

# Results Presentation for Year Ended 30 June 2021

25 August 2021



# Forward Looking Statements, Reserves and Resources

## Forward Looking Statements

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## ASX Listing Rules Disclosures

The information in this announcement that relates to the 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 2021 available at [www.nsrld.com](http://www.nsrld.com) and [www.asx.com](http://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 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, other than changes due to normal mining depletion during the three month period ended 30 June 2021.

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.

Rounding is applied in this ASX Announcement for the percentage comparisons and for the 31 March 2021 Ore Reserves and Mineral Resources figures.

All currency conversions in this document have been converted at a currency of A\$/US\$ conversion rate of \$0.75.

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

# Business first

Strong focus on sustainable shareholder returns

- **Results - Deliver on our promises**

- Reliable delivery of production and cost guidance

- **Returns - Target superior financial performance**

- Capital discipline balancing re-investment and returns to shareholders
- Active portfolio management, lowering costs

- **Responsibility - Positive legacy from business activity**

- Sustainable Employee, Environmental, Social and Governance (EESG) performance
- Sustainable discovery and mine life extension

# Five-year strategic plan-on-a-page

## RESPONSIBLE EESG

### SUSTAINABLE NST

Independent  
Chairman

CEO & MD Combined

Merged experience of  
industry-leading teams  
(E - Employee)

Progressive  
Environmental, Social,  
Governance (ESG)

## PROFITABLE GROWTH

### SUSTAINABLE ~2Mozpa

3-5 world class  
production centres

Kalgoorlie to 1.1Mozpa

Yandal to 600kozpa

Pogo to 300kozpa

Active portfolio  
management

## LOWER COSTS

### SUSTAINABLE 1<sup>st</sup> HALF COSTS

Growth in  
production

Deliver merger  
synergies

Active portfolio  
management

## LONG MINE LIFE

### SUSTAINABLE +20 YEARS

Target +20Moz  
Reserve

Target +60Moz  
Resource

Focused on world class  
geology

Track record of  
low-cost discovery and  
accretive M&A

## PREMIUM VALUATION

### SUPERIOR SHAREHOLDER RETURNS

Enhance return on  
investment

Improve NAV

Attract size investment  
from a diverse global  
investor universe

Premium trading  
multiple



# FY21 Financial Highlights

Record profit, production and cash flow:

	Units	FY21	FY20	% Variance
<b>Key financials<sup>1</sup></b>				
Revenue	A\$M	<b>2,761</b>	1,972	40
EBITDA	A\$M	<b>2,268</b>	717	216
Underlying EBITDA	A\$M	<b>1,159</b>	791	47
Cash Earnings	A\$M	<b>648</b>	588	10
Net profit after tax (NPAT)	A\$M	<b>1,032</b>	258	300
Underlying NPAT	A\$M	<b>372</b>	291	28
Operating cash flow	A\$M	<b>1,077</b>	710	52
Cash and bullion	A\$M	<b>799</b>	748	7
<b>Margins</b>				
Underlying EBITDA	%	<b>42</b>	40	5
Underlying NPAT	%	<b>13</b>	15	(9)
<b>Production<sup>2</sup></b>				
Annualised gold sold <sup>3</sup>	koz	<b>1,595</b>	1,429	12
Annualised all-in sustaining cost (AISC)	A\$/oz	<b>1,483</b>	1,350	(10)
Average gold price realised	A\$/oz	<b>2,277</b>	2,184	3

- **A\$2.76B Revenue**  
(40% increase)
- **A\$648M Cash Earnings**  
(10% increase)
- **A\$1.03B NPAT**  
(300% increase)
- **A\$372M Underlying NPAT**  
(28% increase)

<sup>1</sup> EBITDA, Underlying EBITDA, Cash Earnings and Underlying NPAT are non-GAAP measures. Table reconciling to statutory NPAT to non-GAAP measures has been included below.

