Source: Northern Star Annual Reports & NUS Investment Society Estimates

Figure 9. NST Cash Ratio



Source: Northern Star Annual Reports NUS & NUS Investment Society Estimates

High Margins and Returns despite volatile markets

NST is particularly cost effective and has been able to generate high returns on their investments. NST continues to generate a sector leading Return on Equity of 52.6% (after taking into account Plutonic discontinued operations) for FY2016 and an average Return on Invested Capital of 28%.

Healthy Cash Holdings is highly opportunistic

NST has high cash ratios which we expect will put it in a good position to capitalise on bargain acquisitions in times of depressed market conditions. NST has been able to add reserves at US\$36/oz whilst their competitive peers pay up to 10 times more via acquisition. We attribute this mainly to intangible management and staff expertise. This has bode them well in underperforming market conditions, with substantial reduction in major discoveries worldwide; in the last year, greenfield discoveries cost US\$189 per ounce, NST costs were US\$14 per ounce for the same period.

Operating Margins

NST is facing an increasing profit margin partly due effective hedging, allowing them to tide through periods of depressed gold prices. NST may not be able to capitalise on high hedged gold prices once hedging instruments expire in FY2018, but this is in line with our gold price forecasts in the medium term. NST’s strategic acquisition targets, such as the Tanami mine in FY2016 (with confirmed plans by management to increase stake in mine to 60% in FY2017), allow for further improvement in operating margins in the medium term.

Asset Turnover

NST has been able to steadily expand its operations through strategic acquisitions. Further exploration efforts has also been highly successful, allowing them to sustain a decent asset turnover of 1.3x.

No debt obligations

NST prides themselves on their low leverage levels. Besides allowing shareholders to secure high and steady returns, NST can also easily scale up expansion plans by incurring additional leverage.

Valuations

Valuation Price Target: **A\$ 4.66**

Analysts' Estimates

- Analysts' Estimates
- DCF Estimates**
- NAV Model
- Public Comps**
- EV/EBIT
- +1FY EV/EBITDA
- +1FY P/E
- +1FY EV/Rev

Valuation Summary

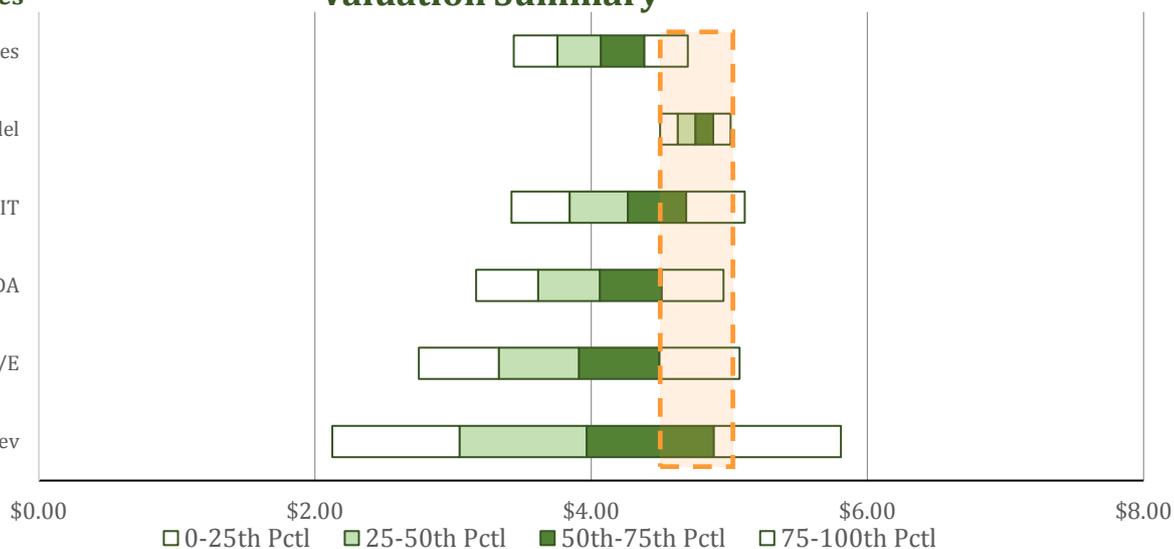


Figure 10. WACC Buildup

Cost of equity	8.22%
Risk free rate	1.90%
Beta	0.92
Equity risk premium	2.0%
Cost of Debt	0.0%
Market cap (USD '000)	17,802,086
WACC	8.22%

