

**ASX Announcement**  
 18 December 2019

## STRONG SUPPORT FOR KCGM ACQUISITION AS PLACEMENT CLOSES HEAVILY OVER-SUBSCRIBED, AND TRANSACTION NOW UNCONDITIONAL

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### HIGHLIGHTS

- Northern Star has successfully completed the bookbuild for its A\$765M fully-underwritten placement to institutional investors, with strong support from existing Shareholders and new investors
- Transaction is now unconditional – Ministerial consent obtained on 17 December 2019
- Proceeds from the Placement will be used to partially fund the acquisition of 50 per cent of Kalgoorlie Consolidated Gold Mines Pty Ltd (“KCGM”), which includes the Kalgoorlie Super Pit gold mine, as well as associated assets in Western Australia from Newmont Goldcorp Australia Pty Ltd (“Newmont”) for a combined US\$800M
- KCGM is a 50:50 JV between Newmont and Saracen Mineral Holdings
- The Transaction delivers Northern Star a half-share of one of the most significant gold systems in the world with an endowment of ~80Moz and a spectacular gold content of ~45,000 to 60,000oz per vertical metre
- The acquisition will be immediately accretive to Northern Star on an EV/Reserve, EV/Resource, P/NAV basis and earnings per share in its first full financial year of ownership (FY2021)
- There was overwhelming support for the acquisition and the Placement, which was heavily over-subscribed
- The previously-announced Northern Star Share Purchase Plan will open on 24 December, 2019

Northern Star Resources (ASX: NST) is pleased to announce the successful completion of its A\$765 million fully underwritten institutional placement (“Placement”) of 85 million shares at the issue price of A\$9.00 per new share.

The Placement was heavily over-subscribed, highlighting strong investor support for the acquisition and the new Northern Star-Saracen joint venture.

The issue price of \$9.00 per share represents a 6.7% discount to the closing price of Northern Star shares of A\$9.65 on Friday, 13 December 2019, being the last trading day prior to announcement of the Placement.

The proceeds will be used to help fund the acquisition of all of the shares in Kalgoorlie Lake View Pty Ltd from Newmont, which holds a 50% interest in KCGM and in the operations and assets managed by KCGM, for US\$775 million and additional associated assets for US\$25 million, for a total consideration of US\$800 million (“Transaction”).

The associated assets comprise: a separate parcel of nearby Kalgoorlie tenements 100 per cent-owned by Newmont, a transitional services arrangement and a US\$25 million conditionally refundable option arrangement to acquire the Newmont power business, which supplies power to KCGM.

The only condition to completion of the acquisition has now been satisfied, with consent from the WA Minister of Lands having been received yesterday.

Northern Star Executive Chairman Bill Beament said: “The strong support for this equity raising reflects the outstanding benefits of the KCGM acquisition for Northern Star Shareholders.

“The deal is earnings-accretive for Northern Star from the first full financial year of ownership and it will immediately increase our free cashflow.

“The acquisition also comes with huge growth potential via further optimisation of the open pit and the development of underground operations.

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"We look forward to working closely with our highly competent JV partner Saracen, to create value and opportunities for all the project's stakeholders, including the local community."

The new shares to be issued under the Placement ("Placement Shares") will rank equally with existing Northern Star fully paid ordinary shares on issue.

Further details on the Transaction can be found in the ASX announcement and investor presentation, lodged with the ASX on Tuesday, 17 December 2019. Northern Star expects its trading halt to be lifted and Northern Star shares to resume trading from market open today.

Settlement of the Placement is scheduled to take place on Friday, 20 December 2019, with allotment and quotation of the Placement Shares issued in respect of the Placement to occur on the ASX on Monday, 23 December 2019.

### **Share Purchase Plan**

As previously announced, Northern Star will offer all eligible existing Shareholders (including retail Shareholders) on Northern Star's share register at 4.00pm (Perth time) on Monday, 16 December 2019 with registered addresses in Australia or New Zealand the opportunity to apply for new Northern Star shares through the SPP without brokerage fees.

Northern Star targets raising up to A\$50 million via the SPP.

The application for new shares under the SPP will be capped at the statutory maximum allowed of A\$30,000 per eligible Shareholder, across all their holdings. The SPP offer period will open on Tuesday, 24 December 2019 and close at 2:00pm (Perth time) on Friday, 24 January 2020, subject to Northern Star's discretion to amend these dates. Shares issued under the SPP will rank equally with Northern Star's existing shares with effect from their issue.

The offer price per new share under the SPP will be the same as the Placement price, being A\$9.00 per new share.

The terms and conditions of the SPP will be set out in an SPP Offer Booklet and despatched to eligible Northern Star Shareholders by their preferred method of contact as well as a separate announcement to ASX in due course. Participation in the SPP is optional and Northern Star reserves the right to scale back any applications under the SPP.

### **Director Placement**

Northern Star is also proposing to issue up to A\$5 million of new shares to certain Northern Star Directors. Directors will subscribe for new shares at the same price as the Placement price, subject to shareholder approval to be sought at a general meeting of Northern Star Shareholders on 22 January 2020.

### **Advisers**

Macquarie Capital (Australia) Limited (Macquarie) is acting as financial adviser to the acquisition and as global coordinator to the Placement. Macquarie and Canaccord Genuity (Australia) Limited are acting as joint lead manager, joint bookrunner and joint underwriter to the Placement. Ashurst is Northern Star's Australian legal adviser in respect of the acquisition, Placement and the SPP.

Yours faithfully



**BILL BEAMENT**  
Executive Chairman  
Northern Star Resources Limited



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**Forward Looking Statements**

This announcement may contain forward-looking statements about Northern Star. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance", or other similar words. To the extent that this announcement contains forward-looking information, the forward-looking information is subject to a number of risk factors, including those generally associated with the mining industry and the specific, key risks set out in the investor presentation released by Northern Star on Tuesday, 17 December 2019. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Northern Star's actual results, performance and achievements or industry results to differ materially from any future results, performance or achievements, or industry results, expressed or implied by these forward-looking statements. Forward-looking statements are based upon management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect Northern Star's business and operations in the future. Northern Star cannot give any assurance that the assumptions upon which management based its forward-looking statements will prove to be correct, or that Northern Star's business and operations will not be affected in any substantial manner by other factors not currently foreseeable by management or beyond its control. Any forward-looking statements contained in this announcement are based on information available to Northern Star as at the date of this announcement. Except as required by law or regulation (including the ASX Listing Rules), Northern Star undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, and guidance on, future earnings or financial position or performance are also forward-looking statements. To the maximum extent permitted by law, Northern Star and its directors, officers, employees, advisers, agents and intermediaries and the other parties disclaim any obligation or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions. Neither Northern Star, nor any other party, makes any representation or warranty as to the accuracy of any forward looking statements contained in this announcement.



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