ASX: NST



NORTHERN STAR RESOURCES LIMITED

ASX Announcement
27 October 2020

STRONG QUARTER WITH PRODUCTION AT UPPER END OF GUIDANCE

Production on track to rise 40% over next three years with costs to fall 10%

Gold sales of 227,532oz at upper end of quarterly production guidance; All-in cost of A$1,752/oz and average realised price of A$2,493/oz; Hedge book reduced to just 13% of next three years' production

HIGHLIGHTS

- **Gold sold in the September quarter of 227,532oz; This was at the upper end of the published quarterly guidance range of 207,000-233,000oz**
- **Outstanding performance at Yandal and Pogo:**
  - **Australian Operations (including 50% KCGM) sold 176,526oz at an AISC of A$1,544/oz (US$1,081/oz)***
  - **Pogo Operations sold 51,006oz at an AISC of US$1,199/oz, quarterly costs were 14.5% lower than FY20**
- **Group all-in cost (AIC) of A$1,752/oz (US$1,226/oz), demonstrating low capital intensity for growth**
- **Average realised price of A$2,493/oz in the September quarter; This included sales of ~65,000oz into hedged positions, reducing the hedge book to approximately 13% of the next three years' production**
- **Strong underlying free cash flow of A$132M generated during September quarter; This was despite investing ~A$42M in growth capital and exploration**
- **Unaudited NPAT of ~A$100M; Operating mine cashflow of A$254M; Net mine cashflow of A$170M**
- **Cash, bullion and investments of A$470M at 30 September 2020 after repaying A$200M of corporate bank debt on 6 July and paying out A$200M (or A27cps) in fully franked dividends in the quarter**
- **September quarter production:**
  - **Yandal Gold Operations:**
    - **79,946oz mined and 73,743oz sold at an AISC A$1,209/oz (US$846/oz)**
  - **KCGM Gold Operations (50% Ownership):**
    - **46,018oz mined and 53,959oz sold at an AISC A$1,461/oz (US$1,023/oz)**
  - **Kalgoorlie Gold Operations:**
    - **64,064oz mined and 48,824oz sold at an AISC A$2,116/oz (US$1,481/oz)**
  - **Pogo Gold Operations:**
    - **59,988oz mined and 51,006oz sold at an AISC US$1,199/oz**
- **Annual production forecast to grow at industry-leading rate of 40% to 1.25Moz over next three years, with low capital intensity; Costs expected to fall by 10%**
- **Reserves double to 10.8Moz (on price of A$1,750/oz (US$1,225/oz)); Resources increase 67% to 31.8Moz**
- **Strong September quarter results from Northern Star and Saracen (ASX: SAR) highlight the outstanding combined growth profile and cash generating capacity of the companies under the proposed merger**
- **Northern Star will host a quarterly conference call today, 27 October 2020, at 11:00am AEDT (8:00am AWST). The call can be accessed at https://webcast.boardroom.media/northern-star-resources-ltd/20201027/NaN5f8e63ecd7fcb30019896f4c**

For personal use only

Northern Star Resources Limited - ABN: 43 092 832 892

Level 1, 388 Hay Street
Subiaco WA 6008, Australia

PO Box 2008
Subiaco WA 6904

T: +61 8 6188 2100
F: +61 8 6188 2111

E: info@nsrltd.com
W: www.nsrltd.com

SEPTEMBER 2020 QUARTERLY ACTIVITIES REPORT

Northern Star Resources (ASX: NST) is pleased to report strong operating and financial results for the September quarter, 2020.

Gold sales of 227,532oz were comfortably in line with the Company's published guidance for the quarter of 207,000oz – 233,000oz (22% of the annual guidance of 940,000oz – 1,060,000oz).

This strong operating performance, including all-in costs of A$1,752/oz, was complemented by an average realised price of A$2,493/oz. This resulted in robust margins which in turn led to underlying free cashflow of A$132 million after investing A$42 million in growth capital and exploration.

Northern Star finished the quarter with cash, bullion and investments of A$470 million and corporate debt of A$500 million compared with A$770 million and A$700 million respectively at June 30. During the September quarter, the Company repaid A$200 million in debt and paid fully franked dividends totalling A$200 million, or A27¢ a share. These comprised the postponed interim dividend, the final dividend and the special dividend.

The Company also continued to reduce its hedge book, which now represents just 13 per cent of forecast production for the next three years, as part of the ongoing strategy to increase its exposure to the significantly higher spot price.

Northern Star Executive Chair Bill Beament said the results highlighted the ongoing strength of the Yandal Operations, the successful ramp-up of production at Pogo and further benefits from the changes being implemented at KCGM.

"Jundee is simply one of the great gold mines of Australia, as shown by sales of more than 73,000oz in the quarter at an AISC of A$1,209/oz," Mr Beament said.

"We are also delighted with the results at Pogo, which continued to improve on every metric as the benefits of the new bulk mining method and other changes we have introduced flow through. Costs for the quarter are 14.5 per cent lower than in FY20 and the project is generating strong free cashflow.

"Our changes with Joint Venture partner Saracen at KCGM are also paying dividends, with costs beating guidance."

Mr Beament said the results at the Kalgoorlie Operations reflected mine sequencing which resulted in lower grades and reduced overall tonnages. Gold sales were also reduced due to a planned roaster shutdown. However, this increased the inventory of concentrate, which will be poured in the current quarter.

"Overall, we expect to increase production at the Kalgoorlie Operations each quarter this year and ultimately meet our full-year guidance there."

Northern Star's production is set to rise by 40 per cent over the next three years to 1.25Moz and costs are forecast to fall by 10 per cent.

"We have one of the strongest growth profiles in the global gold industry and we will achieve this with one of lowest capital intensities in the global gold industry," Mr Beament said. "This combination enables us to deliver strong growth in production and free cashflow while maintaining our superior financial returns."

Mr Beament said Northern Star's strong quarterly performance, combined with the excellent September quarterly results released by Saracen last week, provided further insight into the significant strengths of the proposed merged group.

"Both companies have again demonstrated the tier-1 quality of our assets," he said. "Our combined production is growing to 2Moz a year by FY27 while most of our peers have a falling production profile. Our costs will continue to reduce and our combined scope for further organic growth in tier-1 locations is exceptional[1]."

