

ASX Announcement
 20 February 2023

APPENDIX 4D: HALF YEAR REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022

Results for announcement to the market

Half-year ended 31 December 2022

Half-year ended 31 December 2021 (previous corresponding period)

			\$M
Revenue from ordinary activities	Up	5%	1,948.7
Profit from ordinary activities after tax attributable to members	Down	(83%)	47.7
Cash earnings (refer page 5)	Up	3%	467.1

Distributions

	Amount per security	Franked amount per security
Interim dividend (per share)	11.0 cents	11.0 cents

Record date of interim dividend 8 March 2023

Payment date of interim dividend 29 March 2023

Franking 100% franked

The financial effect of the current reporting period interim dividend has not been brought to account in the financial statements for the period ended 31 December 2022 and will be recognised in subsequent financial reports.

	31 December 2022	31 December 2021
Net tangible assets per security	\$6.93	\$6.93

Explanation of results

Requirement	Title	Reference
Review of results	Review of operations and results and Financial Overview	Page 3
A statement of comprehensive income	Condensed consolidated Statement of Profit or Loss and Other Comprehensive Income	Page 11
A statement of financial position	Condensed consolidated Statement of Financial Position	Page 12
A statement of retained earnings	Condensed consolidated Statement of Changes in Equity	Page 13
A statement of cash flows	Condensed consolidated Statement of Cash Flows	Page 14
Earnings per share	Condensed consolidated Statement of Profit or Loss and Other Comprehensive Income	Page 11

Changes in controlled entities

The Group did not gain or lose control over any entities during the period.

APPENDIX 4D: HALF YEAR REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022

Associate and joint venture entities

Associates are all entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting after initially being recognised at cost.

During the period, there were no changes to the Group's investments in associates. The movements in the Group's interests in Joint Ventures are included in the table below.

Joint Ventures	Principal Activities	31 December 2022	31 December 2021
FMG JV	Exploration	68.87%	67.87%
Kanowna West JV	Exploration	-	97.65%
Kalbara JV	Exploration	74.75%	71.51%
Zebina JV	Exploration	80.00%	80.00%
Acra JV	Exploration	75.00%	75.00%
Robertson JV	Exploration	40.00%	40.00%
Cheroona JV	Exploration	30.00%	30.00%
Sorrento JV	Exploration	70.00%	70.00%
Central Tanami JV	Exploration	50.00%	50.00%
Jundee JV	Exploration	70.00%	70.00%
Phantom Well JV	Exploration	86.98%	86.98%
Nexus JV	Exploration	10.00%	10.00%
AngloGold JV	Exploration	30.00%	30.00%

The joint arrangements listed above are classified as joint operations and are not separate legal entities. They are contractual arrangements between participants for the sharing of costs and outputs and do not themselves generate revenue and profit. The joint operations are of the type where initially one party contributes tenements with the other party earning a specified percentage by funding exploration activities; thereafter the parties often share exploration and development costs and output in proportion to their ownership of joint venture assets. The joint operations are accounted for in accordance with the Group's accounting policy set out in the notes to the consolidated annual financial report as at 30 June 2022.

Audit

The report is based on financial statements which have been subject to a review by Deloitte.

HALF YEAR REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022: DIRECTORS' REPORT

Your Directors present their report on the consolidated entity (**Group**) consisting of Northern Star Resources Ltd and the entities it controlled at the end of, or during, the half-year ended 31 December 2022.

COMPANY OVERVIEW

CORPORATE DIRECTORY

Directors (during the financial period and up to the date of this report, unless otherwise noted):

Michael Chaney AO	(Chairman)
Stuart Tonkin	(Managing Director & CEO)
John Fitzgerald	(Non-Executive Director)
Nicholas Cernotta	(Non-Executive Director)
Sally Langer	(Non-Executive Director)
John Richards	(Non-Executive Director)
Sharon Warburton	(Non-Executive Director)
Marnie Finlayson	(Non-Executive Director) appointed 1 October 2022
Mary Hackett	(Non-Executive Director) resigned 22 August 2022

Chief Financial Officer

Ryan Gurner

Chief Legal Officer & Joint Company Secretary

Hilary Macdonald

Chief Operating Officer

Simon Jessop

Joint Company Secretary

Sarah Reilly

Registered Office & Principal Place of Business

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Perth WA 6000 Australia
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Website: www.linkmarketservices.com.au

REVIEW OF OPERATIONS AND RESULTS

OVERVIEW OF THE GROUP'S PRINCIPAL ACTIVITIES

The Group's principal continuing activities during the period consisted of:

- development, mining and processing of gold deposits and sale of refined gold derived from the Yandal and Kalgoorlie operations in Western Australia and from the Pogo operations in Alaska; and
- exploration in relation to gold deposits in Western Australia, the Northern Territory and Alaska.

DIRECTORS' REPORT

MINE OPERATIONS REVIEW

All ore has been sourced from the Jundee, Thunderbox (including Bronzewing), KCGM, Kalgoorlie Operations, Carosue Dam and Pogo gold mines. During the period, a total of 773,243 (H1 2022: 778,815) ounces of gold was sold at an average price of A\$2,513 per ounce, with an all-in sustaining cost for the period of A\$1,766 per ounce sold.

	Measure	Jundee	Thunderbox	KCGM	Kalgoorlie Operations	Carosue Dam	Pogo	Total
Total Material Mined	tonnes	1,237,367	3,046,597	3,017,887	1,001,403	2,664,374	640,058	11,607,686
Total Material Milled	tonnes	1,486,701	1,880,633	6,570,833	1,053,577	1,932,637	636,429	13,560,810
Head Grade	gpt	3.6	1.4	1.2	2.6	2.1	6.3	2.0
Recovery	%	90%	90%	86%	88%	93%	87%	88%
Gold Recovered	oz	152,973	78,580	224,027	76,594	119,259	112,991	764,424
Gold Sold	oz	153,983	77,049	225,817	78,641	121,127	116,626	773,243
Average Gold Price Realised	A\$/oz	2,515	2,517	2,512	2,515	2,511	2,512	2,513
All in Sustaining Cost	A\$/oz	1,369	2,023	1,540	2,040	1,954	2,176	1,766

EXPLORATION REVIEW

In-mine drilling activities were executed to plan across all operations with the primary objective to consolidate the Group's Mineral Resources and Ore Reserves for continued mine life growth. Exploration drilling to support the KCGM and Pogo expansion projects remained a strong focus for the Company. Results for resource conversion and extension drilling programs carried out during the reporting period will underpin a Reserve and Resource update scheduled for release in the June quarter.

During the half-year ended 31 December 2022, \$69.0 million was invested on exploration (FY23 guidance A\$125.0 million). The focus for the period has been:

- Drilling at KCGM from the first dedicated underground drill drive which continues to generate strong results to support long-term growth strategies.
- The new Joplin deposit and further growth at Red Hill offers meaningful optionality at Kanowna Belle.
- Wonder North & Golden Wonder discovery delivers further exceptional results, 25km from the Thunderbox plant.
- Drilling at Goodpaster deposit at Pogo continues to intersect high grades outside of maiden Mineral Resource.

