



NORTHERN STAR  
RESOURCES LIMITED



# Results Presentation for Half Year to 31 Dec 2022

20 February 2023

# Forward Looking Statements, Reserves and Resources



## 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.

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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.

## 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.nsr ltd.com](http://www.nsr ltd.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 other than changes due to normal mining depletion during the eleven month period to 19 February 2023 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.

Rounding is applied in this presentation for the percentage comparisons and for the 31 March 2022 Ore Reserves and Mineral Resources figures.

Underlying EBITDA and Cash Earnings are non-GAAP measures. Table reconciling statutory NPAT to non-GAAP measures has been included on page 19. 1H FY22 has been restated as a result of an amendment to the Australian Accounting Standards Board (AASB116 Property, Plant and Equipment).

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

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

# World class gold assets in Tier-1 locations

-  Generate superior returns
-  Responsible producer
-  Profitable growth
-  Strong cash flow generation
-  World-class assets



**100%**  
GOLD



**+6,000**  
PEOPLE



**ASX 50**  
MARKET INDEX

# 1H FY23 Financial Overview



A\$ **633**<sub>M</sub>

Underlying EBITDA

A\$ **467**<sub>M</sub>

Cash Earnings

A\$ **145**<sub>M</sub>

Net Cash



Capital  
Management

A\$ **127**<sub>M</sub> / \$300<sub>M</sub>

Share buy-back  
progress

A **11** cps

Declared interim  
dividend

Cash Earnings is defined as Underlying EBITDA (\$633M) less sustaining capital (\$163M, from AISC tables in December 2022 Quarter Report), net interest paid (\$2M) and corporate tax paid (\$nil; excludes \$158M stamp duty). Underlying EBITDA is Revenue (\$1,949M); less cost of sales excluding D&A (\$1,267M); less corporate overheads excluding D&A (\$55M) plus other income (\$6M).

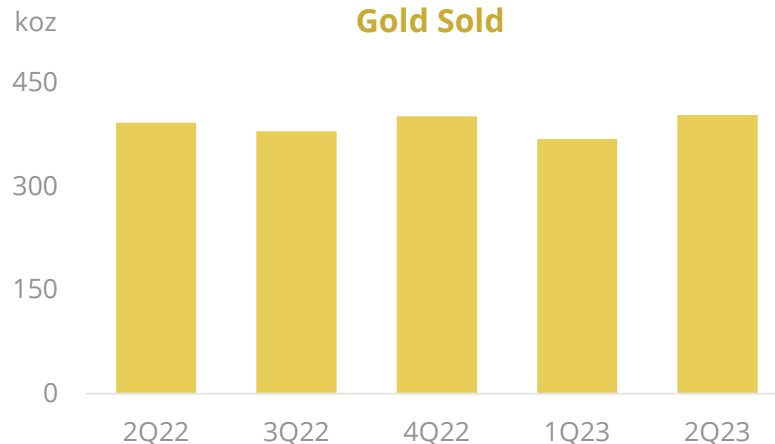
Net Cash is defined as cash (\$410M) and bullion (\$85M) less corporate bank debt (\$350M).

1H FY23 Dividends - Interim 11cps, payable 29 March 2023.