[1] Refer to the ASX release by Northern Star and Saracen entitled "Northern Star and Saracen agree to A$16B merger-of-equals" dated 6 October 2020 and available at www.nsrltd.com, www.saracen.com.au and www.asx.com. The proposed merger is to be implemented by way of a Saracen scheme of arrangement (**Scheme**). Key conditions of the Scheme include approval being obtained from Saracen shareholders in general meeting, scheduled to occur during January 2021. Further information about the Scheme (including key risks for Saracen shareholders) will be provided by Saracen to Saracen shareholders and released to ASX in due course, in the form of an explanatory statement (as that term is defined in section 412 of the Corporations Act) and notice of meeting (**Scheme Booklet**). The Scheme Booklet will also include or be accompanied by an independent expert's report that will opine on whether the Scheme is in the best interest of Saracen shareholders.

For personal use only

SEPTEMBER 2020 QUARTERLY ACTIVITIES REPORT

For personal use only

Northern Star	Units	Dec-19 Qtr	Mar-20 Qtr	Jun-20 Qtr	Sept-20 Qtr	FYTD
Ore Hoisted – UG	Tonnes	1,502,172	1,638,465	1,817,494	1,574,229	1,574,229
Mined Grade	gpt Au	4.7	3.9	4.1	3.7	3.7
Gold in Ore Hoisted	Oz	224,494	206,206	237,219	187,426	187,426
Open Pit Ore Mined	Tonnes	339,961	885,304	859,236	1,210,570	1,210,570
Mined Grade	gpt Au	1.5	1.6	1.3	1.6	1.6
Gold in Open Pit Ore Mined	Oz	16,513	44,193	36,188	62,590	62,590
Total Mined Ounces	Oz	241,007	250,399	273,407	250,016	250,016
Milled Tonnes	Tonnes	1,588,428	3,149,968	3,472,351	3,229,433	3,229,433
Head Grade	gpt Au	4.6	2.7	2.7	2.5	2.5
Contained Ounces Milled	Oz	235,428	270,293	301,625	260,610	260,610
Recovery	%	90%	88%	89%	89%	89%
Gold Recovered	**Oz**	**212,571**	**237,070**	**267,361**	**231,594**	**231,594**
Gold Sold – Pre-Production	Oz	-	7,600	6,245	14,797	14,797
Gold Sold – Production	Oz	214,635	231,431	256,472	212,735	212,735
Ounces Sold	**Oz**	**214,635**	**239,031**	**262,717**	**227,532**	**227,532**
Total Stockpiles Contained Gold	Oz	95,226	1,657,810	1,634,335	1,633,758	1,633,758
Gold in Circuit (GIC)	Oz	23,656	35,317	40,179	43,177	43,177
Gold in safe/transit	Oz	-	159	-	-	-

Northern Star	Units	Dec-19 Qtr	Mar-20 Qtr	Jun-20 Qtr	Sept-20 Qtr	FYTD
Revenue – Gold	A$M	442.7	504.2	637.7	530.3	530.3
Average Price	A$/oz	2,063	2,179	2,487	2,493	2,493

Table 1: Key Group Performance Figures (Quarterly)

Northern Star – Australian Operations	Units	Dec-19 Qtr	Mar-20 Qtr	Jun-20 Qtr	Sept-20 Qtr	FYTD
Underground Mining	A$/oz	573	588	528	620	620
Open Pit Mining	A$/oz	32	84	58	67	67
Processing	A$/oz	217	434	360	447	447
Site Services	A$/oz	41	64	63	72	72
Ore Stock & GIC Movements	A$/oz	50	(7)	12	(114)	(114)
Royalties	A$/oz	53	63	63	64	64
By Product Credits	A$/oz	(3)	(4)	(4)	(7)	(7)
Cash Operating Costs	**A$/oz**	**963**	**1,222**	**1,080**	**1,149**	**1,149**
Rehabilitation-Accretion & Amortisation	A$/oz	4	9	6	10	10
Corporate Overheads [1]	A$/oz	66	62	65	65	65
Mine Development/Sustaining CAPEX	A$/oz	185	178	175	293	293
Mine Exploration	A$/oz	44	34	35	27	27
All-in Sustaining Costs	**A$/oz**	**1,262**	**1,505**	**1,361**	**1,544**	**1,544**
Depreciation & Amortisation [2]	A$/oz	387	405	374	393	393

[1] NST includes non-cash share-based payment expenses in corporate overheads. These totalled A$12/oz for the September quarter and for the FYTD.
[2] Purchase price accounting for the 50% acquisition of KCGM remains provisional.

Table 2: Key Cost per Ounce Measures – Australian Operations

Northern Star – Pogo Operations	Units	Dec-19 Qtr	Mar-20 Qtr	Jun-20 Qtr	Sept-20 Qtr	FYTD
Underground Mining	US$/oz	576	590	476	490	490
Processing	US$/oz	427	413	349	381	381
Site Services	US$/oz	116	92	125	134	134
Ore Stock & GIC Movements	US$/oz	8	(50)	45	(57)	(57)
By Product Credits	US$/oz	(2)	(1)	(1)	(2)	(2)
Cash Operating Costs	**US$/oz**	**1,125**	**1,044**	**994**	**946**	**946**
Rehabilitation-Accretion & Amortisation	US$/oz	7	6	6	7	7
Corporate Overheads [1]	US$/oz	27	27	38	27	27
Mine Development/Sustaining CAPEX	US$/oz	221	167	231	218	218
Mine Exploration	US$/oz	-	4	6	1	1
All-in Sustaining Costs	US$/oz	**1,380**	**1,248**	**1,275**	**1,199**	**1,199**
Depreciation & Amortisation	US$/oz	267	290	280	299	299

[1] NST includes non-cash share-based payment expenses in corporate overheads. These totalled US$5/oz for the September quarter and for the FYTD.

Table 3: Key Cost per Ounce Measures – Pogo Operations

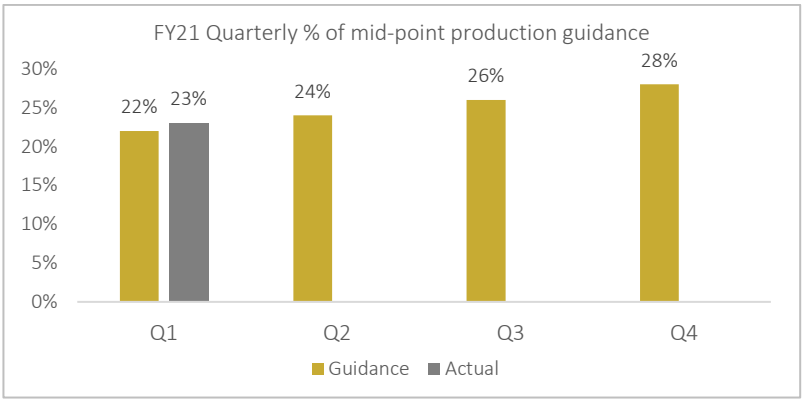
SEPTEMBER 2020 QUARTERLY ACTIVITIES REPORT