DIRECTORS' REPORT

FINANCIAL OVERVIEW

		Half Year Ended 31 Dec 2022	Half Year Ended 31 Dec 2021 Restated ⁽⁵⁾	Change \$	Change %
Revenue	A\$M	1,948.7	1,864.7	84.0	5%
EBITDA ⁽¹⁾	A\$M	622.9	948.4	(325.5)	-34%
Underlying EBITDA ⁽¹⁾	A\$M	632.7	721.5	(88.8)	-12%
Cash earnings ⁽¹⁾	A\$M	467.1	452.5	14.6	3%
Net profit after tax	A\$M	47.7	276.8	(229.1)	-83%
Underlying net profit after tax ⁽²⁾	A\$M	54.6	124.0	(69.4)	-56%
Cash flow from operating activities	A\$M	470.7	644.3	(173.6)	-27%
Merger and Acquisition related costs	A\$M	(157.6)	(4.0)	(153.6)	3840%
Cash flow from operating activities excluding M&A costs	A\$M	628.3	648.3	(20.0)	-3%
Cash flow used in investing activities	A\$M	(549.1)	(340.5)	(208.6)	61%
Sustaining Capital (ex-equipment finance/leases)	A\$M	(112.5)	(144.0)	31.5	-22%
Growth capital	A\$M	(360.8)	(271.3)	(89.5)	33%
Exploration	A\$M	(69.0)	(56.0)	(13.0)	23%
Proceeds from sale of business	A\$M	-	401.9	(401.9)	-100%
Acquisition of businesses	A\$M	-	(98.0)	98.0	-100%
Payments for investments	A\$M	(1.8)	(170.2)	168.4	-99%
Interest Received	A\$M	7.9	0.7	7.2	1029%
Acquisition of assets	A\$M	-	(15.0)	15.0	-100%
Proceeds from disposal of assets and other	A\$M	1.4	12.0	(10.6)	-88%
Free cash flow ⁽³⁾	A\$M	(78.4)	303.8	(382.2)	-126%
Underlying free cash flow ⁽⁴⁾	A\$M	34.0	152.0	(118.0)	-78%
Cash and bullion	A\$M	495.0	588.0	(93.0)	-16%
Basic earnings Per Share	cents	4.1	23.8	(19.7)	-83%

- (1) Net profit after tax is statutory profit (NPAT). EBITDA, underlying EBITDA and cash earnings are non-GAAP measures and have been reconciled to NPAT in the tables below. Cash earnings is defined as Underlying EBITDA less sustaining capital, net interest and corporate income tax paid.
- (2) Underlying net profit after tax is calculated as Net profit after tax, plus: impairment charges (\$19.0 million), loss on disposal of property, plant and equipment (\$1.5 million) less: financial instrument fair value revaluation (\$10.7 million); and add the associated tax on the above adjustments at the Australian corporation tax rate of 30% (\$2.9 million).
- (3) Free cash flow is calculated as operating cash flow less investing cash flow as outlined in the Group's Cash Flow Statement.
- (4) Underlying free cashflow is calculated as Free cash flow plus mergers, acquisitions, and divestments (\$158.0 million, which primarily relates to stamp duty), plus movement in bullion (\$28.7 million) less payments for equipment financing and leases for operating assets (\$74.3 million).
- (5) These figures have been restated as the result of a change in accounting policy in relation to capitalisation of pre-production revenue. For further details refer to note 2(b) of the half year financial statements

DIRECTORS' REPORT

NPAT to cash earnings reconciliation		Half Year Ended 31 Dec 2022	Half Year Ended 31 Dec 2021 Restated ⁽⁴⁾	Change \$	Change %
Net profit after tax	A\$M	47.7	276.8	(229.1)	-83%
Tax	A\$M	22.3	143.9	(121.6)	-85%
Depreciation & amortisation	A\$M	535.6	516.7	18.9	4%
Net finance costs	A\$M	17.3	11.0	6.3	57%
EBITDA	A\$M	622.9	948.4	(325.5)	-34%
Fair value gains on financial instruments	A\$M	(10.7)	(18.2)	7.5	41%
Impairment	A\$M	19.0	11.7	7.3	62%
Gain on sale of business	A\$M	-	(241.6)	241.6	100%
Acquisition, integration and other costs	A\$M	-	21.3	(21.3)	-100%
(Profit)/Loss on disposal of property, plant and equipment	A\$M	1.5	(0.1)	1.6	1600%
Underlying EBITDA	A\$M	632.7	721.5	(88.8)	-12%
Net interest paid	A\$M	(2.4)	(5.0)	2.6	-52%
Income tax paid	A\$M	-	(59.0)	59.0	-100%
Sustaining capital	A\$M	(163.2)	(205.0)	41.8	-20%
Cash earnings	A\$M	467.1	452.5	14.6	3%

DIRECTORS' REPORT

Cash Earnings & Profit

The Group recorded a 3 percent increase in Cash Earnings for the half-year ended 31 December 2022 (\$467.1 million) compared to the prior half-year ended 31 December 2021 (\$452.5 million) primarily from lower capital expenditures and nil corporate tax payments made during the six-month period ended 31 December 2022.

Revenue increased 5 percent to \$1,948.7 million primarily due to a 5 percent increase in average gold price realised (H1 2023: \$2,513 per ounce; H1 2022: \$2,388 per ounce). Gold sold was consistent period on period at 773,243 ounces compared with 778,815 for the period ended 31 December 2021.

Cost of sales increased 12 percent from the prior half year. Generally, the increase in cost of sales have arisen from higher average cash costs per ounce sold (H1 2023: \$1,475/oz, H1 2022: \$1,256/oz) resulting from inflationary pressures in the mining industry which were not materially experienced during the period ended 31 December 2021.

In the current period there were no material disposals or purchases of assets. In the prior period the Group sold its interest in the Kundana Assets, which contributed a pre-tax gain of \$241.6 million.

An impairment charge of \$19.0 million was recorded in respect of exploration focused assets following the half yearly reviews on Group wide drilling programs. Corporate, technical services and projects costs, which includes costs associated with the Company's exploration focused projects (Tanami, Yandal regional and Pogo), were consistent with the prior comparative period at \$56.3 million (H1 2022: \$57.7 million). Finance costs were \$24.9 million for the six months ended 31 December 2022, \$13.3 million higher than the prior period comparative primarily due to debt drawdowns in the current period, higher interest expense and higher non-cash accretion charges from closure provisions, both as a result of increased borrowing rates.

As a result of the activities outlined above, the Group recorded an 83 percent decrease in net profit after tax for the half-year ended 31 December 2022 compared to the prior half-year ended 31 December 2021.

Balance Sheet

Total assets decreased by \$73.0 million compared to 30 June 2022 primarily from a lower cash and cash equivalents balance at period end resulting from payments in respect of the FY22 full year dividend (\$133.9 million), stamp duty (\$157.6 million) and share buy-back (\$127.1 million) being completed in the six months to 31 December 2022. These payments were offset by the cash generated during the period and additional drawings from the Company's corporate debt facility.