Source: Bloomberg, Damodaran, NUS Investment Society Estimates

NAV Model

A NAV model was used to estimate intrinsic value of NST’s share price. The primary model is forecasted over the expected useful life of the mines, which is based on adjusted management output guidance and availability of resources. The net asset value is primarily driven by the availability of the 2Ps reserves, segmented into their different reserve rich mines: Paulsen, Ashburton, Kalgoorlie, and Jundee. Resources were also valued after conversion into expected reserves. Estimates are made using conservative accounting practices.

The NAV model is most sensitive to the below mentioned factors:

Weighted Average Cost of Capital (WACC)

To calculate Beta, linear regression of NST’s stock price were run against the ASX 100 for a time frame of 12 months on a weekly basis and subsequently averaged and adjusted. CAPM was used to estimate Cost of Equity, whereas Cost of Debt is not required. We do not foresee the company taking on debt to finance future exploration or mining projects in the short term due to high cash holdings. Tax shield was taken into account as NST pays income taxes for all operations.

Price of Gold

Value is primarily driven by the mines NST possess, which value is ultimately derived from the price of gold. Commodity prices are notoriously volatile, and hence, we have decided to perform sensitivity analysis over a wider range of values. Surprisingly, our valuations are not as sensitive to gold price as expected. We believe that this is largely due to NST’s relatively large hedge position against gold, which muted the effect of gold price on NST’s overall valuation.

Relative Valuation

Using P/E, EV/Rev, EV/EBITDA, EV/EBIT, NST is significantly underpriced relative to industry peers such as Newmont. Given NST’s strong cost efficiencies and upcoming expansion plans, we are optimistic about the outlooks of UA being able to keep up with growth expectations. Using comparables as sanity checks, NST having high growth prospects is undervalued compared to peers. We believe that the discount imposed on NST’s share price is mainly due to investor’s lack of confidence on their ability to continue her successful streak of low-cost exploration and discovery. However, we fall back on hard evidence; NST’s past performance has given us the confidence to take on a contrarian view and we believe that they will continue to deliver outstanding results in the year to come.

Our implied price from Relative Valuation gives an equal weightage to all multiples.

This analysis leads to an intrinsic value of \$4.219 for NST, a mere 4.4 % penalty to the current trading price. We remain confident that this valuation is not indicative of NST’s true intrinsic value due to deep discounting based on current book records, without consideration for growth prospects.

Investment Risks

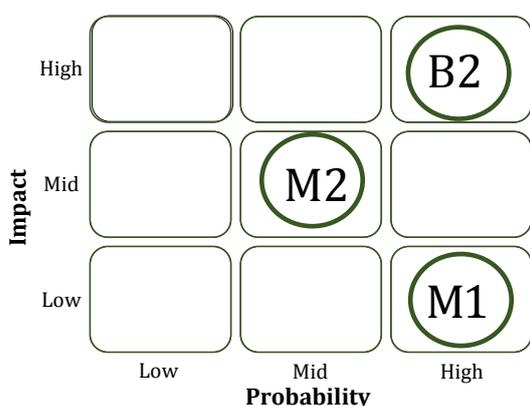
Market Risks

M1: Unpredictability of gold prices

- Main revenue driver being the price of gold is out of control of the gold mining company. Volatility of gold price due to susceptibility to macro factors makes NST very vulnerable to external shocks. Depressed gold prices can dampen financial performance and cause share price to fall.

M2: Inflation risks especially if Fed raises interest rates or central banks allow rampant inflation to cope with growing government deficit

Figure 11. Investment Risk Matrix



Source: NUS Investment Society Estimates

Business Risks

B2: Exploration risks that might cause a strain on cash reserves

- Northern Star Resources is a junior (A miner who mostly explores for new reserves and brings mines into production). Exploration risk, which is the risk that the gold that Northern Star is looking for is not there/lesser than projected, is present and could create a significant dent in NST's income statement. Especially when NST current reserves levels can only sustain useful life of up to 5 years, exploration risk is further amplified.

