

ASX Announcement
 29 August 2022

FINANCIAL RESULTS

FULL YEAR ENDED 30 JUNE 2022

Strong Company-wide performance drives shareholder returns

- Delivered to FY22 guidance of 1,561koz at AISC of A\$1,633/oz
- First 12-month period since Saracen merger, Super Pit ownership consolidation delivers revenue of A\$3,735 million, underlying EBITDA of A\$1,517 million and statutory NPAT of A\$430 million
- Cash Earnings of A\$1.0 billion¹, reflecting strong operational and financial performance
- Balance sheet remains well within financial policy targets, with cash and bullion of A\$628 million
- Fully franked final dividend of A11.5cps, following on from fully franked interim dividend of A10cps
- Subsequent to year end, Northern Star announced on-market share buy-back of up to A\$300 million as part of proactive capital management strategy

Northern Star Resources Limited (ASX: NST) (Northern Star) is pleased to report its financial results for the year ended 30 June 2022.

Commenting on the results, Northern Star Managing Director Stuart Tonkin said:

"These results, which include for the first time Saracen and 100% of the Super Pit, clearly demonstrate Northern Star's cash earnings potential. Our strong performance in FY22 generated \$1 billion in cash earnings, which underscores the sustainability of the cash flow from our high quality assets located in tier-1 jurisdictions."

"The fully franked final dividend of 11.5cps, within our dividend policy target² and payable next month, will mean we have returned \$1 billion cash to shareholders since FY12."

"The announcement today of the first buy-back in Northern Star's history presents compelling value and confirms the Board's confidence in our strong balance sheet and cash generation outlook and aligns with our fiscal discipline and returns focus."

"We have made a solid start to FY23 and continue to progress the KCGM cutback with our new cost-efficient mining equipment. The SKO processing plant is now on care and maintenance, at Thunderbox we commence commissioning the expanded mill in Q1, while at Pogo we have removed surplus equipment, reflecting increased development rates across the fleet."

"We are a stronger and more resilient business today than ever before, with a clearly defined multi-year strategy to deliver higher margin ounces. This strategy, backed by our experienced team and portfolio of high quality assets, will enable Northern Star to create superior value for shareholders."

¹ Cash Earnings defined as Underlying EBITDA less net interest, tax paid and sustaining capital.

² Dividend policy is 20-30% of Cash Earnings. FY22 dividend of 21.5cps corresponds to 25% of Cash Earnings.

FY23 Guidance

Northern Star's FY23 guidance outlook was announced on 20 July 2022, refer to ASX release entitled "June 2022 Quarterly Activities Report".

Northern Star is adding to its growth pipeline while responsibly advancing its strategic aspirations and purpose to deliver superior returns to shareholders. The Company is closely managing its costs in this inflationary environment and will continue to adopt an agile and prudent approach to portfolio optimisation and capital growth expenditure.

Northern Star's financial position remains strong, with cash and bullion at 30 June 2022 of A\$628 million. The Company's FY23 growth program is fully funded and aligns with our capital management framework of allocating capital to those projects that deliver superior returns.

As announced on 20 July, the Company is well positioned to deliver 1,560koz – 1,680koz gold at an AISC of A\$1,630-1,690/oz in FY23. Gold sold is expected to be weighted towards 2H as a result of the scheduled ramp up of the Thunderbox mill expansion and Pogo stopping schedule.

Northern Star's Group capital expenditure (sustaining, growth, exploration) for FY23 is forecast to be at similar levels to FY22.

Figure 1: FY23 Group Guidance

FY23 GUIDANCE	UNITS	KALGOORLIE	YANDAL	POGO	TOTAL
Gold Sales	koz	820 - 870	480 - 520	260 - 290	1,560 - 1,680
AISC	A\$/oz	1,560 - 1,660	1,525 - 1,625	1,857 - 2,000 (US\$1,300 - 1,400)	1,630 - 1,690
Growth Capital Expenditure	A\$M	355	217	65	650*
Exploration	A\$M				125

*Includes A\$13M of corporate investment.

AISC and Capital Expenditure converted at a currency using AUD:USD = 0.70.

