

ASX Announcement
 10 February 2022

FINANCIAL RESULTS

HALF YEAR ENDED 31 DECEMBER 2021

Strong financial position and growth path validate benefits from Saracen merger

- Reported net profit after tax (NPAT) of A\$261 million (up 43%) driven by higher production and portfolio optimisation. Underlying NPAT of A\$108 million, excluding significant items of A\$153 million.
- Underlying EBITDA of A\$699 million, up 47% from pcp. Group Underlying EBITDA margin of 39%.
- Cash earnings¹ of A\$430 million.
- Cash and bullion of A\$588 million. Net cash² of A\$288 million.
- Board declares fully franked interim dividend of 10 cents per share, up 5% from pcp.
- Key growth projects progressing in line with strategy to become a 2Mozpa producer by FY26, including KCGM open pit development (Kalgoorlie) and Thunderbox mill expansion (Yandal).

Northern Star Resources (ASX: NST) (Northern Star) is pleased to report its financial results for the half year ended 31 December 2021.

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

“These results cover the first full reporting period since our merger with Saracen in February 2021 and demonstrate the potential that exists within Northern Star as we work towards our strategy to become a 2Mozpa gold producer by FY26. This production growth, alongside a declining cost base, will be delivered organically and with one of the lowest capital intensities in the industry.

“We delivered strong half year cash earnings¹ of A\$430 million and invested in our growth initiatives. The Board declared a fully franked interim dividend of 10 cents per share, a return to shareholders of 27% of cash earnings. This return is consistent with our capital management framework while having regard to the need of maintaining a strong balance sheet and the ability to pursue value-adding investment opportunities.

“We remain on track to meet our FY22 production guidance, which incorporates current WA border restrictions and the associated labour and cost impacts. During this period of continued market volatility, we are focused on operational delivery and proactively protecting the health, safety and wellbeing of our people and those in the communities in which we operate.”

Financial result overview:

Revenue of A\$1,807 million was up 63% from the prior half year, primarily due to higher gold volumes, with gold sales 289,786 ounces higher. The average realised gold price was consistent across both periods.

Cost of sales were higher than the comparative period. Generally, the increase arose from a combination of increased activity with the inclusion of the Saracen Minerals Holdings' merger assets in the current half (107% increase period on period), higher average cash costs per ounce (H1 2022: A\$1,256/oz vs H1 2021: A\$1,196/oz) and the increase in depreciation and

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

² Net Cash is defined as cash and bullion less corporate bank debt (A\$300 million).

amortisation unit costs (increase of A\$291/sold oz), due to the required non-cash uplift to fair value of the merger assets, compared to the historic cash cost of those same assets.

During the period, Northern Star made a net repayment of A\$361 million of corporate bank debt. The acquisition of Newmont's power business was also completed in the period for total purchase consideration of A\$130 million and the Group made a C\$154 million (A\$170 million) investment in a Convertible Debenture with Osisko Mining Inc. The sale of the Kundana Assets also occurred in the current half year, resulting in assets (and liabilities) held for sale at 30 June 2021 being realised for A\$402 million (and contributing a pre-tax gain of A\$242 million).

Operating cash flows for the period were A\$622 million. Investing cash flows excluding payments or receipts related to business development activities (including investments and divestments) were 106 per cent higher (H1 2022: A\$447 million, H1 2021: A\$217 million). Financing cash flows for the period resulted in a net outflow of A\$551 million (H1 2021: outflow of A\$560 million).

The interim fully franked dividend record date is 8 March 2022, with the payment date 29 March 2022.

FY22 Guidance:

There is no change to Northern Star's FY22 guidance outlook.

FY22 GUIDANCE	UNITS	KALGOORLIE	YANDAL	POGO	TOTAL*
Gold Production	koz	900 - 950	430 - 450	220 - 250	1,550 - 1,650
AISC	A\$/oz	1,500 - 1,600	1,375 - 1,475	1,700 - 1,800 (US\$1,275 - 1,350)	1,475 - 1,575
Growth Capital Expenditure					
▪ Mine Development		223	168	21	412
▪ Other	A\$M	38	183	49	270
▪ Development Receipts**		(31)	(81)	-	(112)
Net Growth Capital Expenditure		230	270	70 (~US\$55)	570
Exploration	A\$M				140

Northern Star will host an investor conference call today at 9:00am Sydney (6:00am Perth; 5:00pm New York; 10:00pm London). The call can be accessed at: https://webcast1.boardroom.media/watch_broadcast.php?id=61f88eb92a033

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

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About Northern Star

Northern Star Resources Limited (ASX: NST), headquartered in Perth, Western Australia, is one of the world's leading gold producers with top-tier operations in highly prospective regions in Australia and North America. Our mission is to generate superior returns for shareholders and deliver sustainable benefits for all stakeholders through operational effectiveness, exploration success and active portfolio management.



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

**FY22 Development Receipts are from pre-commercial gold sales (~50,000 ounces), 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.

Cash Earnings, EBITDA, Underlying EBITDA and Underlying NPAT are non-GAAP measures. With the exception of Underlying NPAT, 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 2021.

Underlying Net Profit After Tax for the six month period to 31 December 2021 (\$108M) is calculated as: Net Profit After Tax (\$261M), plus: acquisition and integration costs (\$4M), impairment charges (\$12M), pre-existing power contract settlement (\$19M), less: financial instrument fair value adjustments (\$18M), gain on sale of business (\$242M), delivery of Saracen non-cash hedge book (\$2M); and add the associated tax on the above adjustments (\$74M).

Forward Looking Statements

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Currency Conversion Rate

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