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Quarterly Report for the period ended 30 September 2006

HIGHLIGHTS

- Emerging epithermal gold potential of the Hunter Prospect (Dunham Project) confirmed with high-grade gold and silver values returned from rock chip sampling, including:
    - **31.73g/t Au and 14.9g/t Ag**
    - **23.47g/t Au and 14.7g/t Ag**
    - **16.05g/t Au and 3.8g/t Ag**
- Geological mapping demonstrates that quartz veining extends over an area approximately 1.5 km by 1.1 km, with a number of veins up to 500m in length.
- Assay results from the remaining RC drill holes in the Range Area returned gold/silver mineralisation from holes on the margins of the known mineralised system, with significant intercepts including:
    - WRC-044 **4m @ 0.60g/t Au and 35.2g/t Ag** from 30m
      including **1m @ 1.11 g/t Au and 63.9 g/t Ag** from32m
    - WRC-039 **2m @ 0.83g/t Au and 1.6g/t Ag** from 52m
- The majority of these holes tested epithermal quartz veins 1 km to 1.5 km to the north and 2 km to the south-west of recent high-grade intercepts.
- Further soil sampling at the Range Prospect returns highly anomalous soil gold values of up to 0.9g/t from a newly identified area of mineralisation to the south east of the recent drilling. Drilling is proposed for this area.
- Uranium potential of the Dunham Project confirmed with significant rock chip values returned from the Frog Prospect, including:
    - 0.1% $U_3 0_8$ and 0.08% $U_3 0_8$
- Initial rock chip sampling within the Antares prospect has returned up to 0.06% $U_3 0_8$.

OVERVIEW

Northern Star Resources (ASX Code: NST) has three project groups centred on Halls Creek in the largely under-explored East Kimberley region of Western Australia (Figure 1). The project groups cover an area of approximately 3,400 km^2 and are highly prospective for nickel-copper-cobalt and platinum group elements (PGE) mineralisation, gold, diamonds and base metals.

The recent drilling completed during the last quarter confirmed the prospectivity of the Company's tenements within the East Kimberley district, particularly the epithermal gold potential within its Wilson River Project Group. Initial results from the drilling at the Range Prospect have again returned high grade gold-silver values.

The Company also enjoyed success with high-grade gold and silver values returned from rock chip sampling confirming the emerging epithermal gold potential of the Hunter Prospect (Dunham Project).

For the remainder of the 2006 field season the Company proposes to undertake testing of several priority drilling targets (subject to drill rig availability). These will include follow-up drilling of the high-grade gold mineralisation intersected at the Range Prospect and base metal targets (nickel and zinc) at the Red Billabong Project.

A recent review of the Company's tenement holding highlighted a number of prospect areas that yielded highly anomalous uranium mineralisation in previous exploration. These include rock chip samples assaying 1.23% U_30_8, 0.76% U_30_8 and 0.38% U_30_8 within the Dunham Project, 0.15% U_30_8 within the Wilson River Project, and 0.157% U_30_8 from the Tunganary Project. No drilling has been conducted previously in these areas. The company continues to assess the potential of these areas to host uranium mineralisation.

Wilson River Project Group (100% NST)

The Wilson River Project Group, situated about 150 km north of Halls Creek and centred 50 km west of the Argyle diamond mine, comprises seven exploration licences (ELs) and five exploration licence applications (ELAs) covering approximately 2,230 km^2.

Together with the present ground holdings at the Wilson River, Dunham and new Tunganary projects (covering some 900 km^2 of potential host rocks) the Company is a major landholder in the East Kimberley district and is strategically well placed to take advantage of the emerging epithermal style of gold mineralisation in the region.

The silicified quartz veins at the Range and Hunter prospects are remarkably similar to those from mineralised epithermal quartz vein systems in Queensland's Drummond Basin. Examples of low sulphidation epithermal gold mineralisation in Australia are the **multi-million ounce** Pajingo-Vera-Nancy and Cracow deposits in Queensland, although these are of a younger age.