Production KPIs September Quarter	Units	Yandal	Kalgoorlie Operations	KCGM	Pogo	Total
Ore Hoisted	Tonnes	437,382	697,921	228,435	210,491	1,574,229
Mined Grade	gpt Au	3.6	2.9	1.7	8.9	3.7
Gold in Ore Hoisted	Oz	50,657	64,064	12,717	59,988	187,426
Open Pit Ore Mined	Tonnes	478,022	-	732,548	-	1,210,570
Mined Grade	gpt Au	1.9	-	1.4	-	1.6
Gold in Open Pit Ore Mined	Oz	29,289	-	33,301	-	62,590
Total Mined Ounces	Oz	79,946	64,064	46,018	59,988	250,016
Milled Tonnes	Tonnes	708,016	680,205	1,632,296	208,916	3,229,433
Head Grade	gpt Au	3.3	2.7	1.3	8.9	2.5
Recovery	%	90	91	84	90	89
Gold Recovered	Oz	67,896	54,699	55,189	53,810	231,594
Gold Sold[1]	Oz	73,743	48,824	53,959	51,006	227,532

[1] KCGM: Includes 14,797 ounces sold (NST share) at KCGM operations which are considered in pre-production phase.

Table 4: Key Quarterly Mine Production Performance

The quarterly guidance profile as a percentage of annual production can be seen in the graph below.



FINANCE

The following is a table of the cash, bullion and investments held at the end of each quarter:

		Dec-19 Qtr	Mar-20 Qtr	Jun-20 Qtr	Sept-20 Qtr
Cash and cash equivalents [1]	A$M	$1,365.3	$499.8	$677.3	$379.2
Bullion awaiting settlement [2]	A$M	$24.1	$31.0	$70.8	$66.1
Equity Investments	A$M	$27.3	$20.6	$21.4	$24.4
Total	**A$M**	**$1,416.7**	**$551.4**	**$769.5**	**$469.7**

[1] As at 31 December 2019 cash at bank included US$800 million (A$1,142 million) for KCGM acquisition, which completed 3 January 2020.
[2] Bullion awaiting settlement is dore which has been received by the refiner in the quarter and sold and is awaiting settlement.

Table 5: Cash, bullion and equity investments

The below table sets out the total of surface gold inventories:

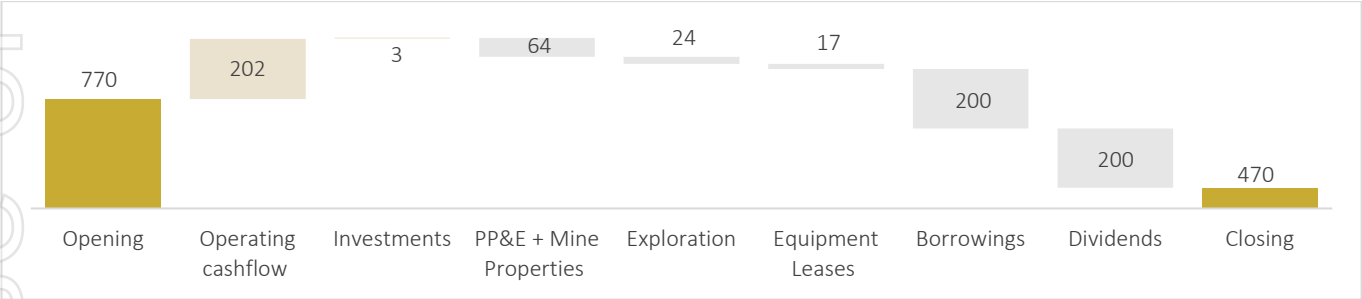
Gold Inventories	Dec-19 Qtr	Mar-20 Qtr	Jun-20 Qtr	Sept-20 Qtr
Stockpiles contained gold (oz)	95,226	1,657,810	1,634,335	1,633,758
Gold in circuit (oz)	23,656	35,317	40,179	43,177
Gold in safe/transit (oz)	-	159	-	-
Total Gold Inventories (oz)	**118,882**	**1,693,286**	**1,674,514**	**1,676,935**

Table 6: Gold Inventories

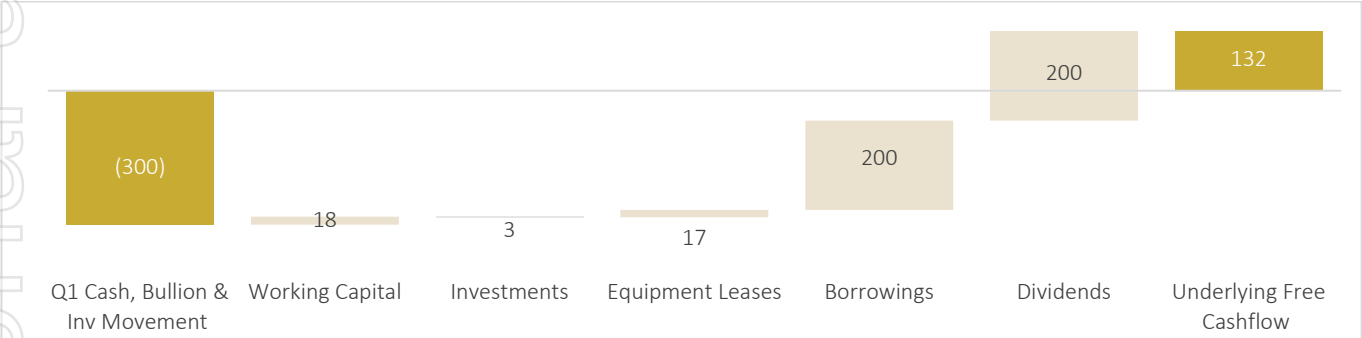
For personal use only

SEPTEMBER 2020 QUARTERLY ACTIVITIES REPORT

The below waterfall chart highlights the September quarter's operating cash flow together with movements in cash, bullion and investments (A$M):



The below waterfall chart highlights the underlying free cash flow for the September quarter (A$M):



Banking Facilities

At 30 September 2020, Northern Star had drawn corporate bank debt totalling A$500 million. The Company repaid A$200 million of borrowings on 6 July. The first scheduled corporate debt repayment is A$25 million on 31 December 2020.

Hedging

The below table outlines the Company's outstanding hedges at 30 September 2020:

Term	Dec-20 Half	Jun-21 Half	Dec-21 Half	Jun-22 Half	Dec-22 Half	Total
Ounces (oz)	-	162,388	201,346	54,000	54,000	471,734
Gold Price (A$/oz)	-	2,052	2,077	2,175	2,180	2,091

Table 7: Hedging commitments

No hedge commitments were added during the quarter. Northern Star retains the flexibility to early deliver hedge commitments at any time up until maturity date.