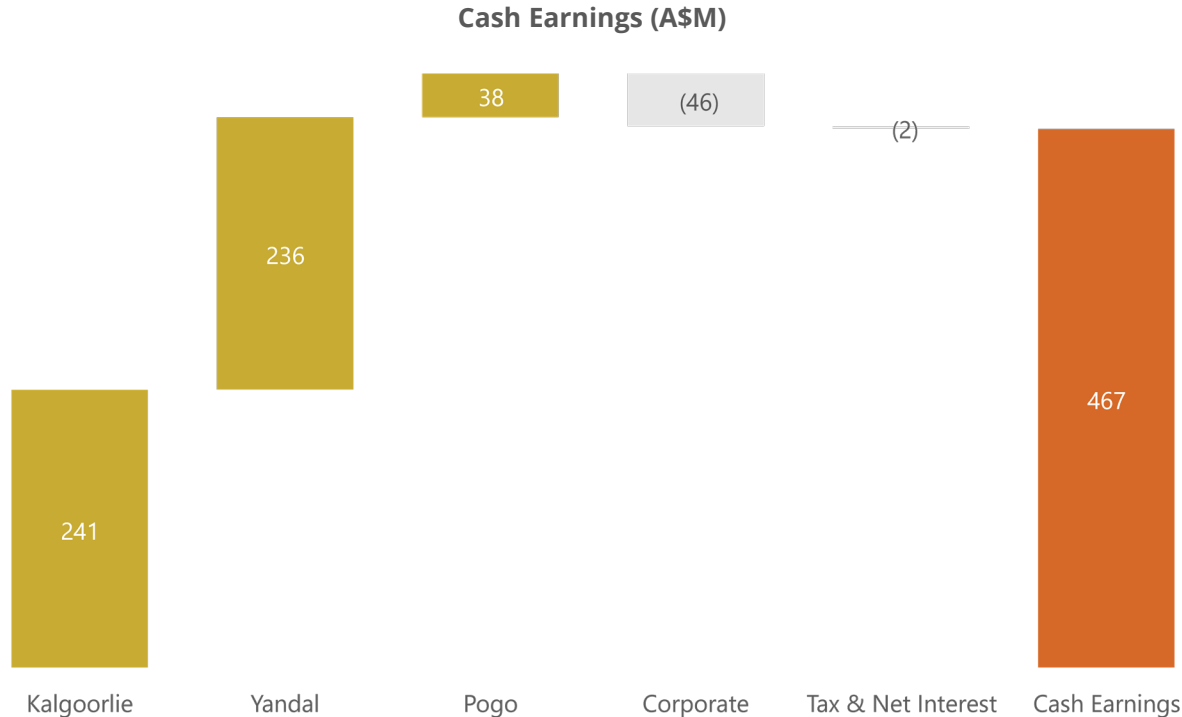
# 1H FY23 Operational Overview

- Delivered 773koz gold at AISC of A\$1,766/oz; Maintain FY23 production and cost guidance
- Advancing five-year profitable growth pathway:
  - Kalgoorlie: KCGM material movements at an annualised 84Mtpa (vs target of 80-100Mtpa until FY26)
  - Yandal: Thunderbox mill expansion well positioned to operate at 6Mtpa nameplate capacity in 2H23
  - Pogo: Maintained 1.3Mtpa throughput; focus on optimisation initiatives

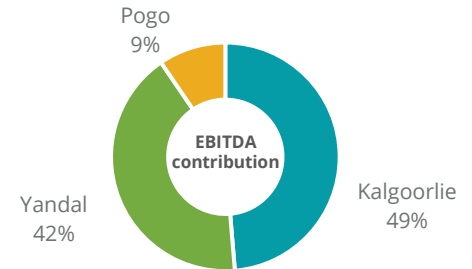
	1H FY23	FY23 GUIDANCE
<b>Gold Sold (koz)</b>	<b>773</b>	<b>1,560 - 1,680</b>
Kalgoorlie	426	820 - 870
Yandal	231	480 - 520
Pogo	117	260 - 290
<b>AISC (A\$/oz)</b>	<b>1,766</b>	<b>1,630 - 1,690</b>



# All production centres generate positive Cash Earnings



A\$ **467M** ↑ YoY  
Cash Earnings



Production Centre Cash Earnings defined as Segment EBITDA (\$678M) less sustaining capital (\$163M from AISC tables in December 2022 Quarter Report.) Kalgoorlie Segment EBITDA (\$330M) less sustaining capital (\$89M); Yandal Segment EBITDA (\$284M) less sustaining capital (\$47M); Pogo Segment EBITDA (\$65M) less sustaining capital (\$27M).  
Corporate (Corporate, technical services & projects \$42M plus Share based payments \$10M, less FX \$2M and other income \$4M).  
Tax & Net Interest = Cash Tax Paid during 1H FY23 (\$nil; excludes \$1M tax refund received in 1H FY23 and excludes stamp duty paid \$158M) plus Interest paid (\$10M) less Interest received (\$8M).

# Capital management framework

## CAPITAL ALLOCATION

- Organic growth
  - Dividends
- A\$300M share buy-back
- Retained earnings

## FINANCIAL STRENGTH<sup>1</sup>

- A\$1.1B liquidity
- Net Debt/EBITDA less than zero
- Active portfolio management

## RISK MANAGEMENT

- Growth capex self-funded
  - Low cost debt<sup>2</sup>
  - Gold hedge book<sup>3</sup>