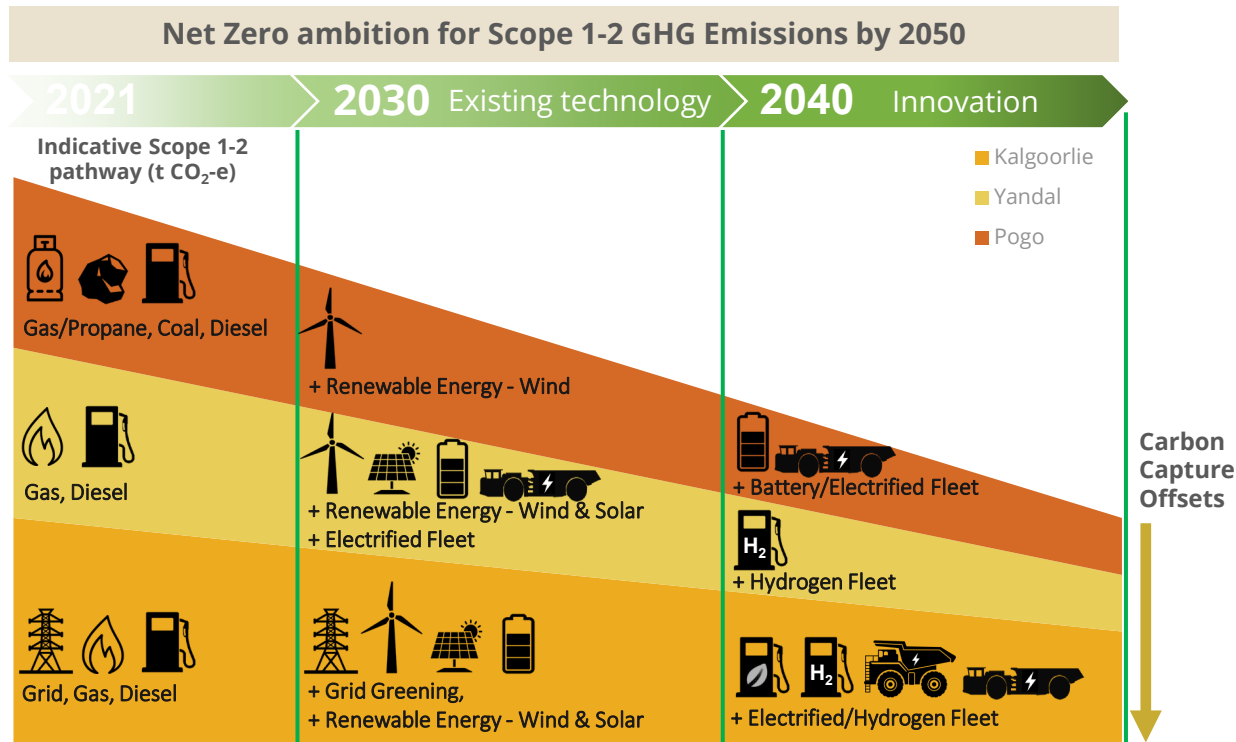
<sup>2</sup> Production metrics include Carosue Dam, Thunderbox and 100% of KCGM from 1 July 2020 (implementation date 12 February 2021).

<sup>3</sup> Annualised gold sold includes 109koz of pre-production sales (FY20: 14koz).