Figure 2: Multiple growth projects to deliver five-year profitable growth plan

	FY22 1.56Moz	FY23 1.56-1.68koz	FY24	FY25	FY26	SUSTAINABLE BUSINESS
Kalgoorlie	KCGM Fleet Delivery ✓	Increase KCGM material movement to 80-100Mtpa Fimiston South ramp up; Increased access to Golden Pike			1,100koz KCGM 650koz	3-5 PRODUCTION CENTRES
Yandal	TBO Mill Expansion (to 6.0Mtpa) ✓	TBO Mill Commissioning (to 6.0Mtpa) 600koz 9Mtpa milling (3Mtpa Jundee, 6Mtpa TBO) Regional processing savings from various ore sources				1.8-2.2Moz GOLD SOLD
Pogo	Mill Expansion (to 1.3Mtpa) ✓	Increase Production volumes 300koz Development ~1,500m per month Mining = Milling = 1.3Mtpa				1st Half COST CURVE
						+20yr LIFE OF MINE

Webcast Details

Northern Star's FY22 results conference call will be held today at 9:00am AEST (7:00am AWST). The call can be accessed at:

https://webcast1.boardroom.media/watch_broadcast.php?id=62ccf42bcfb83

FY22 FINANCIAL HIGHLIGHTS

Northern Star is pleased to report strong operational and financial results for FY22.

Headlines include Underlying EBITDA of A\$1,517 million and Cash Earnings of A\$1,022 million, showcasing the quality of the Company's assets to adapt to all operating environments.

Cash Earnings are defined as Underlying EBITDA less net interest, tax and sustaining capital. Following the non-cash adjustments to the Company's statutory accounts, in relation to the merger with Saracen, the Board believes that this better reflects the Company's ongoing earnings.

Table 1: Key financial and operating results for the full year ended 30 June 2022

Key financials ¹	Units	FY22	FY21	% Variance
Revenue	A\$M	3,735	2,761	35
EBITDA	A\$M	1,741	2,268	(23)
Underlying EBITDA	A\$M	1,517	1,159	31
Depreciation & Amortisation	A\$M	1,111	660	68
Underlying EBIT	A\$M	406	499	(19)
Underlying NPAT	A\$M	273	372	(27)
Statutory Net Profit After Tax (NPAT)	A\$M	430	1,032	(58)
Cash Earnings	A\$M	1,022	648	58
Operating cash flow	A\$M	1,599	1,077	48
Cash and bullion	A\$M	628	799	(21)
Margins				
Underlying EBITDA	%	41	42	(2)
Production²				
Annualised gold sold ³	koz	1,561	1,595	(2)
Annualised all-in sustaining cost (AISC)	A\$/oz	1,633	1,483	10
Annualised average gold price realised	A\$/oz	2,433	2,277	7

¹ EBITDA, Underlying EBITDA, Cash Earnings and Underlying NPAT are non-GAAP measures. Table reconciling to statutory NPAT included below.

² FY21 Production metrics include Carosue Dam, Thunderbox and 100% of KCGM from 1 July 2020 (implementation date 12 February 2021).

³ Gold sold includes 30koz of pre-production sales (FY21: 109koz).

Reconciliation of Underlying EBITDA and Cash Earnings is presented below.

Table 2: Underlying EBITDA and Cash Earnings adjustments

	Units	FY22	FY21
Net Profit After Tax	A\$M	429.8	1,032.5
Tax	A\$M	180.3	551.4
Depreciation & Amortisation	A\$M	1,110.5	660.0
Interest Income	A\$M	(6.0)	(4.3)
Finance Costs	A\$M	26.4	28.4
EBITDA	A\$M	1,741.0	2,268.0
Impairment Charges	A\$M	52.4	545.6
Gain on Disposal of Subsidiary and Asset	A\$M	(297.9)	-
Other Abnormals	A\$M	21.8	(1,654.4)
Underlying EBITDA	A\$M	1,517.3	1,159.2
Tax & Net Interest Paid	A\$M	(83.4)	(155.0)
Sustaining Capital	A\$M	(412.0)	(356.3)
Cash Earnings	A\$M	1,021.9	647.9

Northern Star delivered a Group EBITDA margin of 41% in FY22, up HoH. All three production centres performed strongly, reflecting the resilience of our business and ability to adapt to all operating environments. A focus on higher-margin ounces delivered a YoY and HoH improvement of underlying EBITDA/oz.