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APPENDIX

NAV Model

	Hist. 2014	Hist. 2015	Hist. 2016	Proj. 2017	Proj. 2018	Proj. 2019	Proj. 2020	Proj. 2021	Proj. 2022	Proj. 2023	Proj. 2024	Proj. 2025	Proj. 2026	Proj. 2027	Proj. 2028	Proj. 2029
Actual Price/Ounce				1350	1350	1350	1350	1350	1350	1350	1350	1350	1350	1350	1350	1350
Reserve Pool																
Gold Ounces Mined (In '000)																
Paulsen	100.041	74.999	80.742	63	0	0	0	0	0	0	0	0	0	0	0	0
Ashburton	0	0	0	50	0	0	0	0	0	0	0	0	0	0	0	0
Plutonic	41.623	78.709	64.857	0	0	0	0	0	0	0	0	0	0	0	0	0
Kalgoorie	82.936	196.909	203.029	205	205	205	205	89	0	0	0	0	0	0	0	0
Jundee	0	222.848	209.515	225	225	225	45	0	0	0	0	0	0	0	0	0
Total	224.6	573.465	558.143	543	430	430	250	89	0	0	0	0	0	0	0	0
Resource Pool																
Gold Ounces (In '000)																
Paulsen	216.2	268.8	189.5	12	75	75	27.5	0	0	0	0	0	0	0	0	0
Ashburton	1007.4	1007.4	1007.4	1007.4				0	0	0	0	0	0	0	0	0
Plutonic	656.55	815.35	883.05	0	0	0	0	0	0	0	0	0	0	0	0	0
Kalgoorie	939.9	1608.3	1738.1	5	5	5	5	121	210	210	210	210	210	210	210	127.1
Jundee	200	453.1	343.7	5	5	5	185	143.7	0	0	0	0	0	0	0	0
Tanami	0	499.7	504.2	504.2	0	0	0	0	0	0	0	0	0	0	0	0
Total	3020.05	4652.65	4665.95	1533.6	85	85	217.5	264.7	210	210	210	210	210	210	210	127.1
Revenue (In '000)	0	726342	784072	733050	580500	580500	337500	120150	0	0	0	0	0	0	0	0
Reso Revenue (In '000)	-	-	-	2070360	114750	114750	293625	357345	283500	283500	283500	283500	283500	283500	283500	171585
Segment Operating Reserve Profits (In '000)																
Paulsen	35408	12918	32481	24664.5	0	0	0	0	0	0	0	0	0	0	0	0
% of revenue	25%	11%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%
Ashburton	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
% of revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Plutonic	584	-22271	0	0	0	0	0	0	0	0	0	0	0	0	0	0
% of revenue	1%	-19%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kalgoorie	18720	104923	140496	135607.5	135607.5	135607.5	135607.5	58873.5	0	0	0	0	0	0	0	0
% of revenue	19%	36%	49%	49%	49%	49%	49%	49%	49%	49%	49%	49%	49%	49%	49%	49%
Jundee	0	85729	98208	100237.5	100237.5	100237.5	20047.5	0	0	0	0	0	0	0	0	0
% of revenue	0	26%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%
Total	54712	181299	271185	260509.5	235845	235845	155655	58873.5	0	0	0	0	0	0	0	0
Segment Operating Resource Profits (In '000)																
Paulsen	35408	12918	32481	4698	29362.5	29362.5	10766.25	0	0	0	0	0	0	0	0	0
% of revenue	25%	11%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%
Ashburton	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
% of revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Plutonic	584	-22271	0	0	0	0	0	0	0	0	0	0	0	0	0	0
% of revenue	1%	-19%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kalgoorie	18720	104923	140496	3307.5	3307.5	3307.5	3307.5	80041.5	138915	138915	138915	138915	138915	138915	138915	84076.65
% of revenue	19%	36%	49%	49%	49%	49%	49%	49%	49%	49%	49%	49%	49%	49%	49%	49%
Jundee	0	85729	98208	2227.5	2227.5	2227.5	82417.5	64018.35	0	0	0	0	0	0	0	0
% of revenue	0	26%	33%	33%	33%	33%	33%	33%	0	0	0	0	0	0	0	0
Tanami	0	0	0	251,848	0	0	0	0	0	0	0	0	0	0	0	0
% of revenue	0	0	0	37%	37%	37%	37%	37%	39%	39%	39%	39%	39%	39%	39%	39%
Total	54712	181299	271185	262,081	34,898	34,898	96,491	144,060	138,915	138,915	138,915	138,915	138,915	138,915	138,915	84,077
Tax rate	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Tax payable	16413.6	54389.7	81355.5	78152.85	70753.5	70753.5	46696.5	17662.05	0	0	0	0	0	0	0	0
Tax Payable (Reserve)	0	0	0	78624.27	10469.25	10469.25	28947.375	43217.955	41674.5	41674.5	41674.5	41674.5	41674.5	41674.5	41674.5	25222.995
Tax Payable (Resource)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	16413.6	54389.7	81355.5	156777.12	81222.75	81222.75	75643.875	60880.005	41674.5	41674.5	41674.5	41674.5	41674.5	41674.5	41674.5	25222.995
Net Profit (Reserve)	38298.4	126909.3	189829.5	182356.65	165091.5	165091.5	108958.5	41211.45	0	0	0	0	0	0	0	0
Net Profit (Resource)	0	0	0	183,457	24,428	24,428	67,544	100,842	97,241	97,241	97,241	97,241	97,241	97,241	97,241	58,854
CF Statement (Reserve)																
Depreciation per oz																
Paulsen				391												
Ashburton					328.5											
Plutonic							370									
Kalgoorie								210								
Jundee									343							
Tanami										330.91667						
Add Amortization & Depreciation (In '000)																
Paulsen	-	-	-	24633	0	0	0	0	0	0	0	0	0	0	0	0
Ashburton	-	-	-	16425	0	0	0	0	0	0	0	0	0	0	0	0
Plutonic	-	-	-	0	0	0	0	0	0	0	0	0	0	0	0	0
Kalgoorie	-	-	-	43050	43050	43050	43050	18690	0	0	0	0	0	0	0	0
Jundee	-	-	-	77175	77175	77175	15435	0	0	0	0	0	0	0	0	0