MAXIMISE SHAREHOLDER RETURNS

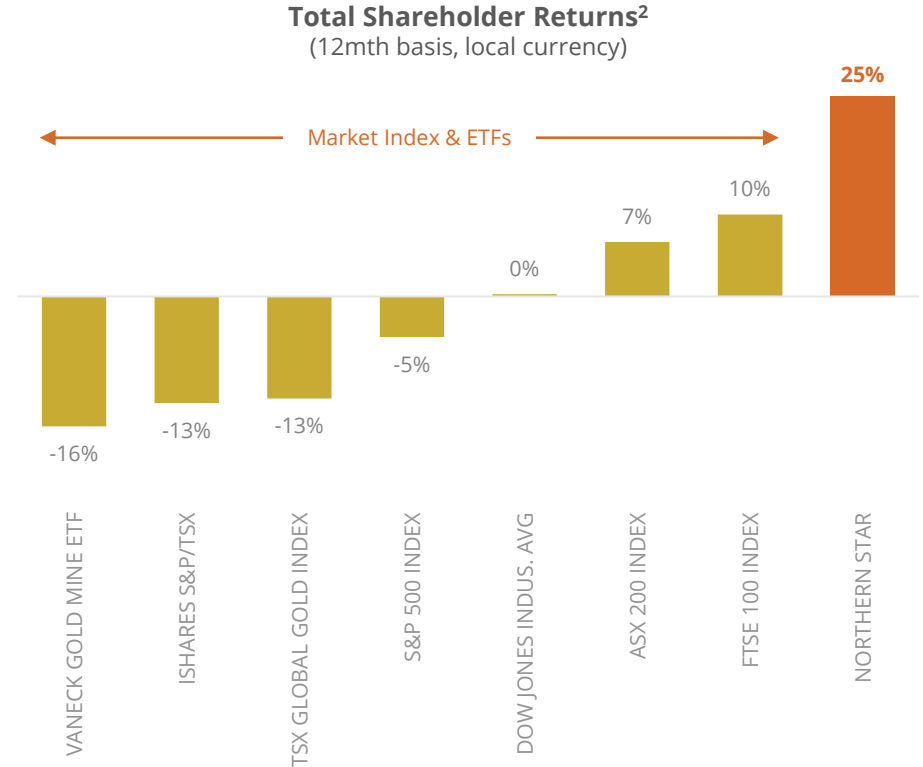
<sup>1</sup> Liquidity of A\$1.1B as at 31 December 2022 (cash \$410M, bullion \$85M and undrawn facilities \$650M) vs target range of A\$1.0-1.5B; Leverage ratio (Net Debt/EBITDA) target range of less than 1.5x; Gearing ratio (Debt/Debt+Equity) target range of below 20%. Net Debt is defined as corporate bank debt (\$350M) less cash (\$410M) less bullion (\$85M).

<sup>2</sup> As at 31 December 2022, A\$348 million (net of capitalised borrowing costs) drawn on the revolving credit facility.

<sup>3</sup> Gold hedging of 1.3Moz at A\$2,673/oz at 31 December 2022, representing approximately 20% of 3 year forward production profile.

# Continued strong cash flows support capital returns

- Best-performing senior global gold stock on a total shareholder return basis over the last 12 months
- Returned A\$1.1 billion<sup>1</sup> to shareholders since FY12
- Record 1H FY23 fully-franked dividend of A11cps (27% of Cash Earnings)
  - Dividend Policy: 20-30% of Cash Earnings
  - The Board anticipates any future potential dividends to be unfranked for at least 18 months
- A\$300M on-market buy-back program
  - 42% complete, A\$127 million purchased



<sup>1</sup> Includes FY23 interim dividend payable 29 March 2023

<sup>2</sup> Source: Bloomberg. Previous 12 month Total Shareholder Return performance from 17 February 2023.



# FY23 Guidance

FY23 GUIDANCE	UNITS	KALGOORLIE	YANDAL	POGO	TOTAL
Gold Sales	koz	820 - 870	480 - 520	260 - 290	<b>1,560 - 1,680</b>
AISC	A\$/oz	1,560 - 1,660	1,525 - 1,625	1,857 - 2,000 (US\$1,300-1,400)	<b>1,630 - 1,690</b>
Growth Capital Expenditure	A\$M	355	217	65	<b>650*</b>
Exploration	A\$M				<b>125</b>
<b>Depreciation &amp; Amortisation</b>		<b>Tax Expectations</b>		<b>Dividends</b>	
A\$600-700/oz (1H: \$693/oz > 2H)		<b>P&amp;L:</b> 30% - 34% tax rate <b>Cash flow:</b> Nil cash tax anticipated from Aus Ops for at least 18 months; Tax payable from Pogo		Board anticipates any future potential dividends to be unfranked for at least 18 months	

## Kalgoorlie

- Progress KCGM waste material movement
- Scheduled KCGM plant maintenance 3Q23

## Yandal

- TBO mill building to 6Mtpa
- Establish mining areas at Orelia and Otto Bore

## Pogo

- Higher-grade stope ore contribution
- UG capital drilling and assays

\*Includes A\$13M of corporate investment.  
Depreciation rates may change from Life of Asset reviews which are carried out at least annually

