

ASX Announcement  
 20 February 2023

# FINANCIAL RESULTS

## HALF-YEAR ENDED 31 DECEMBER 2022

**Strong cash earnings allow record interim dividend; low-risk growth push continues**

- Sold 773koz gold at AISC of A\$1,766/oz and AIC of A\$2,299/oz; on track to meet FY23 guidance
- Cash earnings<sup>1</sup> of A\$467 million, up 3% pcp
- Underlying EBITDA of A\$633 million, down 12% pcp, as cost challenges offset higher gold prices
- Strong balance sheet with net cash<sup>2</sup> of A\$145 million; cash and bullion of A\$495 million
- Record interim fully franked dividend of A11 cents per share, up 10% pcp; represents 27% payout of cash earnings vs 20-30% dividend policy
- A\$300 million on-market share buy-back program 42% (A\$127 million) complete

Northern Star Resources Ltd (ASX: NST) (Northern Star) is pleased to report its financial results for the half-year ended 31 December 2022.

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

*“The strength and resilience of our world-class gold assets in Western Australia and Alaska were on show in the first half and delivered significant cash earnings despite the industry wide cost pressures. This has enabled the Board to declare a record interim dividend of 11 cents per share, at the top end of our dividend policy and complementing the A\$300 million share buy-back that commenced during the half.*

*“At the same time we have made further progress with executing our low-risk, profitable growth strategy to become a 2Mozpa gold producer by FY26. Key growth projects Pogo and Thunderbox are delivering significant cost improvements. A continued focus in the second half on costs across all three operating centres, alongside the expected lift in group production to meet our FY23 guidance, should further build cash to maintain Northern Star’s strong financial position. Work is also continuing on finetuning the KCGM mill optimisation project.*

*“Northern Star made great progress during the half to deliver superior returns to shareholders. Our focus remains steadfast on operational excellence and a disciplined and mature approach to investing shareholders’ funds.”*

### Financial result overview:

Revenue of A\$1,949 million was up 5% from the prior half year, primarily due to higher average gold price realised (H1 2023: A\$2,513 per ounce, H1 2022: A\$2,388 per ounce). The volume of gold sold was consistent period-on-period at 773,243 ounces compared with 778,815 ounces for the period ended 31 December 2021.

Cost of sales were higher than the comparative period. Generally, the increase arose from higher average cash operating costs per ounce (H1 2023: A\$1,475/oz vs H1 2022: A\$1,256/oz) because of inflationary pressures across the mining industry that were not materially experienced during H1 2022.

<sup>1</sup> Cash Earnings defined as Underlying EBITDA less net interest and tax paid and sustaining capital.

<sup>2</sup> Net Cash is defined as cash and bullion less corporate bank debt (A\$350 million).

During the period, Northern Star made net drawdowns of A\$250 million of corporate bank debt, paid stamp duty relating to its 2021 merger with Saracen Mineral Holdings Ltd (Saracen) of A\$156 million and returned cash to shareholders through dividends of A\$134 million and A\$127 million of the share buy-back (42% of the announced A\$300 million).

Operating cash flows for the period, following the stamp duty payments, were A\$471 million. Total capital expenditure including exploration was 16% higher (H1 2023: A\$549 million vs H1 2022: A\$471 million). Financing cash flows for the period resulted in a net outflow of A\$89 million (H1 2022: outflow of A\$551 million).

The interim fully franked dividend record date is 8 March 2023, with the payment date 29 March 2023.

Post the payment of its FY23 interim dividend, Northern Star has a franking credit balance of A\$3 million. The Board anticipates any future potential dividends to be unfranked for at least 18 months, due to tax synergies arising from the merger with Saracen.

## Investor Conference Call

Northern Star will host an investor conference call today at 10:30am Sydney (7:30am Perth). The call can be accessed at: <https://kapara.rdbk.com.au/landers/f23117.html>

## FY23 Group Guidance

There is no change to Northern Star's FY23 guidance outlook.

