



ASX Announcement – June Quarter Trading Update

8 July 2020

UNDERLYING FREE CASHFLOW OF A\$217.9M FROM SALE OF 262,717 OUNCES*

Postponed FY20 interim dividend of A7.5¢ to be paid on July 16, 2020

Northern Star Resources (ASX: NST) advises that its cash, bullion and investments rose by 40% to A\$769.5 million at June 30, 2020, up from A\$551.4 million at March 31, 2020.

As a result, the Company's balance sheet was net cash positive at June 30, 2020, with corporate bank debt of A\$700 million.

Northern Star generated underlying free cashflow of A\$217.9 million in the June quarter from the sale of 262,717oz. This took total sales for the 2020 financial year to 900,388oz while gold produced totalled 905,177oz. This was ~1.6% below the lower end of the FY20 guidance, which was withdrawn due to uncertainties stemming from COVID-19 (see ASX release dated March 26, 2020).

In light of this solid result, Northern Star will pay its FY20 fully-franked interim dividend of A7.5¢ a share on July 16. Payment of this dividend, which totals A\$55 million, was postponed when the Company withdrew its guidance.

The Company expects to resume dividend payments in the ordinary course of business.

As part of its COVID-19 measures, Northern Star also drew down an additional A\$200 million in debt in the March quarter. The Company has repaid that A\$200 million on July 6, reducing its corporate bank debt to A\$500 million.

In the June quarter, Northern Star reduced its hedge book to 536,426oz at A\$2,085/oz (170,080oz, or 34% of ounces sold, in the June half came from hedged positions) as part of the Company's strategy to increase its exposure to the spot price. Pushed-out hedged positions are being brought back and deliveries will continue to be accelerated in FY21. The Company has one of the smallest hedge books as a percentage of annualised production in the Australian gold industry, with just 15% of the next three years production committed.

Northern Star Executive Chair Bill Beament said the Company's staff and business partners had done an outstanding job in very difficult circumstances. This enabled Northern Star to maintain the full employment of the Company's workforce and business continuity for all stakeholders.

"The health and safety of our people and the communities in which we operate is always our first objective and the measures we adopted in response to COVID-19 reflected that," Mr Beament said.

"As we foreshadowed at the time, these measures incurred additional costs, reduced productivities and restricted production.

"We also adopted a prudent approach to managing our balance sheet, as reflected in the decision to postpone the interim dividend and drawdown the additional debt."

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Mr Beament said that as well as protecting its people, these measures were aimed at maximising the Company's ability to continue operating at all its sites throughout the pandemic.

"To generate quarterly free cashflow of A\$217.9 million in these circumstances is an outstanding result which reflects the performance of our staff and business partners, our success in being able to operate continuously throughout the pandemic and the underlying strength of our assets," he said.

"The results at our Pogo mine in Alaska were particularly pleasing given the challenging circumstances emanating from COVID-19 where we effectively managed safe operations with 36 confirmed cases through the quarter.

"Despite the considerable impacts of COVID-19 at Pogo, the underlying trend of rising production and productivity continued. This further demonstrates the huge potential of this asset in more conventional circumstances.

"The teams at our Jundee and Kalgoorlie Operations excelled and we made strong progress towards our goal of unlocking the significant upside at KCGM."

Authorised for release to ASX by Bill Beament, Executive Chair

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* All figures in this announcement are unaudited.

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Appendix 1 – June Quarter Physicals

Combined Group:

Northern Star	Units	Sep-19 Qtr	Dec-19 Qtr	Mar-20 Qtr	Jun-20 Qtr	FYTD
Ore Hoisted - UG	Tonnes	1,439,654	1,502,172	1,638,465	1,817,494	6,397,785
Mined Grade	gpt Au	4.4	4.7	3.9	4.1	4.2
Gold in Ore Hoisted	Oz	204,590	224,494	206,206	237,219	872,509
Open Pit Ore Mined	Tonnes	302,093	339,961	885,304	859,236	2,386,594
Mined Grade	gpt Au	1.6	1.5	1.6	1.3	1.5
Gold in Open Pit Ore Mined	Oz	15,272	16,513	44,193	36,188	112,166
Total Mined Ounces	Oz	219,862	241,007	250,399	273,407	984,675
Milled Tonnes	Tonnes	1,530,243	1,588,428	3,149,968	3,472,351	9,740,990
Ounces Milled	Oz	211,553	235,428	270,293	301,625	1,018,899
Recovery	%	89	90	88	89	89
Gold Recovered	Oz	188,175	212,571	237,070	267,361	905,177
Gold Sold – Pre-Production	Oz	-	-	7,600	6,245	13,845
Gold Sold – Production	Oz	184,005	214,635	231,431	256,472	886,543
Ounces Sold	Oz	184,005	214,635	239,031	262,717	900,388
Total Stockpiles Contained Gold	Oz	93,474	95,226	1,657,810	1,634,335	1,634,335
Gold in Circuit (GIC)	Oz	25,429	23,656	35,317	40,179	40,179
Gold in safe/transit	Oz	-	-	159	-	-