# Five-year profitable growth plan - low risk delivery



	FY22 1.56Moz	FY23 1.56-1.68Moz	FY24	FY25	FY26
<b>Kalgoorlie</b>	KCGM Fleet Delivery ✓	Increase KCGM material movement to 80-100Mtpa Fimiston South ramp up; Increased access to Golden Pike			1,100koz KCGM 650koz
<b>Yandal</b>	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	
<b>Pogo</b>	Mill Expansion (to 1.3Mtpa) ✓	Increase Production volumes		300koz Development ~1,500m per month Mining = Milling = 1.3Mtpa	

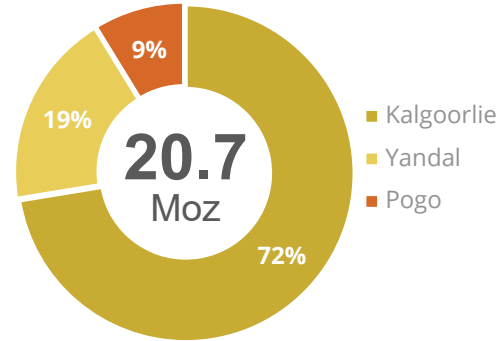
**SUSTAINABLE BUSINESS**

- 3-5 PRODUCTION CENTRES
- 1.8-2.2Moz GOLD SOLD
- 1st Half COST CURVE
- +20yr LIFE OF MINE

# Exploration underpins further organic growth opportunities



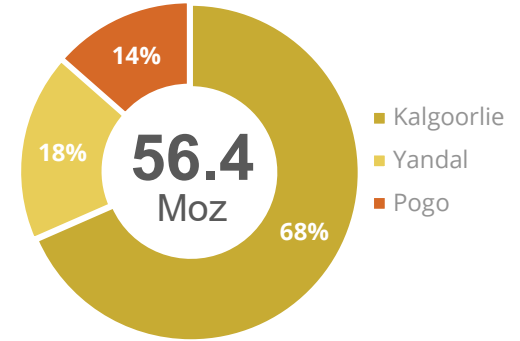
## Ore Reserves\*



**+10<sub>YR</sub>**

Reserve backed  
production profile

## Mineral Resources\*



**A\$24<sub>/OZ</sub>**

Cost of Resource  
Addition

# Advancing our lower carbon emission journey



## 2023 - Carosue Dam (Kalgoorlie)

- 1<sup>st</sup> stage complete (2022)
- Porphyry UG solar farm + battery energy to displace diesel



## 2024 - Jundee (Yandal)

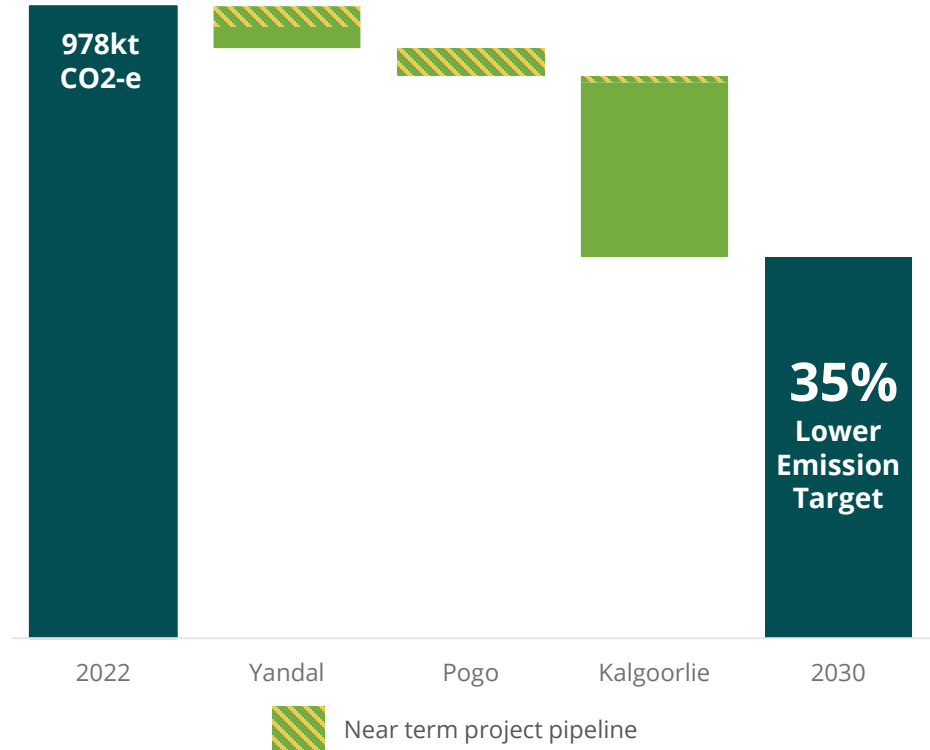
- Preliminary works agreement and term sheet signed
- Solar farm + battery energy storage facility + wind turbines



