

# Placement closes well over-subscribed amid strong support for Pogo acquisition

Work already underway to convert Pogo's 4.1Moz resources and reserves to JORC status

## KEY POINTS

- ▶ Northern Star has successfully completed its A\$175m fully-underwritten Placement to institutional investors
- ▶ The proceeds will be used to help fund its acquisition of the high-grade 4.1Moz<sup>1</sup> Pogo underground gold mine in Alaska
- ▶ There was overwhelming support for the acquisition and the Placement was heavily oversubscribed
- ▶ Significant demand came from existing and new domestic and offshore institutional investors, many of whom are very familiar with operations in the US
- ▶ Northern Star's FY2019 guidance has increased to 850,000-900,000oz at an AISC of A\$1,050-1,150/oz (US\$787-862/oz)\*

Northern Star Resources (ASX: NST) is pleased to announce that it has successfully completed an institutional placement to raise ~A\$175 million through the issue of ~26.1 million new shares (see ASX release dated Thursday, 30 August 2018).

The Placement was completed at A\$6.70 per share, representing a 3.7% discount to the last closing price of A\$6.96 (as at 29 August 2018) and a 3.5% discount to NST's 5-day VWAP of A\$6.94 (as at 29 August 2018).

Proceeds from the Placement will be used to help fund the acquisition of the high-grade 4.1Moz Pogo underground gold mine in Alaska from Sumitomo Metal Mining (85% interest) and Sumitomo Corporation (15% interest) for an acquisition price of US\$260 million (A\$347 million)\* with the balance being funded from Northern Star's existing cash reserves.

The Placement was heavily-oversubscribed, demonstrating overwhelming shareholder support for the Pogo acquisition and the Northern Star business model. Supporters included funds and accounts under management by BlackRock Investment Management (UK) Limited, which have a substantial shareholding in Northern Star and committed to subscribe for A\$57 million of new shares in advance of the launch of the Placement.

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<sup>1</sup> This information is extracted from the ASX announcement titled "Northern Star Acquires Pogo Gold Mine in Alaska" dated 30 August 2018 and is available to view at <https://www.nsr ltd.com/investor-media/news/> or [www.asx.com.au](http://www.asx.com.au). The resources and reserves are estimated as at 31 December 2017 and according to the Canadian NI 43-101 standards, but are not fully compliant with those standards. Accordingly, they do not purport to be JORC Code-compliant. A cautionary statement in respect of such resources and reserves appears in the important information section below.

### ASX ANNOUNCEMENT 03 September 2018

Australian Securities  
Exchange Code: NST

#### Board of Directors

Mr Bill Beament  
*Executive Chairman*

Mr John Fitzgerald  
*Lead Independent Director*

Mr Chris Rowe  
*Non-Executive Director*

Mr Peter O'Connor  
*Non-Executive Director*

Ms Shirley In't Veld  
*Non-Executive Director*

#### Issued Capital

Shares 613.3 million  
Performance Rights 10.4 million

Current Share Price A\$6.96

Market Capitalisation  
A\$4.3 billion

Cash and Cash Equivalents  
30 June 2018 - A\$512 million

#### Projects

Jundee Operations  
Kalgoorlie Operations  
Paulsens Mine  
Central Tanami (25% of JV)  
Western Tanami

[www.nsr ltd.com](http://www.nsr ltd.com)

ABN:43 092 832 892

Northern Star Executive Chairman Bill Beament said the strong demand for the placement was a huge endorsement of the Pogo acquisition.

“Existing shareholders, fund managers and analysts from around the world have said they share our view that Pogo is an exceptional acquisition which meets our criteria of owning Tier One assets with strong growth potential in Tier One locations.

“They also share our view that the acquisition is consistent with Northern Star's policy of maximising financial returns, rather than growing production for the sake of it.

“I would again like to thank the Sumitomo team, who have been excellent custodians of Pogo for the past 12 years and we look forward to maintaining this standard as we integrate the asset into our portfolio.”

Further details on the acquisition can be found in the ASX announcement and investor presentation, lodged with the ASX on Thursday, 30 August 2018. Northern Star expects its trading halt to be lifted and Northern Star shares to resume trading from market open today.

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

Settlement of the Placement is scheduled to take place on Wednesday, 5 September 2018, with allotment and quotation of the Placement Shares issued in respect of the Placement to occur on the ASX on Thursday, 6 September 2018. The Placement Shares are also expected to be eligible for Northern Star's FY18 full year dividend of 5c per share as announced on 23 August 2018.

Macquarie Capital (Australia) Limited acted as sole lead manager, bookrunner and underwriter to the Placement and Ashurst acted as Northern Star's Australian legal adviser in respect of the Placement.

Yours faithfully



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

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**IMPORTANT INFORMATION**

**AUD/USD conversion**

\*All currency conversions have been converted at a currency of AUD/USD conversion rate of A\$0.75.

**Statement in respect of foreign estimates**

The information in this announcement that relates to the Pogo mine's mineral resources and mineral reserves is extracted from the ASX announcement entitled “Northern Star Acquires Pogo Gold Mine in Alaska” released on 30 August 2018 (the “Announcement”) and is available to view at <https://www.nsrld.com/investor-media/news/> or [www.asx.com.au](http://www.asx.com.au). Northern Star confirms that it is not in possession of any new information or data relating to these foreign estimates that materially impacts on the reliability of the estimates or Northern Star's ability to verify the foreign estimates as mineral resources or ore reserves in accordance with Appendix 5A (JORC Code). Northern Star confirms that the supporting information provided in the Announcement continues to apply and has not materially changed.

## Cautionary Statements

- The resources and reserves estimate for the Pogo Gold Mine are estimated as at 31 December 2017 according to the Canadian NI 43-101 standards, but are not fully compliant with those standards. They are not reported in accordance with the JORC Code and therefore "foreign estimates" for the purposes of the ASX Listing Rules.
- A Competent Person has not yet done sufficient work to classify the foreign estimates as Mineral Resources or Ore Reserves in accordance with the JORC Code, however Northern Star notes the similarity of the Canadian NI 43-101 standards and the JORC Code.
- It is uncertain that following evaluation and/or further exploration work that these foreign estimates will be able to be reported as Mineral Resources or Ore Reserves in accordance with the JORC Code.

## Forward Looking Statements

This announcement contains certain forward-looking statements about Northern Star, including FY2019 production and cost guidance. 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 gold industry and the risks set out in Section 5 of the investor presentation released on ASX on 30 August 2018. In relation to Northern Star's FY2019 production and cost guidance, it should be specifically noted that guidance is in part determined by reference to the expected performance of the Pogo mine and that such determination was made based on information provided to Northern Star in respect of the Pogo Mine, which may turn out to be inaccurate, incorrect or incomplete. Additionally, as with any acquisition, there are risks associated with the integration of the Pogo mine which could impact its operational performance. Any such forward looking statements are also based on current assumptions which may ultimately prove to be materially incorrect. Investors should consider the forward-looking statements contained in this announcement in light of those disclosures and not place reliance on such statements. The forward-looking statements in this announcement are not guarantees or predictions of future performance. The forward-looking statements 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.