



## Northen Star Resources AGM Report 2023

<b>ASX Code</b>	NST
<b>Meeting Date</b>	Thursday, 16 November 2023
<b>Type of Meeting</b>	Hybrid
<b>Monitor</b>	David Brooke assisted by Leanne Harrison
<b>Pre AGM Meeting</b>	Yes with Chairman (Micheal Chaney) & Secretary (Hilary MacDonald)

<b>Number of holdings represented by ASA</b>	78
<b>Number of shares represented by ASA</b>	503,783
<b>Value of shares represented by ASA</b>	A\$5.702m
<b>Number attendees at meeting</b>	50 in person & 108 online
<b>Market capitalisation</b>	A\$13.5Bn
<b>ASA Open proxies voted</b>	503,783 voted as set out in the VI's and below

The chairman's address and the subsequent presentation by the CEO are available at <https://www.nsrld.com/investor-and-media/asx-announcements/2023/november/chairman-s-agm-address-managing-director-s-pre-1>

The chairman then went on to put each motion contained in the notice of meeting and requested that questions should be appropriate to each motion. The only questions were put by ASA (the company was given prior notice of these questions – although not all were put to the meeting). Those put to the meeting were:

### Motion 1 – FY23 Reports and accounts

Q: ASA has been informed that the company provided a \$250,000 donation to the voice “yes” campaign; why was this not disclosed?

A: (Michael Chaney deferred the answer to the CEO – due to a conflict of interest); The company has numerous interactions with aboriginal groups and considered that as such a donation to the “yes” campaign was in the interests of shareholders. The chairman excused himself from this board decision. Disclosure will be made in accordance with legislation.

### Motion 2 (Resolution 1) – Acceptance of the Remuneration report

Q: The ASA noted that the company's current LTI's contained a “retention rights” component. With the current improvement in the employment situation in WA is it the intention for the company to continue with this practice in the FY24 LTI's.

A: No

Q: The company has approved \$1.5Bn investment over the next 4 years to expand KCGM processing capacity to 27Mt/yr. Simultaneously the company took on US\$600m debt to fund this expansion. In the event during FY23 the company invested \$127m to buy back its own shares which has significantly increased the NST share price and resulted in FY21 LTI's fully vesting. In view of the company's upcoming need for capital why did the company consider this was a prudent use of funds?

A: The company considers it has adequate funds for its planned investments and that the use of some of the debt to purchase its own shares was good capital management.

Motions 4/5 (resolutions 3/4) – CEO's performance rights

Q: The ASA notes that the company just scraped within the lower bound of FY23 production and cost guidance and that consistently rising costs have been a pattern over the last few years. To meet the company's aspirational target of 2mozs/yr by FY26 this history will need to significantly improve. In this context the CEO's LTI's hurdles appeared to be too lax and the ASA considered that targets need to be more challenging.

A: The company consider that LTI hurdles are appropriately set and are confident of achieving upcoming targets.

All motions passed with significant majorities.

The formal AGM meeting closed at 3pm.

After the formal meeting the ASA had informal discussions with director (Nick Cernotta) with the with the following outcome:

Issue: After the FY22 AGM Nick Cernotta told ASA that he would be fully scrutinising planned investment at KCGM from a sceptical standpoint. ASA notes that since the KCGM takeover in FY20 that 41% of feedstock came from written off stockpiles (A\$473m) which had now been written back. This appeared to be problematic, since the stockpile contents had reduced over this period and that in the future (to achieve 600kcozs/yr) production would need to be forthcoming from fresh (higher grade) ore that incurred additional mining costs (i.e stockpiled ore does not incur mining/haulage cost). These mining/haulage cost increase do not appear to be reflected in forecasts.

Nick Cernotta initially claimed that different stockpiles had been used since FY20. ASA pointed out that the FY23 annual report only showed one stockpile for KCGM. Nick Cernotta noted this dichotomy and said he would provide a more qualified answer to the issue.

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