## 2024 - Pogo

- Advancing options

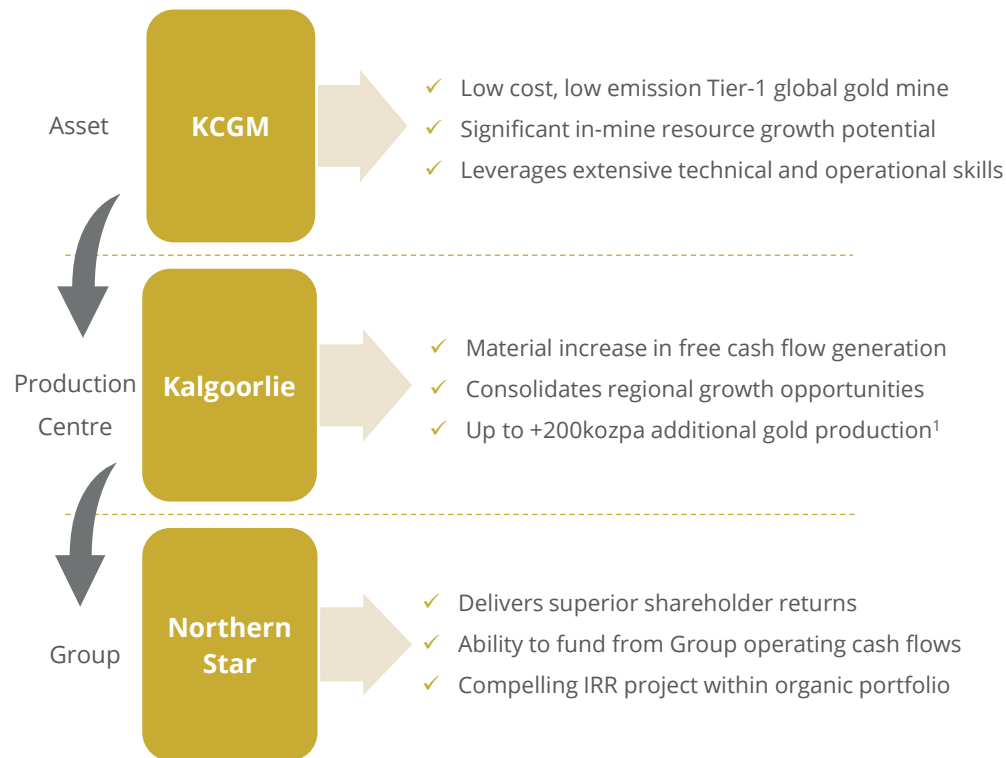
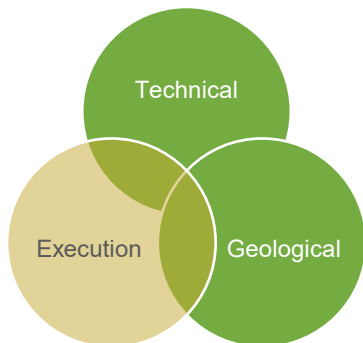
Northern Star 2030 Emissions Reduction Pathway



# Optimising KCGM to further strengthen Northern Star

- Current consideration to expand and optimise KCGM mills
- Maintaining the current 13Mtpa milling capacity remains an option
- Potential mill expansion is NOT included in our five-year strategy to reach 2Mozpa by FY26
- Optimisation work ongoing, decision point during 2023

## Capital Management Discipline



<sup>1</sup> Average over first 10 years

# Executing our clearly defined strategy



**RESPONSIBLE  
PRODUCER**



**PROFITABLE  
GROWTH**



**STRONG  
CASH FLOW  
GENERATION**



**WORLD CLASS  
ASSETS**



**GENERATE  
SUPERIOR  
RETURNS**

# Northern Star Resources Limited

ASX Code: NST



## Business First.



### Investor Enquiries:

Sophie Spartalis

T: +61 8 6489 2488

E: [investorrelations@nsrltd.com](mailto:investorrelations@nsrltd.com)