For personal use only

SEPTEMBER 2020 QUARTERLY ACTIVITIES REPORT

OPERATIONS

Yandal Gold Operations

Production Summary - Yandal Operations		Dec-19 Qtr	Mar-20 Qtr	Jun-20 Qtr	Sept-20 Qtr	FYTD
Ore Mined – Underground	Tonnes	525,253	530,878	584,066	437,382	437,382
Mined Grade	gpt Au	4.8	3.6	4.5	3.6	3.6
Ounces Mined – Underground	Oz	80,431	60,767	84,333	50,657	50,657
Ore Mined - Open Pit	Tonnes	339,961	299,433	342,279	478,022	478,022
Mined Grade	gpt Au	1.5	1.5	1.6	1.9	1.9
Ounces Mined - Open Pit	Oz	16,513	14,332	17,865	29,289	29,289
Total Mined Ounces	Oz	96,944	75,099	102,198	79,946	79,946
Milled Tonnes	Tonnes	572,576	501,827	638,733	708,016	708,016
Head Grade	gpt Au	4.7	3.8	4.3	3.3	3.3
Recovery	%	92	89	92	90	90
Gold Recovered	**Oz**	**80,069**	**54,568**	**80,666**	**67,896**	**67,896**
Gold Sold	**Oz**	**82,434**	**52,629**	**77,788**	**73,743**	**73,743**
Cost per Ounce						
Underground Mining	A$/oz	497	737	521	474	474
Open Pit Mining	A$/oz	66	105	63	58	58
Processing	A$/oz	168	255	168	202	202
Site Services	A$/oz	37	67	50	43	43
Ore Stock & GIC Movements	A$/oz	(36)	(182)	(36)	69	69
Royalties	A$/oz	54	62	62	67	67
By Product Credits	A$/oz	(3)	(3)	(3)	(5)	(5)
Cash Operating Costs	**A$/oz**	**783**	**1,041**	**825**	**908**	**908**
Rehabilitation - Accretion & Amortisation	A$/oz	2	7	5	4	4
Corporate Overheads	A$/oz	67	60	66	64	64
Mine Development / Sustaining CAPEX	A$/oz	158	235	137	213	213
Jundee Mine Exploration	A$/oz	20	46	45	20	20
All-in Sustaining Costs	**A$/oz**	**1,030**	**1,389**	**1,078**	**1,209**	**1,209**
Depreciation & Amortisation	A$/oz	345	434	385	262	262

Table 8: Summary Details – Yandal Operations

Kalgoorlie Gold Operations

Production Summary - Kalgoorlie Operations		Dec-19 Qtr	Mar-20 Qtr	Jun-20 Qtr	Sept-20 Qtr	FYTD
Ore Mined	Tonnes	753,080	748,618	846,966	697,921	697,921
Mined Grade	gpt Au	3.8	3.2	3.1	2.9	2.9
Ounces Mined	Oz	90,724	77,067	83,720	64,064	64,064
Milled Tonnes	Tonnes	793,862	887,021	974,046	680,205	680,205
Head Grade	gpt Au	3.7	2.9	3.0	2.7	2.7
Recovery	%	91	90	89	91	91
Gold Recovered	**Oz**	**86,356**	**74,598**	**83,945**	**54,699**	**54,699**
Gold Sold	**Oz**	**87,150**	**77,425**	**79,057**	**48,824**	**48,824**
Cost per Ounce						
Mining	A$/oz	645	798	774	1,168	1,168
Processing	A$/oz	264	372	387	561	561
Site Services	A$/oz	45	58	58	100	100
Ore Stock & GIC Movements	A$/oz	132	22	15	(439)	(439)
Royalties	A$/oz	51	61	59	61	61
By Product Credits	A$/oz	(3)	(4)	(5)	(7)	(7)
Cash Operating Costs	**A$/oz**	**1,134**	**1,307**	**1,288**	**1,444**	**1,444**
Rehabilitation - Accretion & Amortisation	A$/oz	6	7	7	15	15
Corporate Overheads	A$/oz	65	62	66	66	66
Mine Development / Sustaining CAPEX	A$/oz	210	194	208	532	532
Kalgoorlie Operations Mine Exploration	A$/oz	68	49	46	59	59
All-in Sustaining Costs	**A$/oz**	**1,483**	**1,619**	**1,615**	**2,116**	**2,116**
Depreciation & Amortisation	A$/oz	374	426	**418**	567	567

Table 9: Summary Details – Kalgoorlie Operations

For personal use only

SEPTEMBER 2020 QUARTERLY ACTIVITIES REPORT

For personal use only

KCGM Gold Operations (50% ownership share)

Production Summary - KCGM Operations		Mar-20 Qtr	Jun-20 Qtr	Sept-20 Qtr	FYTD
Ore Mined – Underground	Tonnes	145,948	182,802	228,435	228,435
Mined Grade	gpt Au	2.5	2.4	1.7	1.7
Ounces Mined - Underground	Oz	11,801	14,241	12,717	12,717
Ore Mined – Open Pit	Tonnes	585,871	516,957	732,548	732,548
Mined Grade	gpt Au	1.6	1.1	1.4	1.4
Ounces Mined – Open Pit	Oz	29,861	18,323	33,301	33,301
Total Mined Ounces	Oz	41,662	32,564	46,018	46,018
Milled Tonnes	Tonnes	1,552,814	1,656,488	1,632,296	1,632,296
Head Grade	gpt Au	1.4	1.2	1.3	1.3
Recovery	%	83	83	84	84
Gold Recovered	**Oz**	**58,564**	**53,397**	**55,189**	**55,189**
Gold Sold – Pre-Production [1]	Oz	7,600	6,245	14,797	14,797
Gold Sold – Production	Oz	52,604	49,375	39,162	39,162
Gold Sold – Total	**Oz**	**60,204**	**55,621**	**53,959**	**53,959**
Cost per Ounce					
Underground Mining	A$/oz	130	146	210	210
Open Pit Mining	A$/oz	185	141	166	166
Processing	A$/oz	706	623	767	767
Site Services	A$/oz	68	90	98	98
Royalties	A$/oz	67	71	62	62
Ore Stock & GIC Movements	A$/oz	765	577	356	356
less: Movements in acquired gold inventory [2], [3]	A$/oz	(640)	(496)	(408)	(408)
By Product Credits	A$/oz	(4)	(6)	(13)	(13)
Cash Operating Costs	**A$/oz**	**1,277**	**1,146**	**1,238**	**1,238**
Rehabilitation - Accretion & Amortisation	A$/oz	14	6	13	13
Corporate Overheads	A$/oz	63	68	66	66
Mine Development / Sustaining CAPEX	A$/oz	98	180	144	144
All-in Sustaining Costs	**A$/oz**	**1,452**	**1,400**	**1,461**	**1,461**
Depreciation & Amortisation	A$/oz	346	287	369	369

[1] Mining activity and sales from Morrison pit are considered in pre-production phase with costs associated excluded from cash cost and AISC metrics. All associated costs and revenues are capitalised as non-sustaining capital until commercial production is reached.