***Range Prospect**, Wilson River Project - Gold*

The Range prospect is located about 130 km due north of Halls Creek.

All assay results have now been received for the 33 holes from the 1,798m RC drilling program completed last quarter at the Range Prospect. These included some outstanding new high-grade intersections reported last quarter.

- WRC-027 **4m @ 15.06g/t Au and 7.30g/t Ag** from 21m

  including **1m @ 57.15 g/t Au and 15.70 g/t Ag** from 23m

- WRC-035 **4m @ 2.05g/t Au and 1.31g/t Ag** from 8m

  and **1m @ 2.52 g/t Au and 1.35 g/t Ag** from 15m

- WRC-030 **1m @ 3.50g/t Au and 1.80g/t Ag** from 4m

  and **1m @ 1.25 g/t Au and 2.65 g/t Ag** from 25m

The latest results include those from holes drilled 1 to 1.5 km to the north and 2 km to the south west of the high grade intercepts reported last month with significant intercepts being:

- WRC-044 **4m @ 0.60g/t Au and 35.2g/t Ag** from 30m

  including **1m @ 1.11 g/t Au and 63.9 g/t Ag** from32m

- WRC-039 **2m @ 0.83g/t Au and 1.6g/t Ag** from 52m

The receipt of further high grade results from the latest drilling is regarded as highly encouraging, following the high-grade intersections achieved in drilling programs conducted at the Range Prospect last year (including 6.15m @ 10.48g/t Au and 45.03g/t Ag, 5m @ 15.08g/t Au and 34.94g/t Ag, and 3.65m @ 2.45g/t Au and 1.23g/t Ag).

The drilling data has confirmed the mineralised nature of the structures and, as would be expected in this style of epithermal mineralisation, there is a strong shoot control. Work to determine the distribution of the high grade shoots will be ongoing.

Further soil sampling within the new area of mineralisation some 200m to the south east of the recent drilling has again returned highly anomalous soil gold values, up to 0.9g/t. The anomalous area defines a +400ppb Au zone that is 120m in strike length (Figure 2). Drilling to test this zone is proposed before the coming wet season.

Stream sediment sampling and surface rock chip sampling on veins in the wider project region are ongoing. Mapping and surface sampling will focus on bringing any new areas identified up to a drill definition stage.

***Hunter Prospect**, Dunham Project - Gold*

Northern Star recently completed a follow up program of rock chip sampling and mapping at the Hunter Prospect (Dunham Project, Figure 3). The Prospect forms part of Northern Star's Wilson River Project Group, and represents another emerging epithermal gold prospect in addition to the Company's Range Prospect, from which high-grade drilling results have been announced in recent months.

The latest assay results from rock chip sampling included best results of;

31.73g/t Au (**14.9g/t Ag**), **23.47g/t Au** (**14.7g/t Ag**) and **16.05g/t Au** (**3.8g/t Ag**).

Previous rock chip sampling of quartz veins in this area returned high-grade values including **50.65g/t Au (10.4g/t Ag), 13.85g/t Au (20.3g/t Ag), and 4.88g/t Au (3.7g/t Ag)** (Figure 4).

The latest assay results and the mapping have defined quartz veining at the Hunter prospect which extends in a north-west trend and covers an area of some 1.2 square kilometres. These quartz veins, which can be up to 500m long and 7m in width, have variable orientations, more commonly east-west or north-south. Many of the veins exhibit classic epithermal textures, including brecciation, coloform banding and bladed textures.

The character of the veining differs from that at the Company's other epithermal prospect at the Range in that the mineralisation here is in many cases accompanied by significant base metal values. These include up to 12.5ppm Te, 239ppm Bi, 685ppm Mo, 0.14% Cu and 0.8% Pb. These results indicate that the mineralisation at the Hunter is at a deeper level or has been overprinted by a "porphyry" style event.

The positive results from the recent sampling clearly justify further work, including the definition of drill targets, as well as further rock chip sampling to the north and east, as these areas have only received minor testing to date.