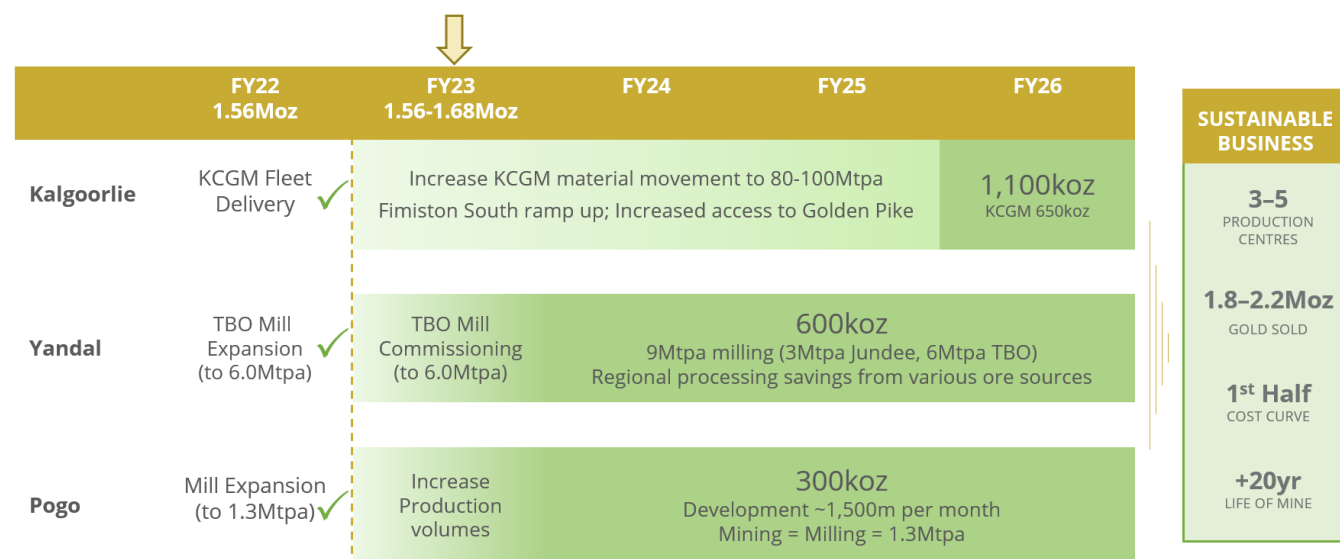
FY23 GUIDANCE	UNITS	KALGOORLIE	YANDAL	POGO	TOTAL
Gold Sales	koz	820 - 870	480 - 520	260 - 290	1,560 - 1,680 (2H weighted)
AISC	A\$/oz	1,560 - 1,660	1,525 - 1,625	1,857 - 2,000 (US\$1,300 - 1,400)	1,630 - 1,690
Growth Capital Expenditure	A\$M	355	217	65	650*
Exploration	A\$M				125

\*Includes A\$13M of corporate investment.

## Multiple growth projects to deliver five-year growth strategy

In the half-year under review, Northern Star advanced key components of its five-year low-risk 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 H2
- Pogo: Maintained 1.3Mtpa throughput; focus on optimisation initiatives



---

## **About Us**

Northern Star is a global gold mining company. Our purpose is to generate superior returns for our shareholders while providing positive benefits for our stakeholders through operational effectiveness, exploration and active portfolio management.

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

### **Investor Relations:**

Sophie Spartalis  
Northern Star Resources Limited  
T: +61 8 6188 2100  
E: investorrelations@nsrltd.com

### **Media Enquiries:**

Peter Klinger  
Cannings Purple  
T: +61 411 251 540  
E: pklinger@canningspurple.com.au

## **Financial Notes**

Cash Earnings, EBITDA, Underlying EBITDA and Underlying NPAT are non-GAAP measures and reconciliations between statutory Net Profit After Tax and these non-GAAP measures have been disclosed in the Half Year Report for the Period Ended 31 December 2022.

## **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 \$0.70.



**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