[2] A provisional fair value of A$449.4 million was attributed to non-ROM ore stockpiles on acquisition of 50% of KCGM, which at acquisition contained an estimated 1.57 million ounces (NST share). The fair value attributed to these stockpiles is not included in Cash Operating Costs and All-in Sustaining Costs, however the inventory movement associated has been disclosed.

Table 10: Summary Details - KCGM Operations

Pogo Gold Operations

Production Summary - Pogo Operations		Dec-19 Qtr	Mar-20 Qtr	Jun-20 Qtr	Sept-20 Qtr	FYTD
Ore Mined	Tonnes	223,839	213,021	203,660	210,491	210,491
Mined Grade	gpt Au	7.4	8.3	8.4	8.9	8.9
Ounces Mined	Oz	53,339	56,571	54,925	59,988	59,988
Milled Tonnes	Tonnes	221,990	208,306	203,084	208,916	208,916
Head Grade	gpt Au	7.5	8.2	8.5	8.9	8.9
Recovery	%	87	89	89	90	90
Gold Recovered	**Oz**	**46,146**	**49,340**	**49,353**	**53,810**	**53,810**
Gold Sold	**Oz**	**45,051**	**48,773**	**50,251**	**51,006**	**51,006**
Cost per Ounce						
Mining	US$/oz	576	590	476	490	490
Processing	US$/oz	427	413	349	381	381
Site Services	US$/oz	116	92	125	134	134
Ore Stock & GIC Movements	US$/oz	8	(50)	45	(57)	(57)
By Product Credits	US$/oz	(2)	(1)	(1)	(2)	(2)
Cash Operating Costs	US$/oz	**1,125**	**1,044**	**994**	**946**	**946**
Rehabilitation - Accretion & Amortisation	US$/oz	7	6	6	7	7
Corporate Overheads	US$/oz	27	27	38	27	27
Mine Development / Sustaining CAPEX	US$/oz	221	167	231	218	218
Pogo Mine Exploration	US$/oz	-	4	6	1	1
All-in Sustaining Costs	**US$/oz**	**1,380**	**1,248**	**1,275**	**1,199**	**1,199**
Depreciation & Amortisation	US$/oz	267	290	280	299	299

Table 11: Summary Details - Pogo Operations (US$)

SEPTEMBER 2020 QUARTERLY ACTIVITIES REPORT

Additional information on the individual operations can be found in Appendix 1.

EXPLORATION AND DEVELOPMENT - OPERATIONS

Northern Star's in-mine exploration and development drilling activity was maintained across the Australian Operations with Pogo in-mine drilling activity steadily increased with the changes in COVID-19 related travel restrictions.

Yandal

The expanded Jundee underground diamond drill fleet maintained a high level of operating performance with increased focus on exploration programs.

Resource development drilling programs concentrated within Deakin North, Gateway, Hughes, Invicta, Nexus, Moneyline, and Wilson systems together with an initial program at Griffin at the northern extent of the mine corridor. Stronger than expected results were recorded in extensions to the Deakin North, Hughes, Nexus-Moneyline and Westside trends.

Exploration drilling activity increased within and outside the main mine corridors. Within the mine area, exploration drilling within the "Invicta Gap" area (Clovis, Deakin North and South, Invicta) continued to generate encouraging results. Further south, new programs targeting the deeper extents of the Barton, Gateway, Nimary and Westside systems also returned encouraging early results.

New exploration programs targeted potential mineralisation beyond the existing mining corridor. Underground drilling commenced on the Northern Expansion program testing the potential of the Griffin and Cook systems with early results indicating multiple mineralised structures beneath, and along strike from, the existing open pits. In addition, several programs commenced testing the footwall sequence of the main Jundee mining areas. Deeper drilling continued in the Atlantis area while further south, initial drilling has intersected new zones of mineralisation in footwall of the main Barton system in addition to potential extensions to the Fisher and Menzies trends.

Kanowna Belle

Underground resource definition drilling remained focussed across the upper levels of the Kanowna Belle Mine with an emphasis on the hanging wall Sims and Troy systems.

In-mine exploration drilling targeted Lowes system extensions eastward across B and C Block areas, up-plunge areas of Velvet and the Reed area between Velvet and Lowes systems west of E Block.

Kundana

Underground diamond resource definition drilling focussed on the extension of the Pope John and Xmas deposits during the quarter with all results within expectations. Exploration drilling programs targeted potential extensions to the Barkers system and an initial program into the footwall Startrek trend from the Pope John Mine infrastructure.

EKJV (NST 51%)

Underground and surface diamond drilling programs successfully extended the strike extent of Pode system north from the Pegasus Mine and defined mineralised surfaces within the Hornet Mine hanging wall area.

Exploration drilling continued to target Startrek prospect in the footwall to the Rubicon Mine sequence, shallow mineralisation in the upper levels of the Hornet Mine and the northern extents of the Falcon mineralisation.

South Kalgoorlie

The in-mine underground resource drilling program successfully extended the main NOZ trend 160 metres down plunge and highlighted new parallel high grade plunge zone.

Surface diamond drilling into the upper Mutooroo area also exceeded expectations expanding the mineralisation zones above the main NOZ mining area.

For personal use only

SEPTEMBER 2020 QUARTERLY ACTIVITIES REPORT

For personal use only

KCGM (NST 50%)

The quarter saw the successful transition to a new underground drilling contractor with 3 underground diamond rigs in operation. Underground resource definition drilling programs continued at Mount Charlotte targeting the Belgravia and Kal East areas. In-mine exploration drilling into the Unit 6 stockwork intersected multiple zones of Mt Charlotte style stockwork mineralisation in all holes. Initial exploration drilling into the Duke prospect also intersected mineralisation in all holes.

Surface diamond drilling continued with two rigs on the resource definition program at Fimiston South. In addition, in-pit RC resource definition drilling programs were completed at Fimiston South Saddle area and at the base of Golden Pike targeting inferred and potential mineralisation within the resource shell.