Jundee Operations:

Production Summary Jundee Operations		Sep-19 Qtr	Dec-19 Qtr	Mar-20 Qtr	Jun-20 Qtr	FYTD
Ore Mined – Underground	Tonnes	540,226	525,253	530,878	584,066	2,180,423
Mined Grade	gpt Au	5.2	4.8	3.6	4.5	4.5
Ounces Mined – Underground	Oz	89,993	80,431	60,767	84,333	315,524
Ore Mined - Open Pit	Tonnes	302,093	339,961	299,433	342,279	1,283,766
Mined Grade	gpt Au	1.6	1.5	1.5	1.6	1.6
Ounces Mined - Open Pit	Oz	15,272	16,513	14,332	17,865	63,982
Total Mined Ounces	Oz	105,265	96,944	75,099	102,198	379,506
Milled Tonnes	Tonnes	586,588	572,576	501,827	638,733	2,299,724
Head Grade	gpt Au	5.0	4.7	3.8	4.3	4.5
Recovery	%	90	92.0	89	92	91
Gold Recovered	Oz	84,847	80,069	54,568	80,666	300,150
Gold Sold	Oz	81,428	82,434	52,629	77,788	294,279

The Jundee Operation performed strongly over the June quarter with 80,666oz produced, and 300,150oz produced for FY20. As forecast and expected due to the mining sequence, the underground mined grade improved 25% to 4.5gpt compared to the March quarter. The new ball mill was fully commissioned in the June quarter and delivered the predicted tonnage increase and recovery improvements. Overall milled tonnes increased by 27% compared to the March quarter, with Jundee processing capacity now at 2.7Mtpa. Contained gold in stockpiles increased by 49koz over the financial year; and as of 30 June 2020, stockpiled inventory included 2.1Mt @ 1.24gpt for 84koz.

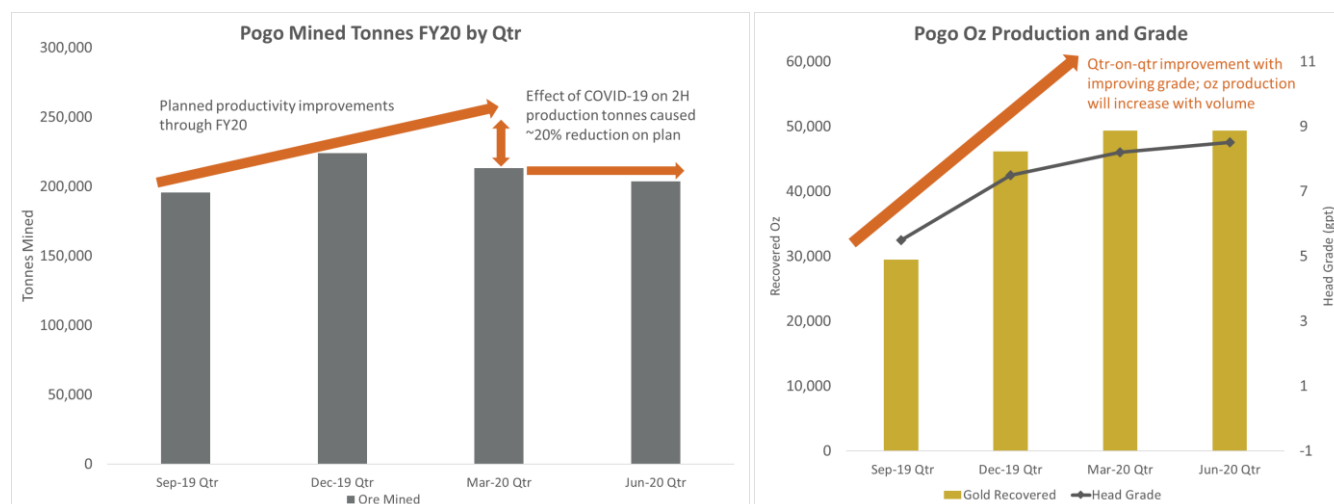
Pogo Operations:

Production Summary Pogo Operations		Sep-19 Qtr	Dec-19 Qtr	Mar-20 Qtr	Jun-20 Qtr	FYTD
Ore Mined	Tonnes	195,486	223,839	213,021	203,660	836,006
Mined Grade	gpt Au	5.7	7.4	8.3	8.4	7.5
Ounces Mined	Oz	35,883	53,339	56,571	54,925	200,718
Milled Tonnes	Tonnes	200,123	221,990	208,306	203,084	833,503
Head Grade	gpt Au	5.5	7.5	8.2	8.5	7.4
Recovery	%	83	87	89	89	87
Gold Recovered	Oz	29,468	46,146	49,340	49,353	174,307
Gold Sold	Oz	28,961	45,051	48,773	50,251	173,036

Northern Star's business model remains well on track as Pogo continues to improve quarter-on-quarter. Grade is increasing as new mining areas are accessed and ore from long-hole stoping increases. Overall, the head grade in the June quarter was 8.5gpt, which was ~55% higher

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than in the first quarter. The effects of COVID-19 reduced mining volumes in the second half by ~20% from plan (see graphs below). However, Pogo demonstrated its strength by continuing to operate while experiencing 36 COVID-19 cases in the quarter.



Kalgoorlie Operations:

Production Summary Kalgoorlie Operations		Sep-19 Qtr	Dec-19 Qtr	Mar-20 Qtr	Jun-20 Qtr	FYTD
Ore Mined	Tonnes	703,942	753,080	748,618	846,966	3,052,606
Mined Grade	gpt Au	3.5	3.8	3.2	3.1	3.4
Ounces Mined	Oz	78,714	90,724	77,067	83,720	330,225
Milled Tonnes	Tonnes	743,532	793,862	887,021	974,046	3,398,461
Head Grade	gpt Au	3.4	3.7	2.9	3.0	3.2
Recovery	%	90	91	90	89	90
Gold Recovered	Oz	73,860	86,356	74,598	83,945	318,759
Gold Sold	Oz	73,617	87,150	77,425	79,057	317,249

The Kalgoorlie Operations had a solid June quarter and delivered as expected with overall milled tonnes increasing by 10%, head grade increasing by 4% and gold production increasing by 13% compared to the March quarter. Mining tonnes increased by 13% and the operations produced 83,945oz for the quarter and 318,759oz for the FY20.

KCGM (50% Ownership):

Production Summary KCGM Operations		Mar-20 Qtr	Jun-20 Qtr	FYTD
Ore Mined – Underground	Tonnes	145,948	182,802	328,750
Mined Grade	gpt Au	2.5	2.4	2.5
Ounces Mined - Underground	Oz	11,801	14,241	26,042
Ore Mined – Open Pit	Tonnes	585,871	516,957	1,102,828
Mined Grade	gpt Au	1.6	1.1	1.4
Ounces Mined – Open Pit	Oz	29,861	18,323	48,184
Total Mined Ounces	Oz	41,662	32,564	74,226
Milled Tonnes	Tonnes	1,552,814	1,656,488	3,209,302
Head Grade	gpt Au	1.4	1.2	1.3
Recovery	%	83	83	83
Gold Recovered	Oz	58,564	53,397	111,961
Gold Sold – Pre-Production	Oz	7,600	6,245	13,845
Gold Sold – Production	Oz	52,604	49,376	101,980
Gold Sold – Total	Oz	60,204	55,621	115,825

KCGM open pit material movement improved by 40% in the June quarter over prior quarter as focus turned to expanding the available open pit mining fronts. Strong progress was made in improving the underground productivities, with mined tonnes increasing by 25% from the March quarter. Contained gold in stockpiles as at 30 June 2020 was 1.52Moz.