***Frog Prospect**, Dunham Project - Uranium*

Results from an initial field assessment of the uranium potential of the Dunham Project, initiated at the Frog Prospect, has confirmed the presence of uranium mineralisation.

A number of uranium occurrences had been identified within the Dunham Project. One of these, Frog, lies close to a major regional fault some nine kilometres in length. Recently completed spectral mapping has confirmed the presence of uranium mineralisation associated with a number of shears sub-parallel to the major structure within an area of 600m by 800m. Of the thirteen rock samples taken during the mapping program, almost half returned anomalous values. Significant values from the Frog Prospect include **0.1% $U_3 0_8$** and **0.08% $U_3 0_8$**.

The uranium mineralisation occurs on a number of shears close to where the host volcanics are overlain by sandstones and conglomerates. The Company's objective is to define high-grade uranium mineralisation associated with the shear zones and/or at the unconformity with the overlying sediments. A number of these occurrences are known within the Dunham project.

The Company plans to further investigate these occurrences and other defined radiometric anomalies from a recently completed aerial survey.

***Antares Prospect**, Wilson River Project - Uranium*

This prospect was discovered in 1973 following investigation of an anomalous airborne radiometric survey response. The Antares uranium–fluorine mineralisation occurs within a volcaniclastic succession of the Whitewater Volcanics about 100–200 m from the Greenvale Fault. Three costeans dug across the Antares anomaly in 1981 indicated a positive correlation between zones of intense jointing and radiometric response. Assay results up to 943 ppm $U_3 0_8$ were reported. Follow up work in 1990 returned rock chip sample results of up to 0.15% $U_3 0_8$, coinciding with high radiometric counts.

Recent reconnaissance by the Company has replicated the work of the previous explorers with values up to 0.06% $U_3 0_8$ returned from the initial sampling, six rock chip samples. Further work will comprise determining the strike extent of the anomalous uranium defined in the trenches. As well, airborne radiometrics identified a number of other uranium channel anomalies in the

Wilson River project area, including a large 7 km by 2 km target at Mt Remarkable within the volcanics, close to the unconformity with sandstones of the O'Donnell Formation. Very few of these targets have been subject to on-ground evaluation.

East Kimberley Nickel Project Group (100% NST)

The East Kimberley Nickel Project Group comprises six tenement holdings – Springvale, Toby, Foal Creek, Red Billabong, Castlereagh and McGowan – covering an approximate area of 1,220 km^2.

This commanding land holding covers known and inferred mafic/ultramafic intrusive rocks, which are considered prospective for nickel-copper-platinum and base metal mineralisation.

Red Billabong Project

The Red Billabong Project, located between 30 to 70 km west and southwest of Halls Creek, comprises five ELs covering an area of approximately 440 km^2.

Emull Prospect *- Zinc*

Within the Emull area the Company is exploring for high grade zinc shoots within a broadly drilled mineralised zone which is some 500m long and 50m wide.

Further work is proposed for the area with drilling (subject to drill rig availability) proposed to test for high grade shoots within the existing mineralised envelope.

Intercepts from drilling conducted by the Company last year (ERC-1: **7m @ 3.55% Zn** from 54m and 9m @ 1.69% Zn from 77m**,** ERC-3: **6m @ 4.12% Zn** from 36m and ERC-6: **4m @ 3.89% Zn** from 15m) and up dip from a historic diamond hole (DDH-E4) which had returned 7.85m @ 7.39% Zn, 0.11% Cu, 0.15% Pb, and 3g/t Ag from 161.01m, including 2.74m @ 12.1% Zn, 0.09% Cu, 0.25% Pb and 3.4g/t Ag from 161.7m.

Significant intercept reported last quarter included; RBC-023 (EOH 169m) **33m @ 1.02% Zn,** 0.34% Cu, 0.16% Pb, 7.2g/t Ag, and 0.12g/t Au from 134m including **4m @ 4.61% Zn,** 0.54% Cu, 0.16% Pb, 9.53g/t Ag, and 0.12g/t Au from 157m.