Balance Sheet – At 30 June 2022, cash and bullion totalled A\$628 million. The Company had drawn corporate bank debt totalling A\$100 million (A\$900 million undrawn available facilities) and has no scheduled repayments in the next 12 months. The next repayment of A\$100 million is due in June 2024. Northern Star has liquidity of A\$1.5 billion, at the upper end of its target range of A\$1.0-1.5 billion. Both its leverage ratio (ND/EBITDA) and gearing ratio (Debt/Debt+Equity) are less than zero, well within its target ranges.

Dividend – Under the Company's dividend policy, the Board will target a total annual dividend payment of 20-30% of Cash Earnings generated by the business during the financial year. The Board has declared a fully franked final dividend of A11.5cps, corresponding to 23% of Cash Earnings. For FY22, the total fully franked dividend was A21.5cps, corresponding to 25% of Cash Earnings, and higher than the FY21 full year dividend of A19cps. Since FY12, Northern Star has returned A\$1.0 billion cash to shareholders in the form of dividends and special dividends. A Dividend Reinvestment Plan is available to shareholders.

Acquisitions and divestments – Active and disciplined portfolio management aligns with Northern Star's five-year strategic plan to generate superior shareholder returns. During FY22, Northern Star divested its Kundana Assets, Paulsens Operation and Western Tanami Project resulting in a total pre-tax gain of A\$298 million. In addition, Northern Star acquired the Newmont Power Business for US\$95 million, providing significant synergies and strategic value to the Kalgoorlie Operations.

Convertible debenture – In December 2021, Northern Star entered into a convertible senior unsecured debenture (funding agreement) with Osisko Mining Inc. to the value of C\$154 million (A\$169 million). The Debenture has a maturity date of December 1, 2025 and bears interest at a rate of 4.75% per annum payable semi-annually in arrears, which may be accrued at the option of Northern Star.

Tax – During FY22, the Company was refunded A\$166 million in respect of the FY21 income tax year. Subsequent to year end, the Company paid an interim assessment totalling A\$155 million in respect of stamp duty arising from the merger.

Buy-back – As announced separately to the ASX today, Northern Star has launched its first on-market share buy-back of up to A\$300 million. The buy-back aligns with Northern Star's disciplined capital allocation priorities, which include returning cash to shareholders, investing in organic profitable growth and maintaining a strong balance sheet. The buy-back is subject to prevailing share price and market conditions and will be executed at the Company's discretion.

FY22 OPERATIONAL HIGHLIGHTS

Northern Star's operations delivered FY22 production and cost guidance of 1,561koz at an AISC of A\$1,633/oz vs guidance of 1,550-1,650koz at an AISC of A\$1,600-1,640/oz, despite a challenging environment over the past 12 months which escalated during the fourth quarter. Pleasingly, FY22 capital expenditure and exploration were lower than forecast.

All three production centres achieved production guidance and demonstrated the capability for the Group to operate at 1.6Moz per annum. Further, Pogo delivered above 2H expectations with an annual run rate of 250koz.

Discovery and Growth

For FY22, A\$674 million was spent on growth capital and A\$121 million on exploration, both below company guidance provided.

The first year of Northern Star's five-year profitable growth pathway delivered significant progress:

- Kalgoorlie: KCGM material movement of 66Mtpa (vs FY26 target of 80-100Mtpa)
- Yandal: Thunderbox mill expansion remains on track and within budget, ramp up expected 1H23
- Pogo: Mill expansion completed, mine ramp-up progressing with additional mining fronts

In addition, the KCGM Mill Optimisation Pre-Feasibility Study (PFS) was completed. The PFS focused on four scenarios - steady state plus three mill expansion options.