	Hist.	Hist.	Hist.	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Add Amortization & Depreciation (In '000)	-	-	-	161283	120225	120225	58485	18690	0	0	0	0	0	0	0	0
CF Statement (Resource)																
Capex Paulsen				-20853.99												
Add Depreciation (In '000)				4692	29325	29325	10752.5	0	0	0	0	0	0	0	0	0
Ashburton				-110861.8												
Add Depreciation (In '000)				330930.9	0	0	0	0	0	0	0	0	0	0	0	0
Kalgoorlie				-191273.5												
Add Depreciation (In '000)				1050	1050	1050	1050	25410	44100	44100	44100	44100	44100	44100	44100	26691
Jundee				-37823.31												
Add Depreciation (In '000)				1715	1715	1715	63455	49289.1	0	0	0	0	0	0	0	0
Tanami				-55485.93												
Add Depreciation (In '000)				166848.18	0	0	0	0	0	0	0	0	0	0	0	0
Total Resource Capex				-416298.5	0	0	0	0	0	0	0	0	0	0	0	0
Resource Depreciation				505236.08	32090	32090	75257.5	74699.1	44100	44100	44100	44100	44100	44100	44100	26691
Cash Flow from Reserves				343639.65	285316.5	285316.5	167443.5	59901.45	0	0	0	0	0	0	0	0
Cash Flow from Resources				272,394	56,518	56,518	142,801	175,541	141,341	141,341	141,341	141,341	141,341	141,341	141,341	85,545
Total				616033.84	341834.75	341834.75	310244.875	235442.445	141340.5	141340.5	141340.5	141340.5	141341	141340.5	141340.5	85944.655
Discount Rate	8%			0	1	2	3	4	5	6	7	8	9	10	11	12
NAV (All Reserves and Resources)	2,205,860			616033.84	315870.218	291877.858	244783.436	171654.282	95220.17501	87987.595	81304.375	75128.789	69422.3	64149.212	59276.67	33151.45
Cash & Bullion FY2016	315,341															
Plutonic as Net AFS	13,122															
Hedging	265,120															
Total Number of Shares	600,396,469															
Price	4.66															