The drill results have confirmed the nature of the base metal mineralisation intersected in the historical drilling. Furthermore the results indicate that the potentially higher grade mineralisation is plunging to the south west and not to the south east as was previously understood. Further work to resolve this and the location of higher grade mineralized zones within the existing mineralised envelope will be undertaken.

CORPORATE

The Company had $0.84 million cash at the end of the quarter.

The Company is proceeding with a non-renounceable pro rata rights issue to shareholders. The purpose of the Offer is to raise approximately $3,082,500. The funds raised will provide working capital for the continued assessment of the Company's East Kimberley projects and underpin follow up exploration of recent encouraging drill results received from the epithermal gold

Range Prospect within the Wilson River Project and zinc mineralisation delineated at the Emull Prospect within the Red Billabong Project.

The key rights issue details are as follows:

- Two new shares and one new free option for every four shares held as at the Record Date of 2nd of November at an issue price of 12 cents per new ordinary share to raise approximately $3,082,500 (less the costs of the issue),
- Attaching options are to be exercisable at 20 cents each at any time up to and including 30 September 2008.

Charles Wilkinson
Managing Director

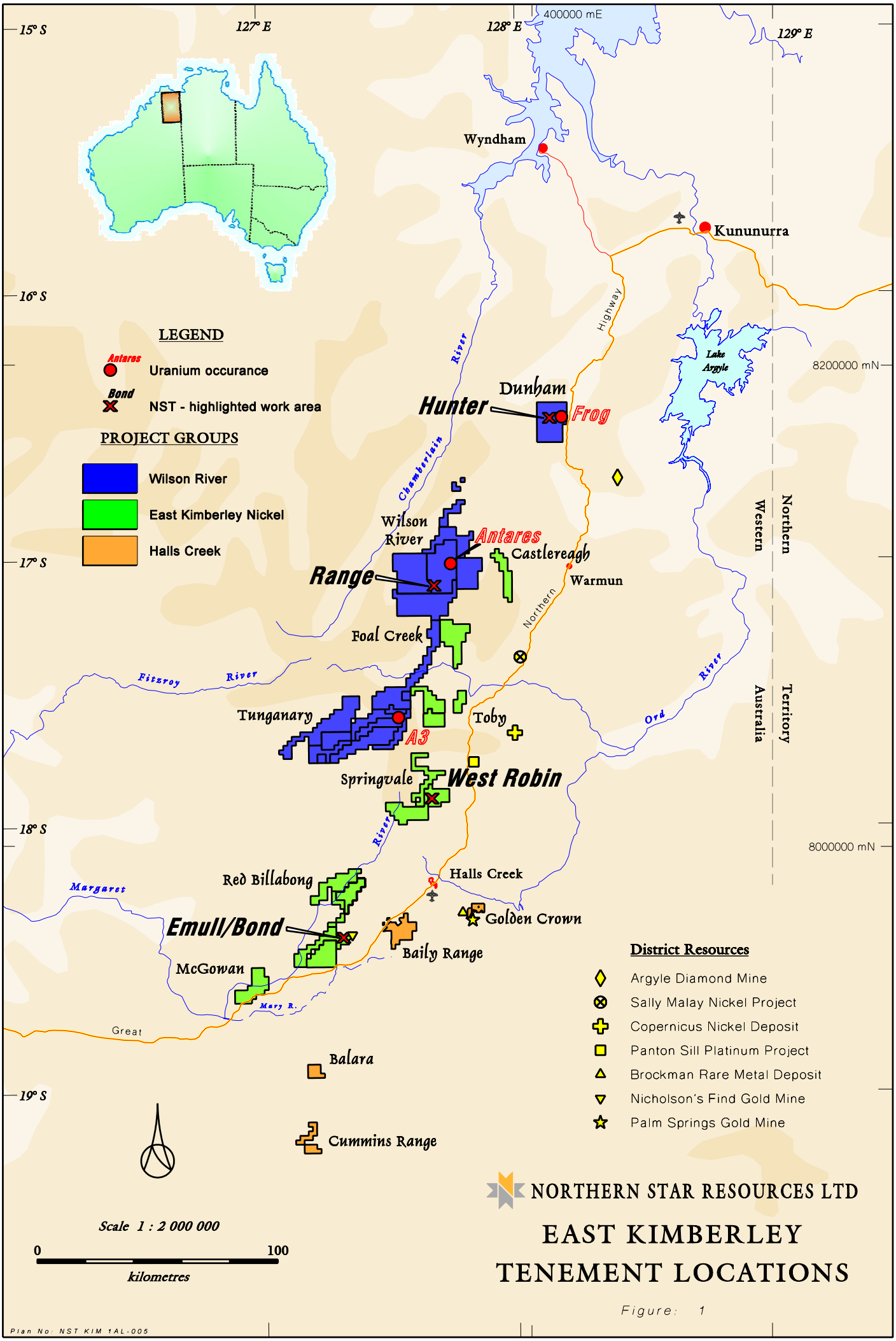
Information in this report is based on information compiled by Mr C S Wilkinson, MAusIMM, Managing Director of the Company, who is a competent person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Wilkinson has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity, which is being undertaking and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

