



ASX Announcement
27 August 2019

Highly successful investment strategy sets up Northern Star for strong growth in FY2020

Final dividend up 50% to A7.5¢ fully-franked

FY19 program of acquisition and investment positions Northern Star to capitalise on significantly higher gold price and increased production (spot price now ~A\$450/oz higher than FY19 average realised price of A\$1,764/oz)

HIGHLIGHTS

- Underlying net profit after tax of A\$179.2 million (FY18: A\$211.5 million)
- Statutory net profit after tax of A\$154.7 million (FY18: A\$194.1 million)
- Result reflects in part the A\$50 million investment in Pogo; This includes:
 - Developing new mining areas and the investment in a new mining fleet, which is already increasing production and lowering costs
 - Exploration campaign which has delivered a maiden Reserve of 1.5Moz and a 5.95Moz Resource at 9.6gpt
- Group EBITDA of A\$479.7 million (FY18: A\$443.3 million); Australian operations achieved an EBITDA margin of 46%, with both sites achieving the top end of full-year guidance ranges
- Operating mine cash flow¹ of A\$587.6 million (FY18: A\$485.1 million)
- Net mine cash flow¹ of A\$358.8 million (FY18: A\$324.6 million)
- A\$361.4 million in cash, bullion and investments at 30 June 2019 (30 June 2018: A\$511.9 million) after investing A\$357.8 million in acquisition & growth initiatives (comprising A\$175.5 million in cash contribution towards Pogo acquisition and A\$182.3 million in growth capital/exploration) and paying out a further A\$70.3 million in fully-franked dividends
- Final fully-franked dividend increased 50% to A7.5 cents per share (FY18: 5.0 cents per share), taking full-year payout to A13.5 cents per share (in line with policy of paying out 6% of revenue)
- Industry-leading financial returns sustained: FY2019 average return on equity of 20% and return on invested capital of 21% when normalised for Pogo investment
- Significant investment in drilling resulted in total Resources increasing by 31% or 4.9Moz, to 20.8Moz; Importantly, Measured and Indicated Resources increased 15% to 11.25Moz, with grade rising 31% to 4.1gpt. This underpins continued replacement of Reserves in coming years
- Reserves increased by 35%, or 1.4Moz, to 5.4Moz (after mining depletion of 0.9Moz)
- Northern Star will host the full year results call today, 27 August 2019 at 6:30am AWST (8:30am AEST). The call can be accessed at <https://webcasting.boardroom.media/broadcast/5d5b8d3581e8a71aec264911/5d5cb773f75df03189679f89>

FINANCIAL RESULTS FOR FULL YEAR TO 30 JUNE 2019

Northern Star Resources (ASX: NST) is pleased to report its financial results for the year to June 30, 2019.

During the year, Northern Star invested heavily in its growth strategy, namely through the A\$350 million acquisition of the Pogo gold mine in Alaska. It subsequently invested a further A\$50 million in Pogo, developing and opening up new mining areas, acquiring a new mining fleet and undertaking an initial, highly-successful exploration program.

The investment program was reflected in the 20 per cent fall in statutory net profit to A\$155 million.

Group EBITDA rose 8 per cent to A\$479.7 million as the Australian operations performed at the top end of their production guidance ranges and delivered an outstanding EBITDA margin of 46 per cent. Net mine cashflow was up 11 per cent to A\$358.8 million.

The Pogo acquisition, which was included in Northern Star's accounts from September 28, 2018, contributed to a 45 per cent increase in revenue to A\$1.4 billion.

This led to a 50 per cent increase in the final dividend to A7.5¢ fully franked, which is in line with the Company's policy of paying dividends equal to 6 per cent of revenue.

Northern Star Executive Chairman Bill Beament said the Company had laid the foundations for its next chapter of growth.

"We started applying our proven business model at Pogo as soon as we acquired it, investing heavily in a more efficient mining method, including a new mobile fleet and an extensive exploration program," Mr Beament said.

"The results of that investment are already flowing through in the form of increased production, lower costs and a much bigger mineral inventory.

"As it happens, it could not have been a better time to invest in such a growth strategy. The gold price at the time of the acquisition was ~A\$1,650/oz and our average realised price over the past year was A\$1,764/oz. The current spot price is A\$2,220/oz.

"When this sharply higher price is applied to our FY2020 guidance (800,000-900,000oz at A\$1,200-A\$1,300/oz), the true benefits of our investment strategy become clear."

The final fully-franked dividend record date is the 30 October 2019 with the payment date 20 November 2019.

Yours faithfully



BILL BEAMENT
Executive Chairman
Northern Star Resources Limited

Investor Relations Enquiries:

Luke Gleeson
Northern Star Resources Limited
T: +61 8 6188 2103
E: lgleeson@nsrltd.com

Media Enquiries:

Paul Armstrong
Read Corporate
T: +61 8 9388 1474
E: paul@readcorporate.com.au

FINANCIAL RESULTS FOR FULL YEAR TO 30 JUNE 2019

¹ Mine operating cash flow and net mine cash flow includes Pogo operations September 18 quarter result. Mine Operating cash flow is revenue minus site operating cash costs. Net mine cash flow is mine operating cash flow minus sustaining and non-sustaining capital (excluding Exploration investment).

Forward looking statements

Northern Star Resources Limited has prepared this announcement based on information available to it. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this announcement. To the maximum extent permitted by law, none of Northern Star Resources Limited, its directors, employees or agents, advisers, nor any other person accepts any liability, including, without limitation, any liability arising from fault or negligence on the part of any of them or any other person, for any loss arising from the use of this announcement or its contents or otherwise arising in connection with it.

This announcement is not an offer, invitation, solicitation or other recommendation with respect to the subscription for, purchase or sale of any security, and neither this announcement nor anything in it shall form the basis of any contract or commitment whatsoever. This announcement may contain forward looking statements that are subject to risk factors associated with gold exploration, mining and production businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to price fluctuations, actual demand, currency fluctuations, drilling and production results, Resource and 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.

Mineral Resources and Ore Reserves

The Mineral Resources and Ore Reserves information reported in accordance with the 2012 edition of the Joint Ore Reserves Committee's Australasian Code for Reporting of Mineral Resources and Ore Reserves ("JORC Code") in this presentation for all the Company's projects is extracted from the reports entitled "Resource and Reserve Update" dated 1 August 2019, available at www.nsrld.com and www.asx.com. For the purposes of ASX Listing Rule 5.23, Northern Star confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Northern Star 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.