Total liabilities increased by \$120.3 million to \$3.0 billion primarily as a result of the \$250.0 million of drawings from the Company's corporate debt facility which was offset by the reduction in current provisions from the \$157.6 million payment of stamp duty during the period.

Cash Flow

Operating cash flows for the period ended 31 December 2022 decreased by \$173.6 million to \$470.7 million. This was primarily due to the payment of \$157.6 million in stamp duty during the current period.

Investing cash flows, when excluding payments and receipts related to asset and business disposals and acquisitions (including investments), were 16 per cent higher. The increase was due to the Company's investment in capital primarily across Kalgoorlie and Yandal operations as it pursues its profitable organic growth strategy of 2 million ounces of production by 2026. In the period ended 31 December 2021 cash flows relating to business development activities included the sale of Kundana Assets to Evolution Mining Limited for proceeds of \$401.9 million, payment for the C\$156 million (A\$170.2 million) convertible debenture with Osisko Mining Inc, payment for the acquisition of Newmont Australia's power business \$98.0 million and a \$15.0 million payment to Tanami Gold NL for an additional 10% joint venture interest. There were no cashflows in relation to business development activities in the 6 months to 31 December 2022.

Financing cash flows for the period resulted in a net outflow of \$89.3 million (H1 2021: outflow \$551.1 million). Net proceeds from bank borrowings of \$250.0 million were received, \$131.6 million of dividends were paid to shareholders net of the dividend reinvestment program (H1 2021: \$107.3 million), \$127.1 million of the Company's shares were purchased as part of the Company's \$300 million share buy-back program and \$74.3 million of lease payments were made.

DIRECTORS' REPORT

Dividends Paid

Dividends paid to members during the financial period were as follows:

	31 December 2022 \$M	31 December 2021 \$M
Final fully franked dividend for the year ended 30 June 2022 of 11.5 cents (2021: 9.5 cents) per fully paid share paid on 29 September 2022 (2021: 29 September 2021)	133.9	110.5
	133.9	110.5

Dividends recommended but not yet paid

In addition to the above dividends, since the end of the financial period the Directors have recommended the payment of an interim ordinary fully franked dividend of \$126.5 million (11 cents per fully paid share) to be paid on 29 March 2023 out of retained earnings at 31 December 2022. The interim dividend represents a 27 percent payout of Cash Earnings for the period to 31 December 2022.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group that occurred during the period under review other than the \$300 million share buy back which commenced during the period.

Matters subsequent to the end of the financial year

Subsequent to the period ended 31 December 2022 the Company announced an interim dividend of 11 cents per share to shareholders on the record date of 8 March 2023, payable on 29 March 2023.

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect, the Group's operations, results or state of affairs, or may do so in future years.

Environmental Regulation

The Group holds licences and abides by Acts and Regulations issued by the relevant mining and environmental protection authorities. The Group has a policy of at least complying with, but in most cases exceeding, its statutory environmental performance obligations. These licences, Acts and Regulations specify limits and regulate the management of various environmental management issues, including discharges to the air, surface water and groundwater associated with the Group's mining operations as well as the storage and use of hazardous materials.

All environmental performance obligations are monitored by the Board via regular Board meetings, and via the Environment, Social & Safety Committee. Government agencies regularly conduct audits and site inspections across operational areas of our business. No significant environmental breaches have occurred during the period ending 31 December 2022.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 10.

Rounding of Amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191 as amended on 27 June 2022 by ASIC Corporations (Amendment) Instrument 2022/519, relating to 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest million dollars.

ASX Announcement
20 February 2023

DIRECTORS' REPORT

This report is made in accordance with a resolution of Directors under section 306(3) of the Corporations Act 2001 dated 19 February 2023 and authorised for release by the Board of Directors.



MICHAEL CHANEY, AO
Chairman
Perth, Western Australia

19 February 2023

AUDITOR'S INDEPENDENCE DECLARATION

Deloitte.

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19 February 2023

Dear Board Members

Auditor's Independence Declaration to Northern Star Resources Limited and its controlled entities

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Northern Star Resources Limited.

As lead audit partner for the review of the financial statements of Northern Star Resources Limited for the half-year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



D K Andrews
Partner
Chartered Accountants

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FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended		31 December 2022	31 December 2021 Restated*
	Notes	\$M	\$M
Revenue	4	1,948.7	1,864.7
Cost of sales	6(a)	<u>(1,801.2)</u>	<u>(1,608.0)</u>
		147.5	256.7
Other income and expense	5	22.7	249.1
Corporate, technical services and projects	6(b)	(56.3)	(57.7)
Acquisition and integration costs		-	(4.1)
Impairment of assets	6(c)	(19.0)	(11.7)
Finance costs	6(d)	<u>(24.9)</u>	<u>(11.6)</u>
Profit before income tax		70.0	420.7
Income tax expense		<u>(22.3)</u>	<u>(143.9)</u>
Profit for the period		<u>47.7</u>	<u>276.8</u>
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		6.9	13.8
Cash flow hedge reserve		0.3	-
<i>Items that will not be reclassified to profit or loss</i>			
Changes in the fair value of financial assets at fair value through OCI		4.0	3.8
Other comprehensive income for the period, net of tax		<u>11.2</u>	<u>17.6</u>
Total comprehensive income for the period		<u>58.9</u>	<u>294.4</u>
Total comprehensive income for the period is attributable to:			
Owners of Northern Star Resources Ltd		<u>58.9</u>	<u>294.4</u>
		Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the Company:			
Basic earnings per share		4.1	23.8
Diluted earnings per share		4.1	23.6

* See note 2(b) for details regarding the restatement as a result of a change in accounting policy.

FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		31 December 2022	30 June 2022 Restated*
	Notes	\$M	\$M
ASSETS			
Current assets			
Cash and cash equivalents		409.5	571.1
Receivables and other assets	7	204.5	155.0
Inventories	9	668.0	679.2
Current tax asset		32.1	24.0
Total current assets		1,314.1	1,429.3
Non-current assets			
Receivables and other assets	7	15.5	5.6
Financial assets	8	201.8	184.3
Inventories	9	233.1	264.3
Property, plant and equipment		2,077.8	2,052.6
Exploration and evaluation assets	10	671.2	653.5
Mine properties	11	6,376.2	6,365.7
Right of use asset		133.6	137.8
Intangible assets		80.6	83.8
Total non-current assets		9,789.8	9,747.6
Total assets		11,103.9	11,176.9
LIABILITIES			
Current liabilities			
Trade and other payables		302.6	339.5
Borrowings	12	83.1	70.3
Provisions	13	156.0	316.2
Lease Liabilities		65.9	50.3
Total current liabilities		607.6	776.3
Non-current liabilities			
Borrowings	12	562.1	297.9
Provisions	13	668.0	654.7
Deferred tax liabilities		1,138.3	1,108.0
Lease Liabilities		74.2	93.0
Total non-current liabilities		2,442.6	2,153.6
Total liabilities		3,050.2	2,929.9
Net assets		8,053.7	8,247.0
EQUITY			
Share capital	14	6,310.5	6,435.0
Reserves		66.1	48.7
Retained earnings		1,677.1	1,763.3
Total Equity		8,053.7	8,247.0

* See note 2(b) for details regarding the restatement as a result of a change in accounting policy.

FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Notes	Share capital \$M	Financial assets at fair value through OCI \$M	Share based payments reserve \$M	Foreign currency translation reserve \$M	Cash flow hedge reserve \$M	Retained earnings \$M	Total equity \$M
Balance at 1 July 2021		6,435.1	13.2	16.9	(15.6)	0.4	1,528.5	7,978.5
Prior period adjustment – change in accounting policy*		-	-	-	-	-	9.8	9.8
Restated total equity at the beginning of the financial period		6,435.1	13.2	16.9	(15.6)	0.4	1,538.3	7,988.3
Profit for the year (Restated*)		-	-	-	-	-	276.8	276.8
Other comprehensive income		-	3.8	-	13.8	-	-	17.6
Total comprehensive income for the period		-	3.8	-	13.8	-	276.8	294.4
Transactions with owners in their capacity as owners:								
Issue of ordinary shares as part of Dividends Reinvestment Plan		3.3	-	-	-	-	-	3.3
Treasury shares	14	(14.5)	-	-	-	-	-	(14.5)
Dividends provided for or paid	15	-	-	-	-	-	(110.5)	(110.5)
Employee share and option plans – value of employee services		-	-	6.5	-	-	-	6.5
Exercise of employee share awards		0.9	-	(5.5)	-	-	-	(4.6)
Share plan loan repayment		2.0	-	(2.0)	-	-	-	-
		(8.3)	-	(1.0)	-	-	(110.5)	(119.8)
Balance at 31 December 2021		6,426.8	17.0	15.9	(1.8)	0.4	1,704.7	8,163.0
Balance at 1 July 2022		6,435.0	13.0	15.2	20.8	(0.3)	1,731.2	8,214.9
Prior period adjustment – change in accounting policy*		-	-	-	-	-	32.1	32.1
Restated total equity at the beginning of the financial period		6,435.0	13.0	15.2	20.8	(0.3)	1,763.3	8,247.0
Profit for the year		-	-	-	-	-	47.7	47.7
Other comprehensive income		-	4.0	-	6.9	0.3	-	11.2
Total comprehensive income for the period		-	4.0	-	6.9	0.3	47.7	58.9
Transactions with owners in their capacity as owners:								
Issue of ordinary shares as part of Dividend Reinvestment Plan		2.3	-	-	-	-	-	2.3
Treasury shares	14	(5.6)	-	-	-	-	-	(5.6)
Dividends provided for or paid	15	-	-	-	-	-	(133.9)	(133.9)
Employee share and option plans - value of employee services		-	-	10.2	-	-	-	10.2
Exercise of employee share awards		5.9	-	(5.9)	-	-	-	-
Tax		-	(1.3)	3.2	-	-	-	1.9
Share buy-back (net of costs)		(127.1)	-	-	-	-	-	(127.1)
		(124.5)	(1.3)	7.5	-	-	(133.9)	(252.2)
Balance at 31 December 2022		6,310.5	15.7	22.7	27.7	-	1,677.1	8,053.7

* See note 2(b) for details regarding the restatement as a result of a change in accounting policy.

FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended		31 December 2022	31 December 2021 Restated*
	Notes	\$M	\$M
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,921.3	1,822.8
Payments to suppliers and employees (inclusive of GST)		(1,292.0)	(1,110.3)
Payment for merger and acquisition related costs		(157.6)	(4.0)
Interest received		7.9	0.7
Interest paid		(10.3)	(5.7)
Income taxes refunded/(paid)		1.4	(59.2)
Net cash inflow from operating activities		470.7	644.3
Cash flows from investing activities			
Payments for property, plant and equipment		(145.3)	(160.9)
Payments for exploration and evaluation		(74.2)	(56.0)
Payments for mine properties		(329.2)	(254.3)
Payments for investments, net of receipts from investments sold		(1.8)	(170.2)
Proceeds from disposal of assets		1.4	-
Proceeds from disposal of business		-	401.9
Payments for asset acquisitions, net of cash acquired		-	(15.0)
Payments for acquisition of business and associated assets, net of cash acquired	17	-	(98.0)
Other		-	12
Net cash outflow from investing activities		(549.1)	(340.5)
Cash flows from financing activities			
Payments from issues of shares and other equity securities		(6.3)	(17.5)
Proceeds from borrowings		300.0	300.0
Repayment of borrowings		(50.0)	(661.3)
Repayments of equipment financing and leases		(74.3)	(65.0)
Dividends paid to Company's shareholders	15	(131.6)	(107.3)
Payments to share buy back		(127.1)	-
Net cash outflow from financing activities		(89.3)	(551.1)
Net (decrease) in cash and cash equivalents		(167.7)	(247.3)
Cash and cash equivalents at the beginning of the financial period		571.1	772.0
Effects of exchange rate changes on cash and cash equivalents		6.1	3.0
Cash and cash equivalents at end of period		409.5	527.7

* See note 2(b) for details regarding the restatement as a result of a change in accounting policy.

NOTES TO THE FINANCIAL STATEMENTS

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NOTES TO THE FINANCIAL STATEMENTS

1. Corporate Information

The financial report of Northern Star Resources Ltd (referred to as 'Northern Star', the 'Company', or the 'Group') for the half-year ended 31 December 2022 was authorised for issue in accordance with a resolution of the Directors on 20 February 2023. Northern Star is a for-profit Company limited by shares, incorporated and domiciled in Australia where shares are publicly traded.

2. Basis of Preparation of Half-Year Report

These condensed consolidated interim financial statements for the half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with International Financing Reporting Standard IAS 34 Interim Financial Reporting.

These condensed consolidated interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by Northern Star during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period with the exception of the policy described in (b) below.

(a) New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards with the exception of the policy described in (b) below.

(b) Australian Accounting Standards Board amendment

The Australian Accounting Standards Board issued an amendment to AASB 116 Property, Plant and Equipment in October 2019 agreeing that the amendments should apply to reporting periods on or after 1 January 2022, which for the Group is 1 July 2022. The amendment requires entities to apply the amendments retrospectively, but only to items of Property, Plant and Equipment made available for use on or after the beginning of the earliest period presented in the financial statements.

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment any sales proceeds earned from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead such sales proceeds must be recognised in profit or loss.

The Group's accounting policy has historically been to capitalise the revenue and costs against the mine properties balance in the consolidated statement of financial position. The Group has adopted the amendment in the year ending 30 June 2023 and updated its accounting policy to address this with the final sentence in the paragraph below, being added to the Mine Development accounting policy.

Expenditure incurred in constructing a mine by, or on behalf of, the Group is accumulated separately for each area of interest in which economically recoverable Reserves and Resources have been identified. This expenditure for example includes direct costs of construction, drilling costs and removal of overburden to gain access to the ore, borrowing costs capitalised during construction and appropriate allocation of attributable overheads. Further, any revenue generated during the pre-production phase of mining is recorded in profit and loss as revenue with appropriate costs of production allocated and charged to profit or loss.