# FY21 EESG Highlights

## EESG highlights in FY21:

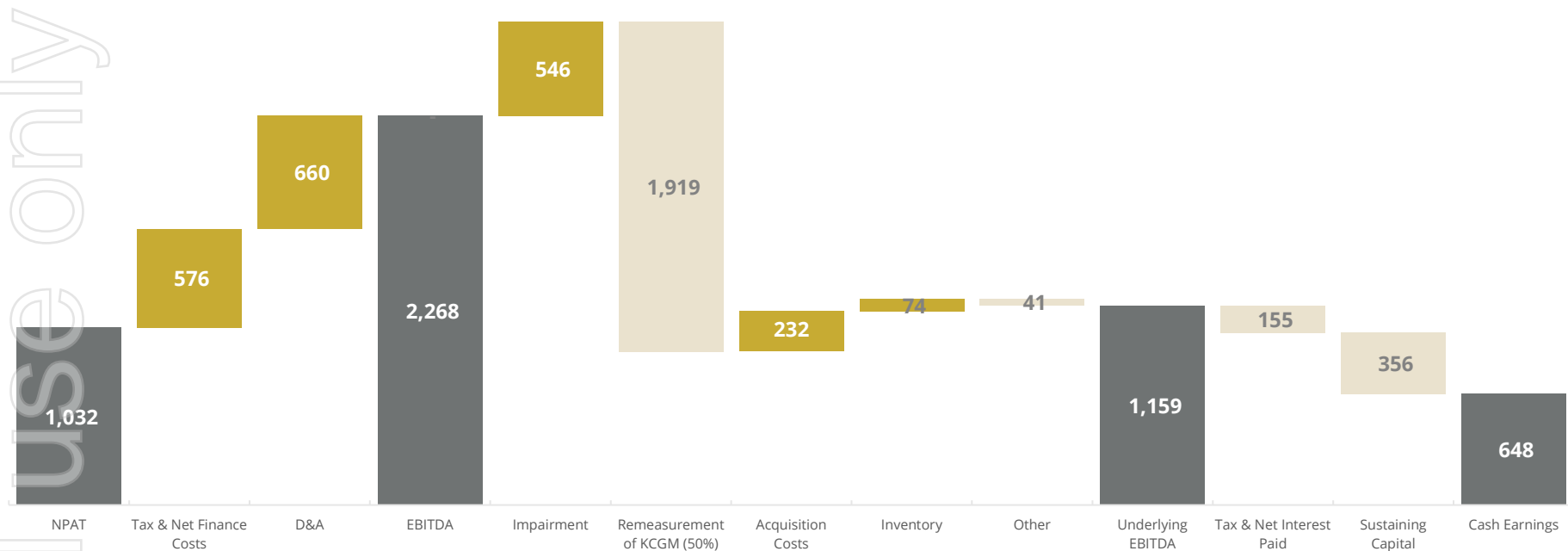
- Industry leading safety performance (TRIFR 5.6 and LTIFR 0.9)
- Zero heritage-related or material adverse community incidents
- More than doubled **Economic Value Add** to society to **A\$3.4B**
- 80% increase** in mental health first aid accreditation across the entire workforce
- Improved ASX Corporate Governance Council Principles and Recommendations to **35/35**
- July 2021 - Net Zero ambition for Scope 1-2 GHG emissions by 2050**



# Cash Earnings

10% increase (year on year) to A\$648 million

## Cash Earnings (A\$M)



As a result of the merger with Saracen during the financial year, treatment under Australian Accounting Standards has resulted in a number of significant adjustments to the financial accounts. Underlying NPAT, EBITDA, Underlying EBITDA and Cash Earnings metrics have been disclosed and reconciled to statutory profit for the financial year (as outlined above and on the following slide). Cash Earnings provides shareholders with a clearer understanding of the company's strong operational performance both during the year and on an ongoing basis.