Short surface RC exploration drilling programs were also undertaken during the quarter at the regional Corsaire and Jacks Reward prospects.

Pogo

Underground diamond drilling activity within the mine area increased steadily across the quarter with improved productivity and COVID-19 protocols in place.

Underground drilling remained focussed on production and reserve definition drilling across all the major production areas with results generally within expectations. In addition, excellent intersections were recorded from numerous unmodelled structures, particularly in the Leise 2 and South Pogo areas.

REGIONAL EXPLORATION

Group regional exploration activity steadily resumed across the quarter in line with changes to regulatory and Northern Star internal COVID-19 protocols.

Yandal

Regional exploration resumed with resource definition and regional reconnaissance drilling programs across selected areas of the acquired Bronzewing tenure.

Resource definition surface RC and diamond drilling recommenced across the Corboys regional trend during the period with early assay results indicating multiple broad intersections within drill holes across a wide area.

Initial RC drilling programs were completed at Corboys SE and Success NW prospects with all assays pending for these areas.

Kanowna

Late in the quarter, a combined underground and surface diamond drilling program commenced targeting the mine structural corridor eastward of the mine area.

EKJV

Surface RC resource drilling at the Golden Hind prospect returned multiple shallow intersections within the Strzelecki structure south of the Raleigh Mine area. Further RC in-fill drilling is in progress to define a potential open pit resource area.

South Kalgoorlie

Surface RC exploration drilling programs were completed at the Golden Eagle, Triumph, and Smith's Dam prospects with significant intersections returned from multiple holes at Golden Eagle.

In the Coolgardie area, sampling of historic drill core from the Barbara and Shirl mines has returned significant new intersections within the main lode and hanging wall zones across the historic Barbara-Shirl mining area. Regional aircore drilling also returned encouraging results along the axial trace of the Tindals anticline including new areas of supergene mineralisation.

Reconnaissance aircore drilling programs were also completed at Locations 32, 35, 36 and 39, Brown Knob, Ajax, Bouman and Kunanalling prospect areas.

SEPTEMBER 2020 QUARTERLY ACTIVITIES REPORT

For personal use only

Carbine

Results from previous surface RC resource definition drilling at the Paradigm deposit consolidated the deposit-scale geological model with positive assay results.

Surface exploration RC drilling programs at Phantom, Anthill and Drago prospects all returned encouraging results while the first hole in a diamond drilling program beneath the Carbine mining area has successfully intersected multiple mineralised zones exceeding initial expectations.

Pogo

Surface exploration at Pogo recommenced late in the quarter with surface in-fill diamond drilling programs in progress on the Goodpaster project. The resource definition program is focussed on the eastern end of the broad Goodpaster trend to define potential resource areas for further evaluation.

A regional heliborne aeromagnetic survey was completed over the Ink, Fog and Skippy claim blocks.

Central Tanami Project (NST 40%)

No significant exploration undertaken due to COVID-19 restrictions. The CTP camp was utilised by NT Police, Australian Defence Force and Australian Federal Police personnel as part of the enforced COVID-19 border checkpoint and Tanami Road patrols.

Tanami Regional Project (100% NST)

During the quarter, an infill aircore program targeting gold anomalies was completed at the Stubbins prospect.

Western Tanami

During the quarter, a surface geochemical sampling program was completed west of the Coyote deposit in conjunction with a surface geophysical survey over the projected down-plunge extension of the Coyote anticline.

CORPORATE

- On 13 July 2020, 18,560 Share Rights were awarded to the Company's Non-Executive Directors as part of their FY21 remuneration, vesting on 30 June 2021, in accordance with the Company's FY20 Non-Executive Directors' Share Plan.
- The Company paid the deferred interim dividend of A7.5 cents per share on 16 July 2020.
- On 21 July 2020, 614,662 ordinary fully paid shares were issued to the NST Employee Share Trust pursuant to the Company's FY17 Long Term Incentive Plan following vesting of the FY18 Performance Rights on 16 July 2020, and vesting of the FY20 Non-Executive Directors' Share Rights on 30 June 2020 under the Company's FY20 Non-Executive Directors' Share Plan, as approved by Shareholders on 14 November 2019.
- On 13 August 2020, the Company released its Resources and Reserves, Production and Costs Guidance, excluding KCGM.
- On 18 August 2020, the Company released its Resources and Reserves, Production and Costs Update including KCGM.
- On 19 August 2020, the Company released its 2020 Annual Report and 2020 Corporate Governance Statement.
- On 24 September 2020, the Company released its 2020 Annual Strategy Day virtual presentation.
- On 30 September 2020, the Company paid a final dividend for FY20 of A9.5 cents per share, and a special dividend of A10 cents per share.
- On 6 October 2020, the Company announced the execution of a Merger Implementation Agreement with Saracen Mineral Holdings Ltd for a proposed merger of equals, under which Northern Star will acquire 100% of the shares on issue in Saracen, and Saracen shareholders will receive 0.3763 Northern Star shares for each Saracen share held at the Scheme record date.
- The issued capital of the Company at the date of this report is:

SEPTEMBER 2020 QUARTERLY ACTIVITIES REPORT

Class of Securities	Issued Capital
Fully Paid Ordinary Shares (NST)	740,962,173
FY17 Long Term Incentive Plan – Unlisted Performance Rights issued in FY19 to employees other than the KMP, to be measured for vesting on 30 June 2021 (NSTAA)	343,640
FY20 Share Plan - Unlisted long term incentive Performance Rights, to be measured for vesting on 30 June 2022 (NSTAA)	1,180,130
FY20 Non-Executive Directors Share Plan - Unlisted Share Rights issued in FY21, vesting on 30 June 2021 (NSTAC)	18,560

Table 12: Issued Capital

- During the quarter, Northern Star attended the annual Macquarie Australia Conference and Gold Forum Americas Conference (both virtual) and hosted an investor site tour in conjunction with Saracen Mineral Holdings to the KCGM Operations. The Company maintains a proactive presentation calendar to stockbroking firms, institutional and retail investors to promote the Company and its activities.

Authorised for release to ASX by Bill Beament, Executive Chair.

