

Appendix 5B

Mining exploration entity quarterly report

Name of entity

NORTHERN STAR RESOURCES LTD

ABN

43 092 832 892

Quarter ended ("current quarter")

31 December 2004

Consolidated statement of cash flows

| | Current Quarter \$A'000 | Year to date (6 Months) \$A'000 |
|---|----------------------------|---------------------------------------|
| Cash flows related to operating activities | | |
| 1.1 Receipts from product sales and related debtors | - | - |
| 1.2 Payments for | | |
| (a) exploration and evaluation | (498) | (897) |
| (b) development | - | - |
| (c) production | - | - |
| (d) administration | (194) | (255) |
| 1.3 Dividends received | - | - |
| 1.4 Interest and other items of a similar nature received | 58 | 109 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Other (provide details if material) | - | - |
| Net operating cash flows | (634) | (1043) |
| Cash flows related to investing activities | | |
| 1.8 Payment for purchases of | | |
| (a) prospects | - | - |
| (b) equity investments | - | - |
| (c) other fixed assets | - | - |
| 1.9 Proceeds from sale of | | |
| (a) prospects | - | - |
| (b) equity investments | - | - |
| (c) other fixed assets | - | - |
| 1.10 Loans to other entities | - | - |
| 1.11 Loans repaid by other entities | - | - |
| 1.12 Other (provide details if material) | - | - |
| Net investing cash flows | - | - |
| 1.13 Total operating and investing cash flows (carried forward) | (634) | (1043) |

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| | | | |
|------|--|-------|--------|
| 1.13 | Total operating and investing cash flows (brought forward) | (634) | (1043) |
| | Cash flows related to financing activities | | |
| 1.14 | Proceeds from issues of shares, options, etc. | - | - |
| 1.15 | Proceeds from sale of forfeited shares | - | - |
| 1.16 | Proceeds from borrowings | - | - |
| 1.17 | Repayment of borrowings | - | - |
| 1.18 | Dividends paid | - | - |
| 1.19 | Other – costs of issues | - | - |
| | Net Financing Cash Flows | - | - |
| | Net increase (decrease) in cash held | (634) | (1043) |
| 1.20 | Cash at beginning of quarter/year to date | 4170 | 4579 |
| 1.21 | Exchange rate adjustments to Item 1.20 | - | - |
| 1.22 | Cash at end of quarter | 3536 | 3536 |

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

| | | Current quarter \$A'000 |
|------|--|----------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 92 |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10 | - |

Explanation necessary for an understanding of the transactions

| | |
|---|--------|
| Payments to directors or director related entities for: | \$000s |
| Executive director's salary & statutory superannuation | 37 |
| Non executive directors' fees & statutory superannuation | 35 |
| Disbursements for office services paid to a company in which non-executive directors have an interest | 20 |

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

add notes as necessary for an understanding of the position

| | Amount available \$A'000 | Amount used \$A'000 |
|---------------------------------|-----------------------------|------------------------|
| 3.1 Loan facilities | - | - |
| 3.2 Credit standby arrangements | - | - |

Estimated cash outlays for next quarter

| | \$A'000 |
|--------------------------------|---------|
| 4.1 Exploration and evaluation | 350 |
| 4.2 Development | - |
| TOTAL | 350 |

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the statement of cash flows) to the related items in the accounts is follows.

| | Current Quarter \$A'000 | Previous Quarter \$A'000 |
|--|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank | 39 | 361 |
| 5.2 Deposits at call | 3497 | 3809 |
| 5.3 Bank overdraft | | |
| 5.4 Other (provide details if material) | - | - |
| Total: cash at end of quarter (item 1.22) | 3536 | 4170 |

Changes in interests in mining tenements - *See attached tenement schedule for details*

| | Tenement Reference | Nature of Interest [note (2)] | Interest at Beginning of Quarter | Interest at End of Quarter |
|-----|--------------------|---|----------------------------------|----------------------------|
| 6.1 | | Interests in mining tenements relinquished, reduced or lapsed | | |
| 6.2 | E80/3396 | Application | 0% | 100% |
| | E80/3397 | Application | 0% | 100% |
| | E80/3399 | Application | 0% | 100% |
| | E80/3401 | Application | 0% | 100% |