Hedging Schedule

	1H FY2017	2H FY 2017	1H FY2018	2H FY 2018	1H FY2019	Discount Rate
Period	0.50	1.00	1.50	2.00	2.50	8%
Actual		1,350.00		1,350.00	1,350.00	
Hedged	1,657.00	1,721.00	1,772.00	1,804.00	1,856.00	
Ounces	86,693.00	75,000.00	59,000.00	59,000.00	17,500.00	
Payoff	26,614,751.00	129,075,000.00	24,898,000.00	106,436,000.00	8,855,000.00	
NPV	25,584,011.56	119,270,929.59	22,115,826.19	90,881,081.31	7,268,080.71	

Balance Sheet

Assets	Hist.	Hist.	Proj.	Proj.	Proj.
	30-Jun-15	30-Jun-16	30-Jun-17	30-Jun-18	30-Jun-19
Current Asset					
Cash & Cash Equivalent	167443	315341	306311	293931	282319
Trade and other receivable	13674	10521	12695	12752	12809
Receivable Days	6.854	4.887	5.87	5.87	5.87
Inventories	70982	59986	65537	65830	66125
Inventory Days	50.22	42.73	46.47	46.47	46.47
Current tax asset	10987	-	-	-	-
Assets classified as held for sale	-	54567	-	-	-
Other Assets	-	-	-	-	-
Total Current Asset	263086	440415	384544	372513	361253
Non-current Asset					
Trade and other receivables	-	2187	-	-	-
Available-for-sale financial assets	7537	8779	-	-	-
Property, plant and equipment	102563	81775	44241.0055	31089.0129	27532.11067
Exploration and evaluation assets	56624	98420	91680.9563	93723.58711	92534.10033
Goodwill	0	0	42582	72522	94337
Mine properties	163587	131953	102475.0785	97694.05748	93912.36257
Total non-current asset	330311	323114	280979	295029	308316
Total Asset	593397	763529	665523	667542	669569

Liabilities	<i>Hist.</i> 30-Jun-15	<i>Hist.</i> 30-Jun-16	<i>Proj.</i> 30-Jun-17	<i>Proj.</i> 30-Jun-18	<i>Proj.</i> 30-Jun-19
Current Liabilities					
Trade and Other Payables	93053	78045	85617	86000	86386
Acc Payable Days	65.835	55.592	60.71	60.71	60.71
Borrowings	8322	9194	0	0	0
Current tax liabilities	-	35896	36057	36218	36381
% Revenue		4.6%	4.6%	4.6%	4.6%
Provisions	32914	26914	31357	31497	31638
% Revenue	4.52%	3.43%	3.97%	3.97%	3.97%
Liabilities directly AFS	-	41445	0	0	0
Total Current Liabilities	134289	191494	153030	153716	154405
Non-Current Liabilities					
Borrowings	8167	4871	-	-	-
Provisions	100076	78681	93,758	94,178	94,600
% Revenue	14%	10%	12%	12%	12%
Deferred tax liabilities	27,613	36,569	33333	33482	33632
% Revenue	4%	5%	4%	4%	4%
Total non-current liabilities	135,856	120,121	127,090	127,660	128,232
Total Liabilities	270145	311615	280,120	281,376	282,636
Net Assets	323252	451914	385402	386166	386933
Equity					
Share capital	204925	214950	214950	214950	214950
Reserves	4960	8246	0	0	0
Retained earnings	113367	228718	170452	171216	171983
Total Equity	323252	451914	385402	386166	386933
Balance check	YES	YES	YES	YES	YES