The change in accounting policy has resulted in a retrospective reclassification of certain elements of previously capitalised assets to revenue and costs in the Consolidated Statement of Profit or Loss and Comprehensive Income, impacting both the current and prior periods. Prior period revenue and costs of sales in the Consolidated Statement of Profit and Loss to 31 December 2021 has been adjusted upwards by \$57.6 million and \$35.3 million respectively with a corresponding net increase

NOTES TO THE FINANCIAL STATEMENTS

BASIS OF PREPARATION OF HALF-YEAR REPORT (continued)

(b) Australian Accounting Standards Board amendment (continued)

to Mine Properties in the Consolidated Statement of Financial Position. Given the timing of the mining activity not occurring on a straight line basis across the year, the full prior period impact to revenue and costs which will be recorded in FY23 Annual Report is expected to be \$70.9 million and \$38.9 million respectively with a net impact on Mine Properties of \$31.9 million. The change in policy has been applied retrospectively and comparative information has been restated with the opening balance comparative adjustment on 1 July 2021 being a \$14.0 million increase to mine properties, \$4.2 million increase in deferred tax liability and \$9.8 million impact to retained earnings. This had the following impact on the amounts recognised in the financial statements:

Condensed Consolidated Statement of Financial Position (extract)

	30 June 2022	Movement	30 June 2022 Restated	30 June 2021	Movement	1 July 2021 Restated
	\$M	\$M	\$M	\$M	\$M	\$M
Mine Properties	6,319.8	45.9	6,365.7	6,684.1	14.0	6,698.1
Deferred Tax Liability	(1,094.2)	(13.8)	(1,108.0)	(925.3)	(4.2)	(929.5)
Net Assets	8,214.9	32.1	8,247.0	7,978.5	9.8	7,988.3
Retained Earnings	1,731.2	32.1	1,763.3	1,528.5	9.8	1,538.3
Total Equity	8,214.9	32.1	8,247.0	7,978.5	9.8	7,988.3

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (extract)

	Half-year ended 31 December 2021	Movement	Half-year ended 31 December 2021 Restated
	\$M	\$M	\$M
Revenue	1,807.1	57.6	1,864.7
Cost of Sales	(1,572.7)	(35.3)	(1,608.0)
Profit before income tax	398.4	22.3	420.7
Income tax expense	(137.2)	(6.7)	(143.9)
Profit for the period	261.2	15.6	276.8

Condensed Consolidated Statement of Changes in Equity (extract)

	Retained Earnings \$M	Movement \$M	Retained Earnings Restated \$M
Balance at 1 July 2021	1,528.5	-	1,528.5
Prior period adjustment – change in accounting policy	-	9.8	9.8
Restated retained earnings at 01 July 2021	1,528.5	9.8	1,538.3
Profit for the period (restated)	261.2	15.6	276.8
Total comprehensive income for the period	261.2	15.6	276.8
Dividends	(110.5)	-	(110.5)
Balance as at 31 December 2021	1,679.3	25.4	1,704.7

NOTES TO THE FINANCIAL STATEMENTS

(b) Australian Accounting Standards Board amendment (continued)	Retained Earnings	Movement	Retained Earnings Restated
	\$M	\$M	\$M
Balance at 1 July 2022	1,731.2	-	1,731.2
Prior period adjustment - change in accounting policy	-	32.1	32.1
Restated total equity at 1 July 2022	1,731.2	32.1	1,763.3

Condensed Consolidated Statement of Cashflows (extract)

	Half-year ended 31 December 2021	Movement	Half-year ended 31 December 2021 Restated
	\$M	\$M	\$M
Cashflow from operating activities			
Receipts from customers (inclusive of GST)	1,765.2	57.6	1,822.8
Payments to suppliers and employees	(1,075.0)	(35.3)	(1,110.3)
Net cash inflow from operating activities	622.0	22.3	644.3
Cashflow from investing activities			
Payments for mine properties	(232.0)	(22.3)	(254.3)
Net cash outflow from investing activities	(318.2)	(22.3)	(340.5)

Basic and diluted earnings per share for the prior year have also been restated, with an increase of 1.37 cents and 1.33 cents per share respectively for the half year ended 31 December 2021.

3. Segment Information

(a) Description of segments and principal activities

The Group's Executive Committee consisting of the Managing Director and Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Chief Technical Officer and Chief Geological Officer examine the Group's performance and have identified seven operating segments relating to the operations of the business:

- 1) KCGM, WA Australia - Mining and processing of gold
- 2) Kalgoorlie Operations, WA Australia - Mining and processing of gold
- 3) Carosue Dam, WA Australia - Mining and processing of gold
- 4) Pogo, Alaska USA - Mining and processing of gold
- 5) Jundee, WA Australia - Mining and processing of gold
- 6) Thunderbox, WA Australia and Bronzewing, WA Australia - Mining and processing of gold
- 7) Exploration - Exploration and evaluation of gold mineralisation

The Executive Committee has determined the Group to have seven operating segments (Kalgoorlie Operations, Jundee, Pogo, KCGM, Thunderbox & Bronzewing, Carosue Dam and Exploration). As in the prior year, Kanowna Belle and South Kalgoorlie is considered as one and has been presented as one reporting segment (Kalgoorlie Operations). The East Kundana JV and Millennium operations were sold in the prior period. Refer to note 18(b) of this report for more detail. The Exploration segment for the year ended 30 June 2022 included Paulsens, Western Tanami, Tanami, Talisman, Bundarra and the Bronzewing project. The Paulsens and Western Tanami projects were sold in the prior period. Refer to note 18(a) of this Report for more detail. Where related exploration assets are transferred to mine properties from the exploration segment in the future, these will be incorporated into the relevant operating segment. In the current period, Bronzewing operations have been included in the Thunderbox operating segment.

NOTES TO THE FINANCIAL STATEMENTS

Exploration comprises all projects in the exploration and evaluation phase of the Group, including regional prospects as well as ongoing exploration programmes at the Group's respective sites.

An analysis of segment revenue is presented in note 4.