# Dividend Policy

## Reliable returns to shareholders

- **Updated Dividend Policy:**

- **20-30% of Cash Earnings**

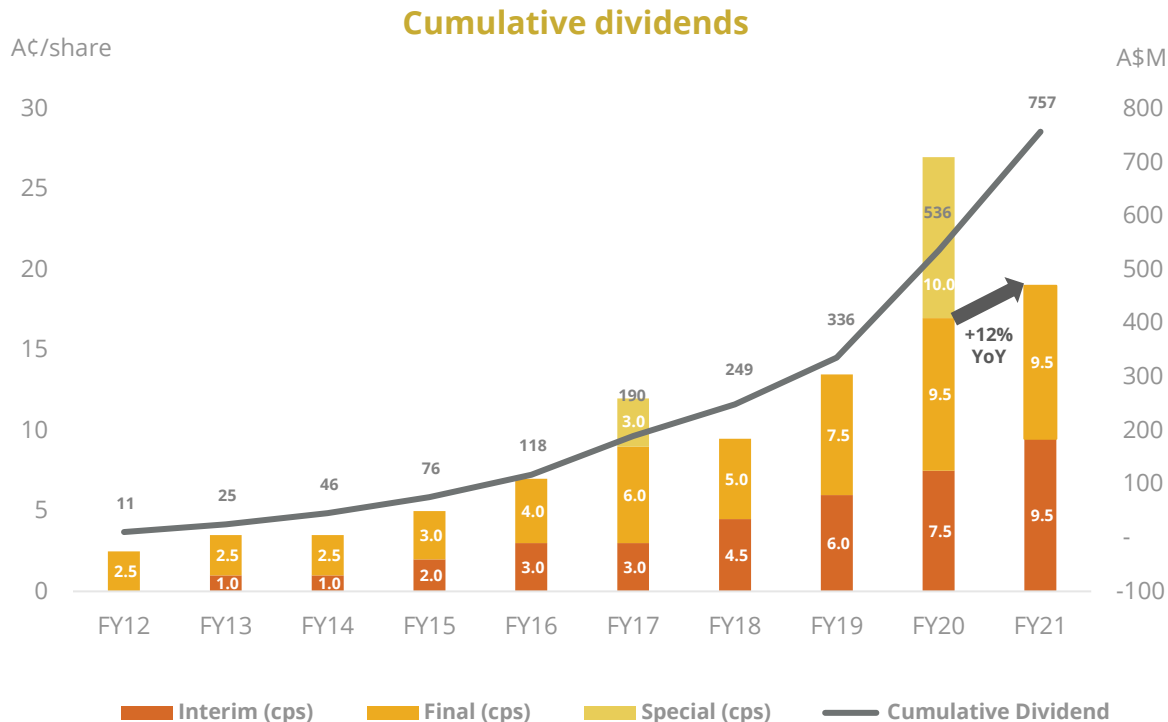
- **Cash Earnings** defined as Underlying EBITDA less net interest, tax and sustaining capital

- **Cash Earnings** considered the best measure of the ongoing quality of earnings which will guide capital management decisions

- **FY21 final dividend A9.5cps**

- Reflects 31% of H2 FY21 Cash Earnings (acknowledging reduced period of SAR earnings contribution)