W: [www.nsrltd.com](http://www.nsrltd.com)

# Appendix: Key Financials

	Units	1H FY23	1H FY22	% Variance
<b>Key financials</b>				
Revenue	A\$M	<b>1,949</b>	1,865	5
Underlying EBITDA	A\$M	<b>633</b>	722	(12)
Depreciation & Amortisation	A\$M	<b>536</b>	517	4
Underlying EBIT	A\$M	<b>97</b>	205	(53)
Underlying NPAT	A\$M	<b>55</b>	124	(56)
Cash Earnings	A\$M	<b>467</b>	453	3
Operating cash flow	A\$M	<b>471</b>	644	(27)
Cash and bullion	A\$M	<b>495</b>	588	(16)
<b>Margins</b>				
Underlying EBITDA	%	<b>32</b>	39	(17)
<b>Production</b>				
Gold sold	koz	<b>773</b>	779	(1)
All-in sustaining cost (AISC)	A\$/oz	<b>1,766</b>	1,613	9
Average gold price realised	A\$/oz	<b>2,513</b>	2,388	5

Abnormal items	1H FY23
Impairment of exploration assets	19
Financial Instruments	(11)
Loss on sale of plant & equipment	2
<b>Abnormal (pre-tax)</b>	<b>10</b>
Tax on Abnormal	(3)
<b>Abnormal (post-tax)</b>	<b>7</b>

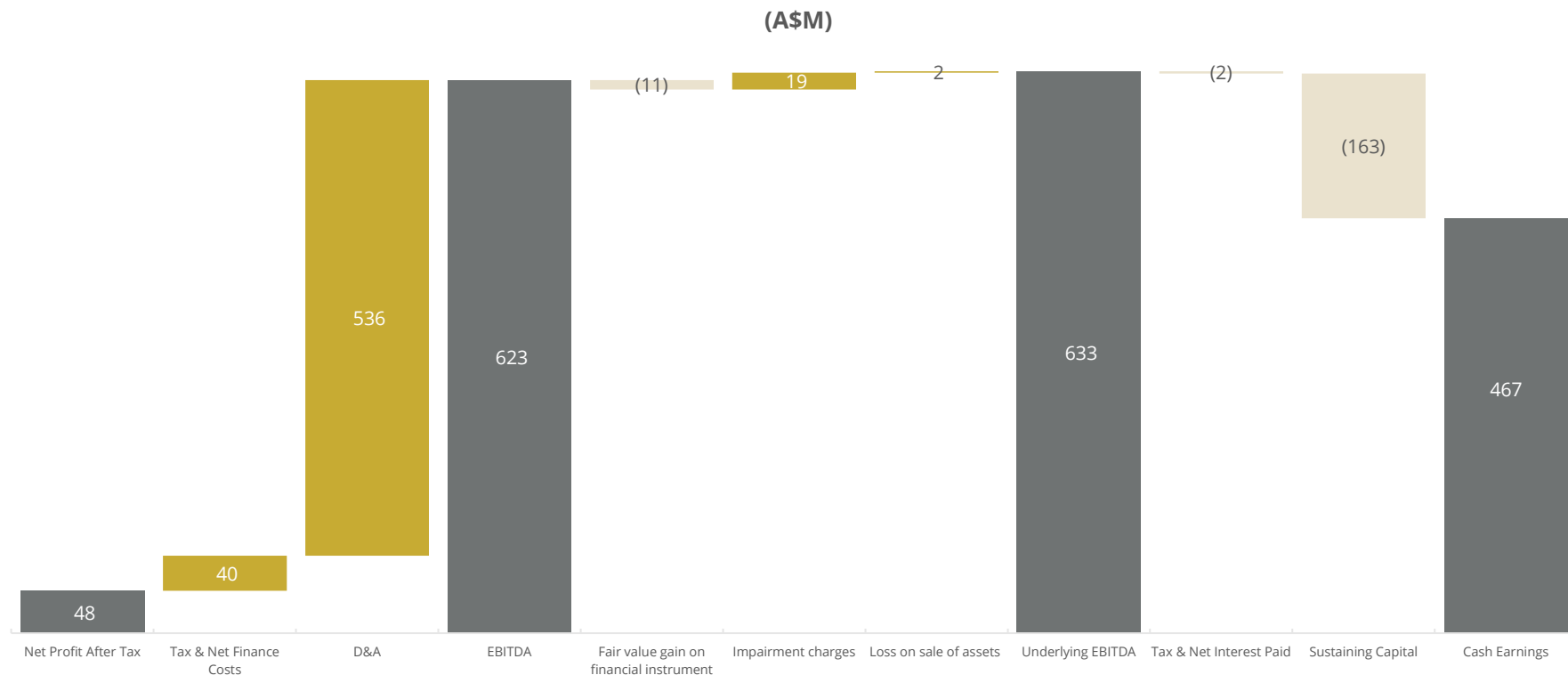
Underlying EBIT is Underlying EBITDA (\$633M) less Depreciation (\$536M).