Income Statement

	<i>Hist.</i> 30-Jun-15	<i>Hist.</i> 30-Jun-16	<i>Proj.</i> 30-Jun-17	<i>Proj.</i> 30-Jun-18	<i>Proj.</i> 30-Jun-19
Gold sold (oz)	494,756	496,973	499,200	501,437	503,684
Sales vol. growth		0.4481%	0.4481%	0.4481%	0.4481%
Price Realized /oz	1,471.74	1,581.15	1,581.15	1,581.15	1,581.15
Sales Revenue	728151	785788	789309	792846	796399
% Revenue growth		7.9155%	0.4481%	0.4481%	0.4481%
Cost of Sales	-515902	-512419	-514715	-517022	-519338
% Revenue	-70.9%	-65.2%	-65.2%	-65.2%	-65.2%
Gross Profit	212249	273369	274594	275824	277060
Gross Margin	29.1%	34.8%	34.8%	34.8%	34.8%
Other Income and Expense	969	5254	-	-	-
Corporate and technical services	-23035	-30952	-31091	-31230	-31370
% Revenue	-3.16%	-3.94%	-3.94%	-3.94%	-3.94%
Acquisition costs	-12757	-1312	-	-	-
Restructure costs	-4223	0	-	-	-
Impairment of assets	-8099	-4389	-	-	-
Finance costs	-7987	-4278	-	-	-
Profit before Income Tax	157117	237692	243503	244594	245690
Depreciation & Amortization Expense	138192	149468	211669	197329	203793
	62.85%	29.17%	46.01%	46.01%	46.01%

	Hist. 30-Jun-15	Hist. 30-Jun-16	Proj. 30-Jun-17	Proj. 30-Jun-18	Proj. 30-Jun-19
EBITDA	295309	387160	455172	441923	449483
EBITDA Margin					
Income tax expense	-48391	-72365	-73051	-73378	-73707
Income tax rate	31%	30%	30%	30%	30%
Profit from continuing operations	108726	165327	170452	171216	171983
Loss from discontinued ops	-16824	-13962	-	-	-
Net Profit	91902	151365	170452	171216	171983

Cash Flow Statement

	Hist. 30-Jun-15	Hist. 30-Jun-16	Proj. 30-Jun-17	Proj. 30-Jun-18	Proj. 30-Jun-19
Cash flow from Operating Activities					
Net Profit	0	0	170452	171216	171983
Change in NOWC	0	0	4450	335	337
Receipts from customers	847086	897701			
Payments of suppliers and employees	-449676	-506085			
Interest received	2079	3850			
Interest paid	-1917	-1258	0	0	0
Income taxes paid	-38563	-10873	0	0	0
Net cash inflow from operations	359009	383335	174902	171551	172320
Cash flow from Investing Activities					
Payments for acquisition of businesses	-90729	0	0	0	0
Payments for PPE	-20524	-17918	-17918	-17918	-17918
Payment for E&P	-35619	-61538	-60000	-60000	-60000
Payments for mine properties	-93524	-110184	-70000	-70000	-70000
Payments for AFS Financial assets	-500	-152	0	0	0
Proceeds from sale of PPE	1438	69	0	0	0
Net Cash outflow from investing	-239458	-189723	-147918	-147918	-147918
Cash Flow from Financing Activities					
Proceeds from borrowings	70750	0	0	0	0
Repayment of borrowings	-70750	0	0	0	0
Finance lease payments	-7966	-9700	0	0	0
Dividend paid to Shareholders	-26529	-36014	-36014	-36014	-36014
Net Cash outflow from Financing	-34495	-45714	-36014	-36014	-36014
Net Increase in cash and cash equivalent	85056	147898	-9029.566	-12380.74	-11612.02
Cash @ beginning	82387	167443	315341	306311	293931
Cash @ end	167443	315341	306311	293931	282319

NST Resources

Mine:	Paulsen			
	2013	2014	2015	2016
Measured	235	152	252	140
Indicated	173	150	69	83
Inferred	124	112	120	91
Added	-	-	66.999	0
Transferred	-	20.041	39.999	54.742
Transference Rate	-	4.24%	9.36%	14.50%
Total/oz	532	414	441	314
Resource/oz	328	290	352	251
Effective Total/oz	245.6	216.2	268.8	189.5

Mine:	Ashburton			
	2013	2014	2015	2016
Measured	0	0	0	0
Indicated	546	546	546	546
Inferred	1122	1122	1122	1122
Added	0	0	0	0
Transferred	0	0	0	0
Total/oz	1668	1668	1668	1668
Resource/oz	1411	1618	1618	1618
Effective Total/oz	821.1	1007.4	1007.4	1007.4