Figure 3: FY22 Guidance achieved for Group production, costs, capital expenditure and exploration

FY22 ACTUAL vs GUIDANCE	UNITS	KALGOORLIE	YANDAL	POGO	TOTAL*
Gold Sold (actual) <i>Guidance</i>	koz	903 900 - 950	443 430 - 450	214 205 - 220	1,561 ✓ 1,550 - 1,650
AISC (actual) <i>Guidance</i>	A\$/oz	1,624 1,500 - 1,600	1,430 1,375 - 1,475	2,068 (US\$1,498) 2,150 - 2,230 (US\$1,570 - 1,625)	1,633 ✓ 1,600 - 1,640
Total Growth Capital Expenditure <i>Guidance</i>	A\$M	263 261	335 351	76 70	674 ✓ 682
Development Receipts** <i>Guidance</i>		(15) (5)	(58) (57)	- -	(73) ✓ (62)
Net Growth Capital Expenditure <i>Guidance</i>		248 256	277 294	76 (US\$55) 70 (~US\$55)	601 ✓ 620
Exploration <i>Guidance</i>	A\$M				121 ✓ 140

*FY22 Group guidance excluded Kundana Assets and EKJV Interests divested as per ASX release dated 18 August 2021.

**FY22 Development Receipts are from pre-commercial gold sales (~29,945 ounces), in line with the relevant Accounting Standard.

Actual AISC and Capital Expenditure converted at a currency using AUS:USD = 0.72.

Guidance AISC converted at a currency using AUD:USD = 0.73. Guidance Capital Expenditure converted at a currency using AUD:USD = 0.75.

FY22 SOCIAL VALUE (EESG) HIGHLIGHTS

Northern Star has set an ambition of net zero emissions by 2050 and a 35% reduction by 2030. All projects already begun to drive emissions reduction remain on track and at the design stage. In FY22, Northern Star completed Stage 3 of the Carosue Dam Solar Farm expansion.

Our people are the drivers of Northern Star's success and our priority focus is to ensure their physical and mental wellbeing, not just during the pandemic. The Company continually aims for a best-in-class safety performance, which is demonstrated by our sector-leading safety results. In FY22, Northern Star's Lost Time Injury Frequency Rate (LTIFR) is 0.5 (injuries per million man hours), almost four times less than the Industry average.

Access to water is a fundamental human right and is critical to our operations. Comprehensive water balances are utilised across our operations to manage site specific water resources and ensure our site Environmental and Operational teams have clear oversight of water abstraction, recycling, discharge and consumption. Total water withdrawals have slightly increased in FY22 from FY21 due to increased production. Water intensity has remained steady, however, across the business.

Northern Star strategically invests in our communities through financial and in-kind means across Australia and Alaska. In FY22, the Economic Value Add was A\$3 billion across direct and indirect spend.

Northern Star condemns all human rights abuses, including modern slavery practices in all its forms. We recognise our role in protecting the human rights of all people involved in, or impacted by, our business practices. Northern Star has published mandatory Modern Slavery Statements under the Modern Slavery Act 2018 (Cth) covering FY20 and FY21. Please refer to our FY22 Modern Slavery Statement released together with the FY22 Sustainability Report for detailed disclosures on how we are addressing the risks of modern slavery in our supply chain.

Authorised for release to ASX by Stuart Tonkin, Managing Director & CEO.

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Forward Looking Statements

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ASX Listing Rules Disclosures

The information in this announcement that relates to the current Ore Reserves and Mineral Resources, and production targets of Northern Star has been extracted from the ASX release by Northern Star entitled "Resources, Reserves and Exploration Update" dated 3 May 2022 available at www.nsrltd.com and www.asx.com ("Northern Star Announcement").

Northern Star confirms that it is not aware of any new information or data that materially affects the information included in the Northern Star Announcement other than changes due to normal mining depletion during the five month period to 29 August 2022 and divestment of the Paulsens and Western Tanami projects during June 2022, and, in relation to the estimates of Northern Star's Ore Reserves and Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the Northern Star 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 that announcement.

Assumptions made in relation to the Ore Reserves and Mineral Resources underpinning the production targets in that announcement are (in summary):

- Current operational capital and operating cost structures,
- Current mining and metallurgical performance,
- The gold price, exchange rate, dilution allowance and mining recovery rates are as set out in each prior public report referred to in ASX Listing Rule 5.19 disclosures, and
- 5 year gold production profiles are based on 100% current JORC compliant Ore Reserves.

Currency Conversion Rate

Unless stated otherwise, all currency conversions in this announcement have been converted at a currency of A\$/US\$ conversion rate of \$0.70.