Underlying NPAT is Statutory NPAT (\$48M) plus abnormals (\$10M; Impairment of exploration assets \$19M; less Gain on revaluation of debenture \$11M plus disposal of PPE \$2M) less tax on abnormals (\$3M). Operating cash flow includes \$158M payments relating to stamp duty arising from the merger with Saracen Mineral Holdings Ltd.

Cash is \$410M as disclosed in the H1 2023 financial statements and Bullion is \$85M as included within Receivables and other assets within the 1H 2023 financial statements.



# Appendix: 1H FY23 NPAT to Cash Earnings



Tax and Net Finance Costs is Income Tax expense (\$22M) plus Interest expense (\$25M) less Interest income (\$8M).

D&A is Cost of Sales D&A (\$535M) plus Corporate D&A (\$1M).

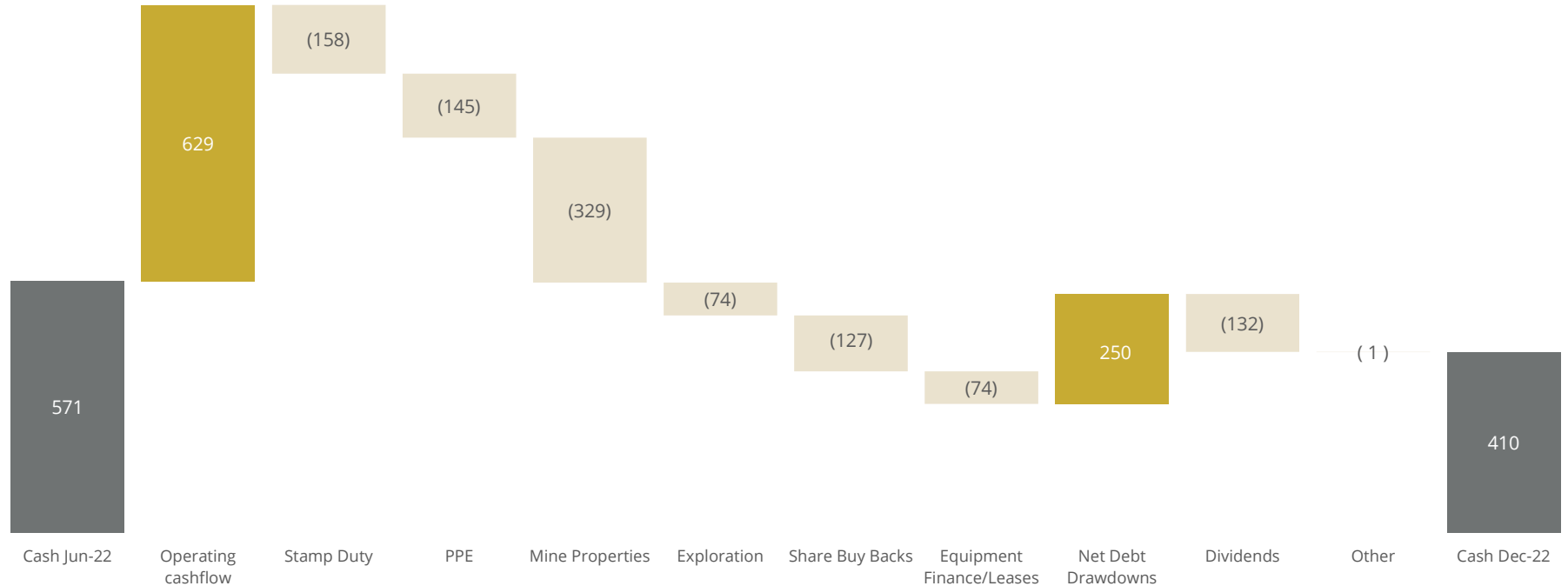
Impairment charges is Exploration and evaluation assets impairment (\$19M).

Tax & Net Interest Paid = Cash Tax Paid during 1H FY23 (\$nil; excludes \$1M tax refund received in 1H FY23 and excludes stamp duty paid \$158M) plus Interest paid (\$10M) less Interest received (\$8M).