- Higher than under previous policy; Equates to 6.7% of revenue

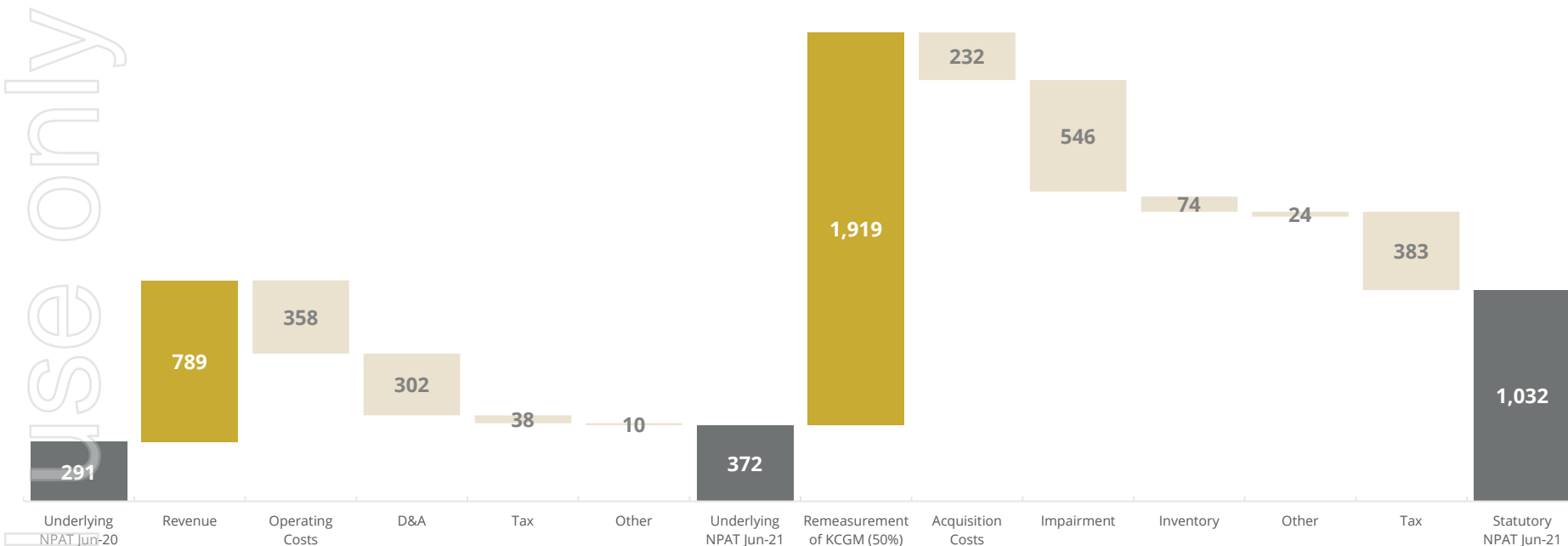




# Underlying NPAT

Record A\$372 million

## Underlying NPAT (A\$M)



# Merger Accounting

## Balance sheet adjustments

Under Australian Accounting Standards, the merger between Northern Star and Saracen completed 12 February 2021 is deemed a “**Business Combination**” and is therefore accounted for using the “acquisition method”

As a result of this and the recently released 5-Year Strategy, the following adjustments have been made to the Group’s asset values at the time of the merger and at 30 June 2021:

- A\$3.4B increase to net value of Saracen assets to A\$5.1B
- A\$1.3B increase to net value of Northern Star’s 50% share of KCGM to A\$2.5B
- A\$436M write down of the mineralised waste stockpile (105Mt @ 0.68g/t) at KCGM down to nil
- A\$101M write down of Exploration assets

Subject to a number of operating assumptions, the impact of the above will see FY22 depreciation and amortisation at A\$600-700/oz sold

# Balance sheet - Robust and flexible

## Disciplined capital allocation:

- Balance between re-investment (organic / inorganic), dividends, retained earnings

### Financial metrics

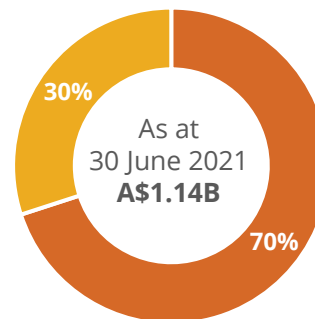
Measure	Target Range	
Leverage Ratio (Net Debt / EBITDA)	Leverage ratio less than 1.5x	✓
Gearing Ratio (Debt / Debt + Equity)	Gearing below 20%	✓
Liquidity	A\$1.0–1.5B (~1/3 in cash & bullion)	✓

## Hedging

Term	Units	Dec 21	Jun 22	Dec 22	Jun 23	Total
Ounces	oz	247,577	254,993	199,000	100,000	801,570
Gold Price	A\$/oz	2,284	2,296	2,266	2,303	2,286