(b) Segment results

The segment information for the half-year ended 31 December 2022 is as follows:

31 December 2022	Kalgoorlie		Carosue		Pogo	Jundee	Thunderbox	Exploration	Total
	KCGM Operations	Operations	Dam	Operations					
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Segment net operating profit (loss)									
before income tax	24.0	15.0	(42.2)	(10.3)	158.3	(12.0)	(19.8)	113.0	
Depreciation and amortisation	130.5	45.5	146.5	73.0	46.0	87.9	-	529.4	
Impairment	-	-	-	-	-	-	19.0	19.0	
Finance costs	7.7	1.8	1.3	1.9	1.5	1.9	0.1	16.2	
Segment EBITDA	162.2	62.3	105.6	64.6	205.8	77.8	(0.7)	677.6	

31 December 2021	Kalgoorlie		Carosue		Pogo	Jundee	Thunderbox	Exploration	Total
	KCGM Operations	Operations	Dam	Operations					
	Restated*	Restated*	Restated*	Restated*	Restated*	Restated*	Restated*	Restated*	
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	
Segment net operating profit (loss)									
before income tax	31.3	50.3	5.7	(8.8)	139.0	29.1	(18.8)	227.8	
Depreciation and amortisation	175.7	52.4	132.8	53.1	60.0	40.0	0.8	514.8	
Impairment	-	-	-	-	-	-	11.7	11.7	
Finance costs	3.3	0.8	0.6	1.1	1.9	0.5	0.4	8.6	
Segment EBITDA	210.3	103.5	139.1	45.4	200.9	69.6	(5.9)	762.9	

31 December 2022	Kalgoorlie		Carosue		Pogo	Jundee	Thunderbox	Exploration	Total
	KCGM Operations	Operations	Dam	Operations					
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	
Total segment assets	5,326.1	193.4	1,273.2	707.9	375.4	1,810.3	695.4	10,381.7	
Total segment liabilities	(598.2)	(154.3)	(139.5)	(190.0)	(149.5)	(236.1)	(3.4)	(1,471.0)	

30 June 2022	Kalgoorlie		Carosue		Pogo	Thunderbox		Exploration	Total
	KCGM Operations	Operations	Dam	Operations		Restated*	Restated*		
	Restated*	Restated*	Restated*	Restated*	Restated*	Restated*	Restated*	Restated*	
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	
Total segment assets	5,386.2	212.6	1,344.2	696.7	349.8	1,575.1	802.9	10,367.5	
Total segment liabilities	(603.8)	(155.5)	(137.9)	(196.6)	(136.6)	(192.1)	(39.0)	(1,461.5)	

NOTES TO THE FINANCIAL STATEMENTS

(c) Segment EBITDA

Segment EBITDA is a non-IFRS measure, being earnings before interest, tax, depreciation and amortisation and is calculated as follows: profit before income tax plus depreciation, amortisation, impairment and finance costs, less interest income.

Interest income, finance charges, interest expense on corporate debt and acquisition costs are not allocated to the operating segments as this type of activity is driven by the central treasury function which manages the cash position of the Group.

Segment EBITDA reconciles to profit before income tax from continuing operations for the half-year ended 31 December 2022 as follows:

	31 December 2022	31 December 2021 Restated*
	\$M	\$M
Segment EBITDA	677.6	762.9
Other income and expense	22.4	250.0
Finance costs	(24.9)	(11.9)
Corporate, technical services and projects	(42.3)	(41.0)
Share based payments	(10.2)	(6.8)
Depreciation	(181.5)	(134.0)
Amortisation	(354.1)	(382.7)
Unwind of hedgebook contract liability	2.0	-
Acquisition costs	-	(4.1)
Impairment of assets	(19.0)	(11.7)
Profit before income tax	70.0	420.7

(d) Segment assets

Segment assets are measured in the same way as in the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

Operating segments' assets are reconciled to total assets as follows:

	31 December 2022	30 June 2022 Restated*
	\$M	\$M
Segment assets	10,381.7	10,367.5
Unallocated:		
Financial assets	201.8	184.3
Cash and cash equivalents	324.1	481.3
Trade and other receivables	120.2	87.6
Current tax asset	32.1	24.0
Property, plant and equipment	44.0	32.2
Total assets as per the condensed consolidated statement of financial position	11,103.9	11,176.9

NOTES TO THE FINANCIAL STATEMENTS

(e) Segment liabilities

Operating segments' liabilities are reconciled to total liabilities as follows:

	31 December 2022 \$M	30 June 2022 Restated* \$M
Segment liabilities	(1,471.0)	(1,461.5)
Unallocated:		
Trade and other payables	(8.8)	(16.4)
Borrowings	(346.8)	(98.7)
Provisions	(9.8)	(12.3)
Provisions - other	(75.5)	(233.0)
Deferred tax (net)	(1,138.3)	(1,108.0)
Total liabilities as per the condensed consolidated statement of financial position	(3,050.2)	(2,929.9)

4. Revenue

	31 December 2022 \$M	31 December 2021 Restated* \$M
Sale of gold	1,945.2	1,858.4
Sale of silver	3.5	5.5
Toll treatment	-	0.8
Total revenue	1,948.7	1,864.7

The total of revenue, broken down by operating segment, is shown in the following table. All revenue is from external customers. No revenue is generated by the Exploration operating segment.

	KCGM	Kalgoorlie Operations	Carosue Dam	Pogo	Jundee	Thunderbox	Corporate	Total
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
2022	568.7	198.3	304.6	293.2	387.7	194.3	1.9	1,948.7
2021 Restated*	584.0	244.2	314.7	214.4	352.6	152.3	2.5	1,864.7

NOTES TO THE FINANCIAL STATEMENTS

5. Other income and expense items

	31 December 2022	31 December 2021
	\$M	\$M
Profit/(loss) on disposal of property, plant and equipment	(1.5)	0.1
Net foreign exchange gains/(losses)	2.2	5.1
Interest income	7.7	0.7
Gain on revaluation of debenture	10.7	18.2
Gain on sale of subsidiary	-	241.6
Other (i)	3.6	(16.6)
	22.7	249.1

(i) During 31 December 2021 Other included the following key one-off items in the prior period: \$19 million loss recorded due to the requirement in Accounting Standards to calculate and measure the gain or loss on settlement of pre-existing contracts as part of a business combination. The loss relates to the settlement of the power contract with KCGM that was effectively extinguished as part of the business combination to acquire Newmont Corporation's Kalgoorlie power business. Refer to note 17 for details around the transaction.

6. Expenses

(a) Cost of sales

	31 December 2022	31 December 2021
	\$M	Restated* \$M
Mining	488.8	392.4
Processing	323.8	285.9
Site services	59.4	45.1
Employee benefit expenses	276.3	235.8
Depreciation	180.5	131.6
Amortisation	354.1	382.7
Government and other royalty expense	46.9	44.0
Changes in inventory	71.4	90.5
	1,801.2	1,608.0

* - The cost of sales balances in the prior period have been impacted by the change in accounting policy as described further in note 2(b)

(b) Corporate, technical services and project services

	31 December 2022	31 December 2021
	\$M	\$M
Employee benefits	26.7	24.8
Administration and technical services	16.4	22.1
Share based payments	10.2	6.8
Depreciation	1.0	2.3
Other	2.0	1.7
	56.3	57.7

NOTES TO THE FINANCIAL STATEMENTS

(c) Impairment of assets

	31 December 2022 \$M	31 December 2021 \$M
Exploration and evaluation	19.0	11.7

(d) Finance costs

	31 December 2022 \$M	31 December 2021 \$M
Interest expense	10.3	3.8
Provisions: unwinding of discount	10.9	5.3
Finance charges	3.7	2.5
	24.9	11.6

7. Receivables and other assets

	31 December 2022			30 June 2022		
	Current \$M	Non- current \$M	Total \$M	Current \$M	Non- current \$M	Total \$M
Trade receivables	87.1	-	87.1	58.2	-	58.2
Sundry debtors	28.5	14.9	43.4	25.3	4.9	30.2
Goods and services tax receivable	22.6	-	22.6	27.4	-	27.4
Prepayments	66.3	0.6	66.9	44.1	0.7	44.8
	204.5	15.5	220.0	155.0	5.6	160.6

8. Financial assets

	31 December 2022 \$M	Consolidated entity 30 June 2022 \$M
Listed securities	21.4	15.0
Convertible Debenture (i)	180.4	169.3
	201.8	184.3

(i) On 30 November 2021, the Group entered into a convertible debenture with Osisko Mining Inc. (OSK) with a face value of C\$154.0 million (A\$168.9 million) and a final maturity date of 1 December 2025. The debenture accrues interest semi-annually at a rate of 4.75% per annum.