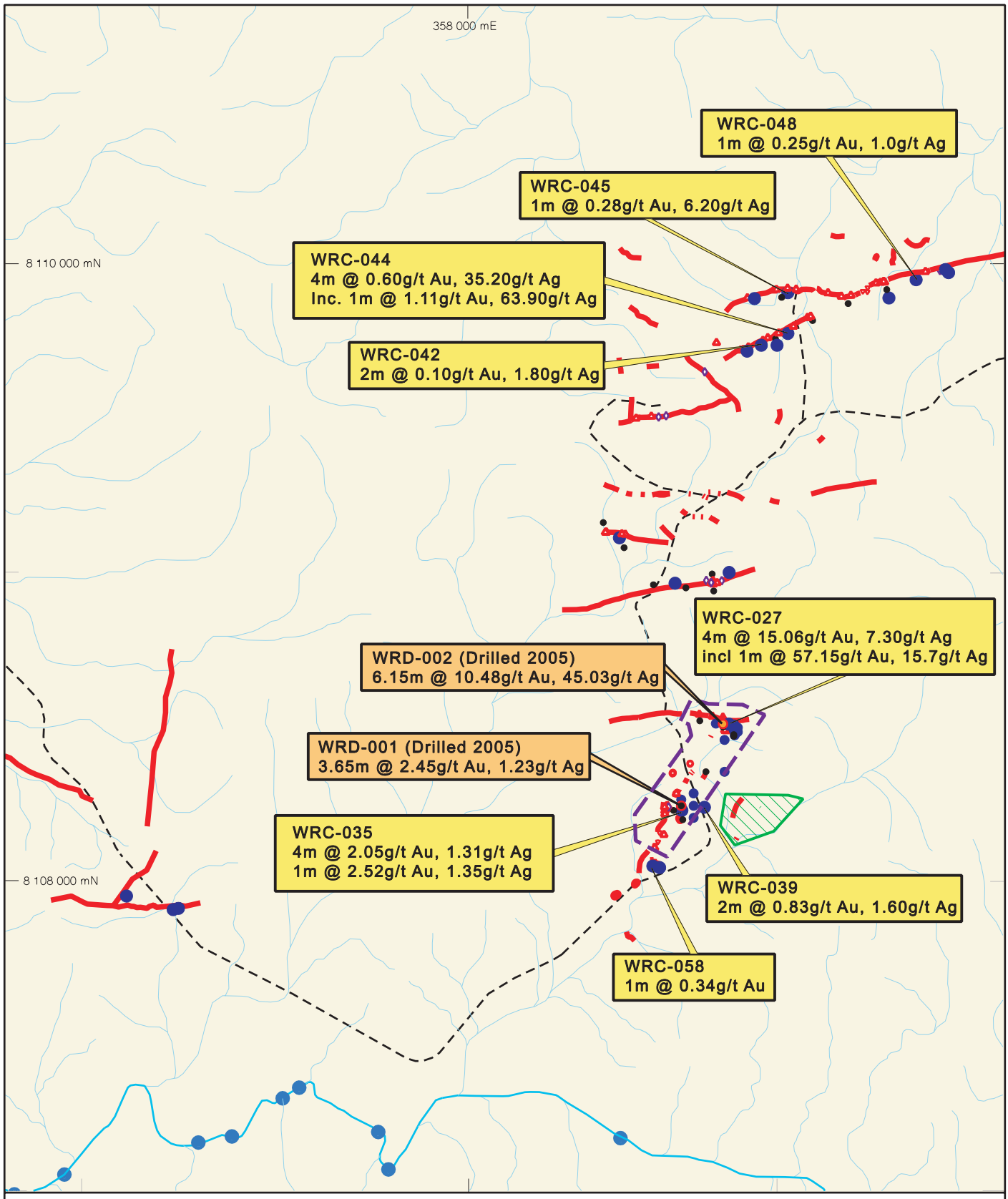
Table 1 Significant Drill Intercepts –Range Prospect June 2006 Drill Program (Values >0.5g/t Au and >1.0g/t Ag)