Investor Relations Enquiries:
Kurt Walker
Northern Star Resources Limited
T: +61 8 6211 2620
E: kwalker@nsrltd.com

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

ASX Listing Rules Disclosures

This announcement contains estimates of Northern Star's ore reserves and mineral resources, as well as estimates of Kalgoorlie Consolidated Gold Mines Pty Ltd's (KCGM) ore reserves and mineral resources. The information in this announcement that relates to the ore reserves and mineral resources of:

(a) Northern Star has been extracted from the following: the ASX release by Northern Star entitled "Resources and Reserves, Production and Cost Guidance Update (ex-KCGM)" dated 13 August 2020, available at www.nsrltd.com and www.asx.com (**Northern Star Announcement**), and
(b) KCGM has been extracted from the following: Northern Star's and Saracen Mineral Holdings Limited's joint ASX announcement entitled "KCGM Reserves, Resources and Guidance Update" dated 18 August 2020, available at www.nsrltd.com and www.asx.com (**KCGM Announcement**), and
(c) Northern Star including KCGM has been extracted from the following: Northern Star's ASX announcement entitled "Resources and Reserves, Production and Cost Guidance Update (inc KCGM)" dated 18 August 2020, available at www.nsrltd.com and www.asx.com (**Northern Star inc KCGM 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 and the Northern Star inc KCGM Announcement 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 and the Northern Star inc KCGM 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.

Northern Star confirms that it is not aware of any new information or data that materially affects the information included in the KCGM Announcement and the Northern Star inc KCGM Announcement and, in relation to the estimates of KCGM's ore reserves and mineral resources, that all material assumptions and technical parameters underpinning the estimates in the KCGM Announcement and the Northern Star inc KCGM 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.

The information on page 2 of this announcement that relates to the 2Moz production target of the proposed merged group, is:

(a) in relation to Northern Star's production targets, extracted from the Northern Star Announcement;
(b) in relation to Saracen's production targets, extracted from the ASX release by Saracen entitled "Carosue Dam and Thunderbox only – Reserves rise to 3.7Moz" dated 4 August 2020, available at www.saracen.com.au and www.asx.com (**Saracen Announcement**); and
(c) in relation to KCGM's production targets, extracted from the KCGM Announcement,

For the purposes of ASX Listing Rule 5.19:

(d) Northern Star confirms that all material assumptions and technical parameters underpinning the production targets in the Northern Star Announcement continue to apply and have not materially changed.
(e) Saracen confirms that all material assumptions and technical parameters underpinning the production targets in the Saracen Announcement continue to apply and have not materially changed.
(f) Both Northern Star and Saracen confirm that all material assumptions and technical parameters underpinning the production targets in the KCGM Announcement continue to apply and have not materially changed.

The relevant assumptions made in relation to the Ore Reserves and indicated Mineral Resources underpinning the 2Moz production target on page 2 of this announcement are set out in the joint Northern Star and Saracen ASX release entitled " Northern Star and Saracen agree to A$16B merger-of-equals" dated 6 October 2020 available at www.nsrltd.com and www.saracen.com.au and www.asx.com.

For personal use only

SEPTEMBER 2020 QUARTERLY ACTIVITIES REPORT

For personal use only

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 or 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.

Currency Conversion Rate

*All currency conversions in this announcement have been converted at a currency of A$/US$ conversion rate of A$0.70 for the September quarter.

Financial Metrics

Operating mine cash flow is revenue minus site cash operating costs.

Net mine cash flow is operating mine cash flow minus sustaining and non-sustaining capital (excludes exploration investment and corporate cost allocation).

Group All-in Cost (AIC) is Group all-in-sustaining cost plus exploration and non-sustaining capital. Exploration investment and care and maintenance costs undertaken at project centres (Paulsens, Tanami) are excluded from AIC metrics.

SEPTEMBER 2020 QUARTERLY ACTIVITIES REPORT

For personal use only

APPENDIX 1 – ADDITIONAL INFORMATION - OPERATIONS

Yandal Gold Operations

- **Safety**

There were zero Lost Time Injuries during the quarter.

- **Underground Production**

Mine Development:

	Dec-19 Qtr	Mar-20 Qtr	Jun-20 Qtr	Sept-20 Qtr
Decline	460m	478m	189m	407
Level	1,149m	1,076m	718m	1,158
Operating	3,768m	3,603m	4,045m	3,158
Total (metres)	**5,377m**	**5,157m**	**4,952m**	**4,723**

Table 1: Underground Production – Mine Development

Decline development at Jundee continued in the Revelation, Deakin South, Invicta, Lyons, Hughes and Moneyline mining areas. Capital development continued through the Nimary, Gringotts, West Side South, West Side North, Deakin South, Deakin North, Nexus, Cadassian, Invicta and Moneyline mining areas.

	Dec-19 Qtr	Mar-20 Qtr	Jun-20 Qtr	Sept-20 Qtr
Development ore (t)	160,703	154,052	176,466	98,592
Development grade (gpt)	3.2	3.0	6.0	6.0
Stope ore (t)	364,550	376,826	407,600	338,790
Stope grade (gpt)	5.4	3.8	3.9	2.9
Total ore (t)	525,253	530,878	584,066	437,382
Total grade (gpt)	4.8	3.6	4.5	3.6
Contained gold (oz)	**80,431**	**60,767**	**84,333**	**50,657**

t=tonnes, gpt=grams per tonne, oz=ounces
Table 2: Underground Production – Ore Production

- **Open Pit Production**

Open pit mining continued at Ramone, south of Jundee.

Mine Movements:

	Dec-19 Qtr	Mar-20 Qtr	Jun-20 Qtr	Sept-20 Qtr
Waste Mined (BCM)	438,175	258,840	226,992	65,141
Ore Mined (BCM)	144,881	117,925	134,127	170,428
Total Mine Movement (BCM)	**583,056**	**376,765**	**361,119**	**235,569**

Table 3: Open Pit Movement

	Dec-19 Qtr	Mar-20 Qtr	Jun-20 Qtr	Sept-20 Qtr
Total Ore (t)	339,961	299,433	342,279	478,022
Total Grade (gpt)	1.5	1.5	1.6	1.9
Contained gold (oz)	**16,513**	**14,332**	**17,865**	**29,289**

t=tonnes, gpt=grams per tonne, oz=ounces
Table 4: Open Pit Production – Ore Mined

- **Gold Production**

Yandal ore milled in the June quarter was 708,016 tonnes at 3.3gpt and 90% recovery for 67,896oz produced.

Ore stocks at the end of the quarter totalled 88,077oz of gold, with a further 4,065oz in GIC.

- **Gold Sales**

73,743oz were sold.

Kalgoorlie Gold Operations

- **Introduction**

Kalgoorlie Gold Operations consist of the Kundana, EKJV (East Kundana Joint Venture), Kanowna Belle and HBJ (South Kalgoorlie) operations.

- **Safety**

There were two Lost Time Injuries during the quarter.