The debenture also carries conversion rights. The Debenture may be converted by the Group at any time after the first anniversary at a conversion price equal to C\$4.00 per share of OSK. In addition, the Debenture may also be redeemed by OSK at any time after the second anniversary for cash or shares in OSK (provided that the volume weighted average trading price of the Common Shares are not less than 125% of the Conversion Price for the twenty consecutive trading days ending five days prior to the notice of redemption).

The instrument is required to be carried at fair value through profit and loss in accordance with AASB 9 Financial Instruments. As at 31 December 2022 the instrument was remeasured to a fair value of \$180.4 million (30 June 2022: \$169.3 million).

NOTES TO THE FINANCIAL STATEMENTS

9. Inventories

	31 December 2022 \$M	30 June 2022 \$M
Current assets		
Consumable stores	137.3	116.4
Ore stockpiles	407.7	432.3
Gold in circuit	123.0	129.1
Finished goods - dore	-	1.4
	668.0	679.2
Non-current assets		
Ore stockpiles	233.1	264.3

Ore stockpiles which are not expected to be processed in the 12 months after the reporting date are classified as non-current inventory. There is a reasonable expectation that the processing of these stockpiles will have a future economic benefit to the Group and accordingly the value of these stockpiles is the lower of cost and net realisable value. The non-current ore stockpiles represent the stockpiles held at KCGM (\$183.0 million), Thunderbox (\$7.4 million), Jundee (\$14.0 million) and Carosue Dam (\$28.7 million), that are not expected to be processed in the 12 months following balance date. The determination of the current and non-current portion of ore stockpiles includes the use of estimates and judgements about when ore stockpile drawdowns for processing will occur. These estimates and judgements are based on current forecasts and mine plans.

10. Exploration and evaluation assets

	31 December 2022 \$M	30 June 2022 \$M
Opening balance 1 July	653.5	609.3
Expenditure for the period	69.3	120.5
Acquired as part of asset acquisition (i)	-	15.0
Transfer to mine properties	(33.9)	(44.4)
Exchange Differences	1.3	5.5
Impairment (ii)	(19.0)	(52.4)
	671.2	653.5

(i) Acquisitions

In the prior period, the Company paid \$15 million to Tanami Gold NL for an additional 10% joint venture interest. Following the payment, a 50/50 joint venture covering the Central Tanami Project in the Northern Territory was completed.

(ii) Impairment

At each reporting date, the Group undertakes an assessment of the carrying amount of its exploration and evaluation assets. During the period the Group identified indicators of impairment on certain exploration and evaluation assets under AASB 6 Exploration and Evaluation of Mineral Resources. As a result of this review, an impairment loss of \$19.0 million (30 June 22: \$52.4 million) has been recognised in the statement of profit or loss and other comprehensive income in relation to areas of interest where no future exploration and evaluation activities are expected.

NOTES TO THE FINANCIAL STATEMENTS

11. Mine properties

	31 December 2022	30 June 2022 Restated*
	\$M	\$M
Opening balance at 1 July	6,365.7	6,698.1
Expenditure for the period	326.2	500.9
Changes in rehabilitation provision estimates	-	(125.0)
Transfer from exploration and evaluation	33.9	44.4
Amortisation	(350.2)	(805.8)
Exchange differences	2.7	21.2
Other	(2.1)	-
Impact of changes in accounting standards (refer note 2(b))	-	31.9
	6,376.2	6,365.7

12. Borrowings

	31 December 2022			30 June 2022		
	Current	Non- current	Total	Current	Non- current	Total
	\$M	\$M	\$M	\$M	\$M	\$M
Bank loans	-	348.0	348.0	-	97.5	97.5
Secured asset financing	83.1	214.1	297.2	70.3	200.4	270.7
Total borrowings	83.1	562.1	645.2	70.3	297.9	368.2

The Group has all of its drawn revolving credit facility within non-current bank loans as it is not expected that this amount will be repaid within the following 12 months. At the end of the reporting period, the Group had \$650 million (June 2022: \$338 million) undrawn on its revolving credit facility.

13. Provisions

	31 December 2022			30 June 2022		
	Current	Non- current	Total	Current	Non- current	Total
	\$M	\$M	\$M	\$M	\$M	\$M
Employee entitlements	82.5	4.2	86.7	84.4	3.2	87.6
Rehabilitation	-	663.8	663.8	-	651.5	651.5
Other (i)	73.5	-	73.5	231.8	-	231.8
	156.0	668.0	824.0	316.2	654.7	970.9

(i) Other provisions includes estimates of stamp duty payable on the completion of past transactions. The stamp duty provision at 31 December 2022 is \$73.5 million (30 June 2022: \$231.1 million) which has reduced following the payment of an interim stamp duty amount during the period (\$157.6 million).

NOTES TO THE FINANCIAL STATEMENTS

14. Share Capital

	31 December 2022 Shares	30 June 2022 Shares	31 December 2022 \$M	30 June 2022 \$M
Ordinary shares Fully paid	1,149,945,460	1,165,126,222	6,310.5	6,435.0

(a) *Movements in ordinary shares:*

Details	Number of shares	Total \$M
Opening balance 1 July 2021	1,163,686,519	6,435.1
Issue of shares on vesting of options/performance rights (i)	565,581	9.3
Dividend reinvestment plan net of transaction costs	874,122	8.8
Share Capital 30 June 2022	1,165,126,222	6,453.2
Shares bought back on-market and cancelled net of costs	(15,485,739)	(127.1)
Dividend reinvestment plan net of transaction costs	304,977	2.3
	1,149,945,460	6,328.5
Closing treasury shares (ii)	(1,756,942)	(18.0)
Share Capital 31 December 2022	1,148,188,518	6,310.5

(i) In the prior year, 279,528 FY19 Performance Rights granted in July 2018 and 286,053 FY21 STI Performance Rights granted in October and December 2020 vested after their respective performance periods. These had been awarded to Directors, Key Management Personnel and other senior employees. As a result, 565,581 fully paid ordinary shares were issued on vesting of the rights.

(ii) During the period, the Company acquired 884,119 NST shares, of which 1,756,942 remain and will be held in the Group's Employee Share Trust. These treasury shares represent shares purchased and held by the Group's Employee Share Trust Trustee in anticipation of future vesting and exercise of Performance Rights.