Mine:	Plutonic			
	2013	2014	2015	2016
Measured	-	123	212	199
Indicated	-	478	564	721
Inferred	-	845	919	797
Added	-	-	-	-
Transferred	-	-	117.709	130.857
Total/oz	0	1446	1695	1717
Effective Total/oz	0	656.55	815.35	883.05

Mine:	Kalgoorlie			
	2013	2014	2015	2016
Measured	0	413	361	411
Indicated	0	843	1196	1497
Inferred	0	546	1521	1678
Added	0	0	1572.91	1005.03
Transferred	0	0	296.909	497.029
Total/oz	0	1802	3078	3586
Resource/oz	0	1287	2463	2677
Effective Total/oz	0	939.9	1608.3	1738.1

Mine:	Jundee			
	2013	2014	2015	2016
Measured	0	86	176	288
Indicated	0	267	608	620
Inferred	0	454	566	349
Added	0	0	977.848	241.515
Transferred	0	0	434.848	334.515
Total/oz	0	807	1350	1257
Resource/oz	0	424	755	537
Effective Total/oz	0	200	453.1	343.7

Mine:	Tanami			
	2013	2014	2015	2016
Measured	0	0	174	153
Indicated	0	0	239	250
Inferred	0	0	256	283
Added	0	0	0	0
Transferred	0	0	0	0
Total/oz	0	0	669	686
Resource/oz	0	0	669	686
Effective Total/oz	0	0	499.7	504.2

Mining/Development Costs

	2014	2015	2016
Capex (Mining cost capitalised)	8813	90197	111934
Transferred	20.041	889.465	1017.14
Capex per oz	439.749	101.406	110.047
Total Expected Reserves	3020.05	4652.65	3782.9
Total Mining Cost	1328063	471806	416299

NST Reserves

Mine:	Paulsen			
	2013	2014	2015	2016
Added	-	20.041	39.999	54.742
Proved/oz	99	39	63	37
Probable/oz	105	85	26	26
Extracted	-	100.041	74.999	80.742
Total/oz	204	124	89	63

Mine:	Ashburton			
	2013	2014	2015	2016
Added	0	0	0	0
Proved/oz	128	29	29	29
Probable/oz	129	21	21	21
Extracted	0	0	0	0
Total	257	50	50	50

Mine:	Plutonic			
	2013	2014	2015	2016
Added	-	0	117.709	130.857
Proved/oz	-	53	68	33
Probable/oz	-	60	84	185
Extracted	-	41.623	78.709	64.857
Total	0	113	152	218

Mine:	Plutonic			
	2013	2014	2015	2016
Added	-	0	117.709	130.857
Proved/oz	-	53	68	33
Probable/oz	-	60	84	185
Extracted	-	41.623	78.709	64.857
Total	0	113	152	218

Mine:	Kalgoorlie			
	2013	2014	2015	2016
Added	-	0	296.909	497.029
Proved/oz	-	135	154	250
Probable/oz	-	380	461	659
Extracted	-	82.936	196.909	203.029
Total	0	515	615	909

Mine:	Jundee			
	2013	2014	2015	2016
Added	-	0	434.848	334.515
Proved/oz	-	125	176	288
Probable/oz	-	258	419	432
Extracted	-	0	222.848	209.515
Total	0	383	595	720

Depletion Schedule	2017	2018	2019	2020	2021
Paulsen	63	0	0	0	0
Ashburton	50	0	0	0	0
Plutonic	0	0	0	0	0
Kalgoorlie	205	205	205	205	89
Jundee	225	225	225	45	0
Total	543	430	430	250	89

Full Year 2017 Production and Cost Guidance

The following guidance was announced to the ASX on 1 August 2016:

	Production Ounces	AISC/oz \$
Jundee	220,000 - 230,000	1,000 - 1,050
Kalgoorlie Operations	200,000 - 210,000	950 - 1,000
Paulsens	65,000 - 75,000	1,200 - 1,250
Total	485,000 - 515,000	1,000 - 1,050