SEPTEMBER 2020 QUARTERLY ACTIVITIES REPORT

For personal use only

Underground Production

Mine Development:

	Dec-19 Qtr	Mar-20 Qtr	Jun-20 Qtr	Sept-20 Qtr
Decline	1,435m	1,035m	1,374m	887m
Level	3,233m	2,772m	1,040m	2,674m
Operating	3,220m	4,257m	5,088m	4,269m
Total (metres)	**7,888m**	**8,064m**	**7,502m**	**7,830m**

Table 5: Underground Production – Mine Development (physicals represent 100% share of EKJV development metres)

Development at the Kundana operation focussed on ore driving, along with both the Moonbeam and Pope John declines. Kanowna Belle's focus remained on A and C-Block opportunities, along with development of D-Block East opportunity. Decline and level access is a priority in the NOZ area at HBJ. EKJV development focussed on the Pegasus decline and associated ore drives, along with continuation of both lower and upper Pode mining area.

	Dec-19 Qtr	Mar-20 Qtr	Jun-20 Qtr	Sept-20 Qtr
Development ore (t)	202,844	244,799	275,500	210,569
Development grade (gpt)	2.9	2.8	2.5	2.3
Stope ore (t)	550,236	503,818	571,465	487,352
Stope grade (gpt)	4.1	3.4	3.4	3.1
Total ore (t)	753,080	748,618	846,966	697,921
Total grade (gpt)	3.8	3.2	3.1	2.9
Contained gold (oz)	**90,724**	**77,067**	**83,720**	**64,064**

t=tonnes, gpt=grams per tonne, oz=ounces

Table 6: Underground Production – Ore Production (physicals represent Northern Star's 51% share of JV ore)

Gold Production

A total of 680,205 tonnes of ore was milled in the September quarter at 2.7gpt and 91% recovery for 54,699oz produced utilising the Northern Star owned processing plants.

Ore stocks at the end of the quarter totalled 30,352oz of gold, with a further 20,731oz in GIC.

Gold Sales

48,824oz were sold.

KCGM Operations (100%)

Safety

There were no Lost Time Injuries during the quarter.

Open Pit Production

Mine Movements:

	Mar-20 Qtr	Jun-20 Qtr	Sept-20 Qtr
Waste Mined (t)	5,474,319	8,488,711	10,677,812
Ore Mined (t)	1,171,741	1,033,914	1,465,097
Total Mine Movement (t)	**6,646,060**	**9,522,625**	**12,142,909**

Table 7: Open Pit Movement

	Mar-20 Qtr	Jun-20 Qtr	Sept-20 Qtr
Total Ore (t)	1,171,741	1,033,914	1,465,097
Total Grade (gpt)	1.6	1.1	1.4
Contained gold (oz)	**59,721**	**36,645**	**66,603**

t=tonnes, gpt=grams per tonne, oz=ounces

Table 8: Open Pit Production – Ore Mined

Ore production for the quarter was sourced from the Golden Pike, Morrison and Oroya Brownhill (OBH) areas of the open pit. KCGM open pit material movement increased by 29% over the previous quarter as all available open pit mining fronts were utilised for the full quarter. The majority of the material moved was from the Morrison and OBH open pits.

SEPTEMBER 2020 QUARTERLY ACTIVITIES REPORT

For personal use only

Underground Production (Mt Charlotte)

Mine Development:

	Mar-20 Qtr	Jun-20 Qtr	Sept-20 Qtr
Decline	0m	64m	0m
Level	49m	66m	722m
Operating	993m	1,192m	514m
Total (metres)	**1,042m**	**1,322m**	**1,236m**

Table 9: Underground Production – Mine Development

	Mar-20 Qtr	Jun-20 Qtr	Sept-20 Qtr
Total ore (t)	291,897	365,603	456,870
Total grade (gpt)	2.5	2.4	1.7
Contained gold (oz)	**23,556**	**28,483**	**25,434**

t=tonnes, gpt=grams per tonne, oz=ounces

Table 10: Underground Production – Ore Production

Underground ore production was sourced from the Mt Charlotte and Hidden Secret areas, with greater volumes mined from the sub-level cave. The underground continued to benefit from access to multiple ore sources with a second consecutive 25% quarter-on-quarter increase in mined ore.

Gold Production (50%)

Ore milled in the September quarter was 1,632,296 tonnes at 1.3gpt and 84% recovery for 55,189oz produced.

There was a total of 11,828oz in GIC.

Gold Sales (50%)

Northern Star's gold sales were 53,959oz.

Pogo Operations

Safety

There were no Lost Time Injuries during the quarter.

Underground Production

Mine Development:

	Dec-19 Qtr	Mar-20 Qtr	Jun-20 Qtr	Sept-20 Qtr
Decline	123m	183m	521m	468m
Level	1,580m	1,194m	832m	729m
Operating	1,888m	2,066m	2,259m	2,427
Total (metres)	**3,591m**	**3,443m**	**3,612m**	**3,623**

Table 11: Underground Production – Mine Development

	Dec-19 Qtr	Mar-20 Qtr	Jun-20 Qtr	Sept-20 Qtr
Development ore (t)	89,074	69,116	76,348	81,732
Development grade (gpt)	6.9	7.9	8.7	10.0
Stope ore (t)	134,764	143,905	127,312	128,759
Stope grade (gpt)	7.8	8.4	8.2	8.1
Total ore (t)	223,839	213,021	203,660	210,491
Total grade (gpt)	7.4	8.3	8.4	8.9
Contained gold (oz)	**53,339**	**56,571**	**54,925**	**59,988**

t=tonnes, gpt=grams per tonne, oz=ounces

Table 12: Underground Production – Ore Production

Development was focussed on establishing the South Pogo, Liese and Fun Zone declines plus infrastructure development for exploration drill platforms and service areas (UG magazine, Fuel bays, etc).

The September quarter still saw impacts from COVID processes across Pogo and Alaska. These impacts were impeding the flow of personnel and materials to the Pogo operations. On site the focus from Pogo personnel has been fantastic ensuring that any direct COVID illness or suspected illness is being managed very well and any wider impacts significantly minimised.

The focus for the quarter was still on ensuring the quality of the ore being extracted and continuing to improve efficiencies across the underground fleet. The processing plant focussed on maintaining the recovery improvement with the September quarter realising an average of 90.5% recovery.

SEPTEMBER 2020 QUARTERLY ACTIVITIES REPORT

Gold Production

Pogo ore milled in the June quarter was 208,916 tonnes at 8.9gpt and 90.5% recovery for 53,810oz produced.

There was a total of 6,553oz in GIC.

Gold Sales

51,006oz were sold.

For personal use only