NOTES TO THE FINANCIAL STATEMENTS

15. Dividends

(a) Ordinary Shares

	31 December 2022 \$M	31 December 2021 \$M
Final ordinary fully franked dividend of 11.5 cents (FY21: 9.5 cents) per fully paid ordinary share paid on 29 September 2022 (FY21: 29 September 2021)	133.9	110.5

(b) Dividends not recognised at the end of the reporting period

In addition to the above dividends, since the end of the financial period the Directors have recommended the payment of an interim dividend of 11 cents per fully paid ordinary share (FY21: 10 cents) as at 31 December 2022, fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 29 March 2023 (FY21: 29 March 2022) out of retained earnings at 31 December 2022, but not recognised as a liability at the end of the financial period, is:

	31 December 2022 \$M	31 December 2021 \$M
	126.5	116.4

(c) Franking Credits

At 31 December 2022 the value of franking credits available was \$77.7 million (30 June 2022: \$135.1 million). Following the expected refunds of prior period income taxes, and payment of the fully franked interim dividend, the available franking credits will reduce to \$3.1 million. The Company does not expect to generate franking credits for at least 18 months due to tax synergies arising upon the Merger with Saracen Mineral Holdings Limited temporarily reducing the Company's taxable income.

16. Commitments

(a) Gold delivery commitment

Australian dollar gold delivery commitments as at 31 December 2022 were as follows:

	Gold for physical delivery (Ounces)	Weighted average contracted sales price (A\$)	Value of committed sales (A\$M)
Within one year	424,000	2,510	1,064
Later than one year but not later than five years	859,999	2,753	2,368
Total	1,283,999	2,673	3,432

There were no US dollar gold delivery commitments as at 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS

17. Business Combination

There were no business combinations for the half-year ended 31 December 2022.

(a) Prior period

On 23 November 2021, NST announced that it had agreed to acquire Newmont's Power business from Newmont Corporation's Australian subsidiary, Newmont Australia, for US\$95M. As part of NST's purchase of 50 per cent of KCGM on 1 January 2020, NST paid US\$25M for an option to buy the Newmont Power Business.

The 110MW Parkeston Power Station and associated infrastructure primarily provides electricity security to KCGM. Parkeston also supplies electricity to the Kalgoorlie area through its connection to the South-West Interconnected System. The plant has a history of continuous reliable generation.

The transaction was completed on 1 December 2021. The cost of the US\$25M option was deducted from the final purchase price, with US\$70M paid at completion.

	\$M
Purchase consideration	
Original option fee paid (US\$25M)	36.4
Expense Transitional Services Fee (US\$2.5M)	(3.6)
Cash Paid on Settlement (US\$70M)	98.0
Total purchase consideration	130.7
Net identifiable assets acquired	13.9
Trade and other receivables	
Property, plant and equipment	43.1
Intangible assets	87.5
Trade and other payables	(7.2)
Deferred tax liability	(26.5)
Net identifiable assets acquired	110.8
Less: loss on extinguishment of KCGM contract (i)	(19.4)
Net assets acquired	130.2

(i) As required by Accounting Standards, a \$19.4 million loss was recorded on settlement of a pre-existing power purchase agreement between the acquired business and KCGM.

The following key estimates and judgements were required as part of the acquisition accounting for the power business:

Property, plant and equipment - the valuation of these assets involved use of, amongst other factors, publicly available historical capital unit costs, industry benchmarks, producer price index factors, current replacement/reproduction costs, useful life assumptions, residual values and site inspections to determine current asset conditions and utilisation.

Intangible assets - the valuation of these assets involved use of, amongst other factors, grid reliability assumptions and various costs assumptions including of backup power station costs, energy cost, network charges, capex costs, balancing costs, demand charges, transmission costs, instillation costs and discount factors.

Deferred tax liability - the recognition of deferred tax liabilities is directly associated with the determination of both initial accounting values and the determination and allocation of tax bases on entry into the Group's tax consolidated group. The balance reflects the non-deductibility for tax purposes of the intangible assets.

Revenue and profit contribution

The power business does not generate revenue, given its purpose to provide electricity security to KCGM.

Acquisition related costs

Acquisition related costs of \$0 (FY21:\$2.8 million) are included in acquisition and integration expense in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

18. Sale of business

There were no sales of businesses for the half-year ended 31 December 2022.

(a) Paulsens and Western Tanami

On 13 April 2022, the Company announced it had entered into a binding agreement to sell the Paulsens Gold Operations and Western Tanami Gold Project to Black Cat Syndicate ("BCS").

The transaction was completed on 15 June 2022.

Sale Consideration	\$M
Cash	14.5
Issue of Shares	2.9
Cash receivable	15.0
Contingent consideration	5.0
Carrying amount of net liabilities disposed of	18.7
	<u>56.1</u>

	Fair Value \$M
Trade and other receivables	0.4
Inventories	0.1
Property, plant and equipment	0.7
Exploration and evaluation assets	2.2
Trade and other payables	(0.2)
Provision for rehabilitation	(21.9)
	<u>(18.7)</u>

NOTES TO THE FINANCIAL STATEMENTS

18. Sale of business (continued)

(b) Kundana Assets

On 22 July 2021, the Group announced that it had entered a binding agreement to sell the Kundana Assets to Evolution Mining Ltd. The associated assets and liabilities were consequently presented as held for sale in the year end June 21 financial statements.

The sale was completed on 18 August 2021.

Sale Consideration	\$M
Cash	401.9
Carrying amount of net assets disposed of	(160.0)
Total purchase consideration	241.9

	Fair Value \$M
Cash and cash equivalents	2.0
Trade and other receivables	4.0
Inventories	13.0
Property, plant and equipment	39.0
Exploration and evaluation assets	44.0
Mine Properties	110.0
Trade and other payables	(12.0)
Provisions - other	(34.0)
Provision for rehabilitation	(6.0)
	160.0

19. Events occurring after the reporting period

Subsequent to the period end, the Company announced an interim fully franked dividend of 11 cents per share to shareholders on the record date of 8 March 2023, payable on 29 March 2023.

There are no other matters or circumstances that have arisen since 31 December 2022 that have or may significantly affect the operations, results, or state of affairs of the Company in future financial years.

DIRECTORS' DECLARATION

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 11 to 26 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year on that date, and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (c) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

This declaration is made in accordance with a resolution of the Directors in accordance with sections 303(4) and (5) of the *Corporations Act 2001*.



MICHAEL CHANEY, AO
Chairman
Perth, Western Australia

19 February 2023

INDEPENDENT AUDITOR'S REPORT



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Independent Auditor's Review Report to the members of Northern Star Resources Limited

Conclusion

We have reviewed the half-year financial report of Northern Star Resources Limited (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2022, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 11 to 31.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibilities for the Half-year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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INDEPENDENT AUDITOR'S REPORT

Deloitte.

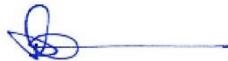
Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



D K Andrews
Partner
Chartered Accountants
Perth, 19 February 2023