- Sensible risk management ~15% of the next 3 years of gold production

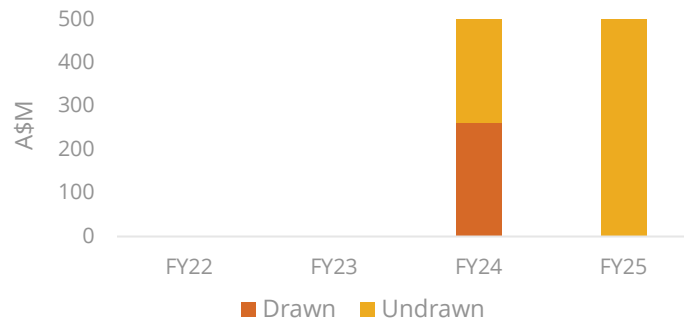
## Liquidity Position at 30 June 2021



■ Cash & Bullion ■ Available Credit

## A\$400M of corporate debt paid down post June 2021

### Debt Maturity Profile at 25 August 2021



# FY22 Guidance

1.55-1.65Moz at AISC of A\$1,475-1,575/oz; A\$570M\*\* growth capital

	Gold production (koz)	AISC (A\$/oz)	Growth capital (A\$M)	Exploration (A\$M)
Kalgoorlie	900-950	1,500-1,600	230	
Yandal	430-450	1,375-1,475	270	
Pogo	220-250	1,700-1,800 (US\$1,275-1,350/oz)	70 (~US\$55M)	
<b>Group*</b>	<b>1,550-1,650</b>	<b>1,475-1,575</b>	<b>570**</b>	<b>140</b>

- Gold production is weighted towards the second half of FY22, driven by increasing grades at Yandal and increasing mining rates at Pogo; AISC decreases over the 12-month period

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

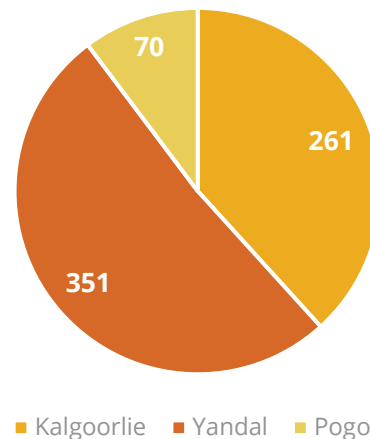
\*\*FY22 Growth capital is presented net of revenue from pre-commercial gold sales (~50,000 ounces at A\$2,240/oz) in line with the relevant Accounting Standard. From FY23, a change in the Accounting Standards will require reporting of Gross Growth Capital. Gross Growth Capital for FY23 and FY24 is estimated to be A\$425M and A\$380M respectively.

All currency conversion has been calculated using AUD:USD = 0.75.

# FY22 Capital Guidance

A\$M	FY21*	FY22
<b>Kalgoorlie</b>		
Open Pit Development	197	196
Underground Development	42	27
Carosue Dam Mill and Paste Expansion	16	1
Other	45	37
<b>Yandal</b>		
Open Pit Development	55	82
Underground Development	100	86
Thunderbox Mill and Paste Expansion	45	160
Other	48	23
<b>Pogo</b>		
Underground Development	4	21
Pogo Mill Expansion	38	10
Other	8	39
<b>Gross Growth Capital</b>	<b>597</b>	<b>682</b>
Development Receipts	(241)	(112)
<b>Net Growth Capital</b>	<b>356</b>	<b>570</b>
Exploration	143	140
<b>Net Growth Capital and Exploration</b>	<b>499</b>	<b>710</b>

**FY22 Gross Growth Capital (A\$M)**



\*FY21 is prepared on an annualised basis as if Carosue Dam, Thunderbox and 100% KCGM were included from 1 July 2020. From FY23, the change to the relevant Accounting Standard means that Development Receipts are not offset and Gross Growth Capital is reported.

# Why Northern Star is a stand-out gold investment



- **Business first** - Leveraging operating / technical skills and disciplined capital management to deliver superior shareholder returns
- **World class jurisdictions** - Exclusively
- **Capital discipline** - Balance between shareholder returns and re-investment, active portfolio management
- **Profitable growth where it counts** - Simple production centres with scale, lower costs, life and management track record
- **Sustainability in all that we do** - ESG, talent retention, mine life, lower costs

# Northern Star Resources Limited

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Business First

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