

Northern Star Resources AGM Report

ASX Code	NST
Meeting Date	Wednesday, 16 November 2022
Type of meeting	Hybrid
Monitors	David Brooke assisted by Leanne Harrison
Pre-AGM meeting	Yes with Chair Michael Chaney and General Counsel Hilary McDonald

Meeting Statistics

Number attendees at meeting	71 shareholders and visitors
Number of holdings represented by ASA	87
Value of proxies	A\$5.15m
Number of shares represented by ASA	521,963
Market capitalisation	A\$11.53Bn
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes, with Chairman Michael Chaney, Secretary (Hilary MacDonald) and Investor Relations

Prior to the meeting the company answered (in writing) several questions put by the ASA which left only one issue on the formal motions which concerned retention shares envisaged for KMP (resolution 4). In addition, the ASA had several technical questions on company performance to be directed to the CEO.

Immediately prior to the start of the meeting the chairman (Michael Chaney) had a private discussion with the ASA monitor which set out that he would be unable to answer ASA questions

on retentions payments (as notified to the company) due to the answers being of an internally sensitive nature.

A transcript of the Chairman’s introduction and slides from the CEO presentation are on the company’s web site [HERE](#).

The Chairman gave a summary of the various challenges facing the company during FY22 due to Covid 19 restrictions, absenteeism from infections and inflation. The Chairman also explained that the board felt that the announced A\$300 million share buy-back was judged to be the best use of current funds and to build good-will for the eventuation of the need for future funds towards Northern Star’s goal of exploiting high quality assets, a strong balance sheet and a highly skilled workforce. The Chairman felt that the short-term movement of the share price has been sentiment driven, whilst the board maintained a long-term focus.

The CEO (Stuart Tonkin) then spoke of having 3 -5 productions centres producing 1.8 – 2.2 Moz oz by 2026 with 20+ year mine life with the goal of a simpler, sustainable business. The CEO explained that although Pogo had reduction in production during the last quarter, he expected to attain the year production target as forecasted. The CEO then immediately passed the meeting back to the Chairman thus avoiding questions.

The Chairman set out each motion for business; stating that he intended to vote all open proxies in favour of the motions. Proxies held by the Chairman were displayed prior to each motion being put. At each motion the Chairman allowed questions relevant to each formal motion. Questions were largely presented by Stephen Mayne (ex ASA board) to the formal motions.

Voting outcomes were:

Resolution	For (%)	Against (%)
1. Adoption of Remuneration Report	95.75%	4.24%
2. Approval of issue of 467,675 LTI Performance Rights (for measurement on 30 June 2026) to Managing Director & Chief Executive Officer, Stuart Tonkin	98.47%	1.53%
3. Approval of issue of 233,837 STI Performance Rights (for measurement on 30 June 2023) to Managing Director & Chief Executive Officer, Stuart Tonkin	98.18%	1.82%
4. Approval of issue of 230,000 Conditional Retention Rights to Managing Director & Chief Executive Officer, Stuart Tonkin	91.13%	8.87%
5. Approval of issue of 1,689 Dividend Equivalent vested Performance Rights to Managing Director & Chief Executive Officer, Stuart Tonkin	98.9%	1.1%
6. Re-election of Director – Michael Chaney AO	99.05%	0.95%
7. Re-election of Director –Nick Cernotta	89.5%	10.5%
8. Re-election of Director –John Richards	99.18%	0.82%
9. Election of Director –Marnie Finlayson	99.78%	0.22%

The Chairman responded to questions raised as below:

1. Q: Why the increase in resolutions about Stuart Tonkin's remuneration?
A: Necessary to comply with the Corporation Act
2. Q: Is the number of board members adequate?
A: There are 8 on the board, including Stuart Tonkin. The Chairman felt eight was the ideal number to collaborate. NST had an external review to work out the skills that were needed for the board and the board were selected using this skills review
3. Q: What about including board members with overseas experience or an indigenous board member? (
A: Several of the board have overseas experience. Mr Chaney would be delighted to include an indigenous board member with the needed skills.

The formal AGM meeting closed at 3pm.

After the formal meeting the ASA had informal discussions with director (Nick Cernotta) and the Chief Operating Officer (Simon Jessop) with the following outcomes:

1. Nick Cernotta
 - a. Considered the substantial vote (10.5%) against his re-election was due to his other commitments – he contested that this had any significant impact (the ASA monitor has known Nick Cernotta over prior years and considers him a valuable board member)
 - b. When put to him that the ambitious NST FY/26 production target of 1.8 to 2moz/yr was less important than running a profitable company he agreed and emphasised that ambitious future capex would receive a lot of scrutiny from the board.
2. Simon Jessop:
 - a. Agreed with the CEO that the Q1/FY23 51kcozs production at Pogo was an anomaly and re-asserted annual guidance of 260kcozs for this mine and asserted that a large increase in production was envisaged for 2H/FY23 despite the onset of an Alaskan winter the impact of which he claimed was now well understood.
 - b. That the FY/26 target of 1.8Mozs to 2.2Mozs was viable even though plans announced for KCGM only added 100kcozs/yr to 200kcozs/yr and their Kunduna assets had been sold during FY22. He claimed that 20 options for expanding KCGM were considered which were now reduced to 3 options with possible capex of up to \$1.4M. He said that they were likely to stay with fine grinding as the processing option since they considered other technologies (e.g. pressure oxidation) to be too expensive. He accepted that FY/22 KCGM recovery of 82% was too low. Like Nick Cernotta he said that the board would be subjecting growth option capex to extensive scrutiny and that further information was unlikely until well into CY2023.
 - c. KCGM expansion was likely to process written off lower grade stockpiles which could be written back in to produce cash since the cost of mining these stockpiles had already been paid.