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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates

| | Total number | Number quoted | Issue price per security (see note 3) (cents) | Amount paid up per security (see note 3) (cents) |
|---|--------------|---------------|---|--|
| 7.1 Preferences securities <i>(description)</i> | | | | |
| 7.2 Changes during quarter (a) increases through issues (b) decreases through returns of capital, buybacks, redemptions | | | | |
| 7.3 Ordinary securities | 51,375,002 | 32,830,002 | | |
| 7.4 Changes during quarter (a) increases through issues (b) decreases through returns of capital, buybacks | | | | |
| 7.5 Convertible debt securities | | | | |
| 7.6 Changes during quarter (a) increases through issues (b) decreases through securities matured, converted | | | | |
| 7.7 Options | | | <i>Exercise price</i> | <i>Expiry date</i> |
| <i>Unlisted options</i> | 13,375,000 | - | 25 | 17/12/2006 |
| <i>Unlisted options</i> | 5,000,000 | - | 20 | 17/12/2008 |
| 7.8 Issued during quarter <i>Unlisted options</i> | | | | |
| 7.9 Exercised during quarter | | | | |
| 7.10 Expired during quarter | | | | |
| 7.11 Debentures <i>(totals only)</i> | | | | |
| 7.12 Unsecured notes <i>(totals only)</i> | | | | |

Tenement Schedule
30 September 2004

| Tenement Number | Registered Title Holder | Registered Interest % | Other Interests | Project Name |
|------------------------|--------------------------------|------------------------------|------------------------|-----------------------|
| E80/2576 | Biscay Resources Pty Ltd | 100 | | East Kimberley Nickel |
| E80/2611 | Biscay Resources Pty Ltd | 100 | | East Kimberley Nickel |
| E80/2612 | Biscay Resources Pty Ltd | 100 | | East Kimberley Nickel |
| E80/2613 | Biscay Resources Pty Ltd | 100 | | East Kimberley Nickel |
| E80/2622 | Biscay Resources Pty Ltd | 100 | | East Kimberley Nickel |
| E80/2623 | Biscay Resources Pty Ltd | 100 | | East Kimberley Nickel |
| E80/3056 | Biscay Resources Pty Ltd | 100 | | East Kimberley Nickel |
| E80/3227 | Biscay Resources Pty Ltd | 100 | | East Kimberley Nickel |
| E80/3234 | Biscay Resources Pty Ltd | 100 | | East Kimberley Nickel |
| E80/3251 | Biscay Resources Pty Ltd | 100 | | East Kimberley Nickel |
| E80/3305 | Northern Star Resources Ltd | 100 | | East Kimberley Nickel |
| ELA80/3310 | Northern Star Resources Ltd | 100 | | East Kimberley Nickel |
| ELA80/3401 | Northern Star Resources Ltd | 100 | | East Kimberley Nickel |
| E80/2394 | Biscay Resources Pty Ltd | 100 | | Halls Creek |
| E80/2522 | Biscay Resources Pty Ltd | 100 | | Halls Creek |
| E80/2525 | Biscay Resources Pty Ltd | 100 | | Halls Creek |
| E80/2526 | Biscay Resources Pty Ltd | 100 | | Halls Creek |
| E80/2636 | Biscay Resources Pty Ltd | 100 | | Halls Creek |
| ELA80/2721 | Biscay Resources Pty Ltd | 100 | | Halls Creek |
| E80/2425 | Biscay Resources Pty Ltd | 100 | | Wilson River |
| E80/2426 | Biscay Resources Pty Ltd | 100 | | Wilson River |
| E80/2427 | Biscay Resources Pty Ltd | 100 | | Wilson River |
| ELA80/3317 | Northern Star Resources Ltd | 100 | | Wilson River |
| ELA80/3396 | Northern Star Resources Ltd | 100 | | Wilson River |
| ELA80/3397 | Northern Star Resources Ltd | 100 | | Wilson River |
| ELA80/3399 | Northern Star Resources Ltd | 100 | | Wilson River |