Sustaining Capital = \$163M (as per December 2022 Quarterly Report, AISC table, includes lease repayments of \$50M). Sustaining capital includes payments for equipment under finance leases.

# Appendix: 1H FY23 Cash Movement

(A\$M)



All figures above are extracted from the 1H FY23 cashflow statement included in the 1H FY23 financial statements.  
Equipment Finance/Leases comprises repayments on equipment fleet and right of use leases.

# Appendix: 1H FY23 AISC to cost of sales reconciliation

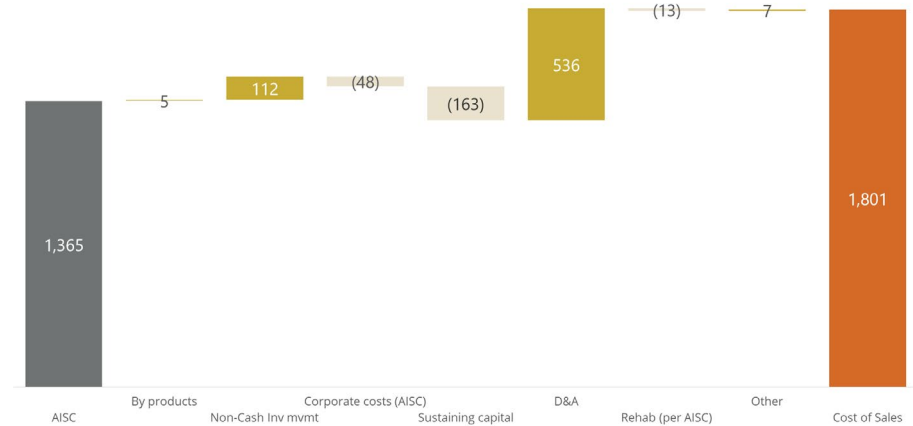
## From December 22 Quarterly Activities Report

6 MONTHS ENDING 31 DEC 2022	Units	Kalgoorlie	Yandal	Pogo	Total
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Gold Sold	oz	425,585	231,032	116,626	773,243	
Average Price	A\$/oz	2,512	2,515	2,512	2,513	
Revenue – Gold <sup>(2)</sup>	A\$M	1,069	581	293	1,943	← Revenue
Underground Mining	A\$M	234	170	125	529	
Open Pit Mining	A\$M	80	52	-	132	
Processing	A\$M	249	81	72	402	
Site Services	A\$M	42	22	20	84	
Ore Stock & GIC Movements	A\$M	(14)	(39)	4	(49)	
Royalties	A\$M	32	15	-	47	
By-Product Credits	A\$M	(4)	(1)	-	(5)	← add
Cash Operating Cost	A\$M	619	300	221	1,140	
Rehabilitation	A\$M	8	3	2	13	← minus
Corporate Overheads <sup>(3)</sup>	A\$M	28	15	5	48	← minus
Sustaining Capital <sup>(5)</sup>	A\$M	89	47	27	163	← minus
All-in Sustaining Cost	A\$M	744	365	255	1,364	← AISC
Exploration <sup>(4)</sup>	A\$M	31	21	14	66	
Growth Capital <sup>(5)(6)</sup>	A\$M	189	123	35	347	
All-in Costs	A\$M	964	509	304	1,777	

Mine Operating Cash Flow <sup>(1)</sup>	A\$M	347	195	49	591
Net Mine Cash Flow <sup>(1)</sup>	A\$M	158	72	14	244

Cash Operating Cost	A\$/oz	1,454	1,305	1,887	1,475	
All-in Sustaining Cost	A\$/oz	1,750	1,588	2,176	1,766	
All-in Costs <sup>(6)(9)</sup>	A\$/oz	2,267	2,212	2,591	2,299	
Depreciation & Amortisation	A\$/oz	765	576	622	689	← add
Non-Cash Inventory Movements	A\$/oz	274	(26)	14	145	← add



## Condensed consolidated statement of profit or loss and other comprehensive income

For the half-year ended 31 December 2022

		31 December 2022	31 December 2021 Restated*
	Notes	\$M	\$M
Revenue	4	1,948.7	1,864.7
Cost of sales	6(a)	(1,801.2)	(1,608.0)
		147.5	256.7

## P&L Calculations:

Depreciation & Amortisation = A\$689/oz x Gold Sold (production) = A\$533M  
 A\$3M depreciation variance is due to depreciation of rehabilitation assets

Non-cash inventory movements = A\$145/oz x Gold Sold (production) = A\$112M

Revenue = Gold Revenue + By-Product Credits = A\$1,948M