Hole	EOH	Easting	Northing	Azm	Dip	From	To	Interv.	**Au**	**Ag**
	(m)	AGD66	AGD66	(Mag)		(m)	(m)	(m)	g/t	g/t
WRC-026	50	358802	8108511	360	-60	38	40	2	0.57	6.53
WRC-027	52	358844	8108509	360	-60	21	25	**4**	**15.06**	**7.30**
Including						23	24	**1**	**57.15**	**15.7**
WRC-028	85	358860	8108489	360	-60	4	7	3	1.12	1.48
						61	64	3	0.49	2.28
WRC-029	106	358863	8108473	360	-60	10	11	1	1.05	1.15
						85	87	2	0.29	1.73
WRC-030	45	358862	8108508	360	-60	4	5	1	3.5	1.8
						25	26	1	1.25	2.65
WRC-031	88	358873	8108484	360	-60	17	20	3	0.94	3.93
						66	68	2	0.36	2.98
WRC-032	55	358873	8108498	360	-60	44	45	1	1.87	4.21
WRC-035	25	358692	8108230	-	-90	8	12	**4**	**2.05**	**1.31**
						15	16	1	2.52	1.35
WRC-036	45	358730	8108285	-	-90	22	23	1	0.79	0.65
WRC-039	76	358765	8108240		-90	52	54	2	0.83	1.6
WRC-042	55	358949	8109735	335	-60	34	37	3	0.06	1.63
WRC-043	46	358903	8109716	335	-60	30	32	2	0.9	0.8
WRC-044	46	359035	8109773	335	-60	30	34	**4**	0.6	**35.2**
including						32	33	**1**	1.11	**63.9**
WRC-045	46	359035	8109905	360	-60	21	23	2	0.18	**3.9**

1metre samples from holes WRC-026 to 032 - analysed using 50g lead collection with ICP Optical (Atomic) Emission.

1 metre samples from holes WRC-033 to 038 – analysed using 40g Aqua Regia digest with ICP Mass Spectrometry.


15° S
16° S
17° S
18° S
19° S
127° E
128° E
129° E
400000 mE
8200000 mN
8000000 mN
Wyndham
Kununurra
Lake Argyle
Ord River Highway
Chamberlain River
Fitzroy River
Margaret River
Mary R.
Great Northern Highway
Western Australia
Northern Territory
LEGEND
Antares
Uranium occurance
Bond
NST - highlighted work area
PROJECT GROUPS
Wilson River
East Kimberley Nickel
Halls Creek
Hunter
Dunham
Frog
Wilson River
Antares
Range
Castlereagh
Warmun
Foal Creek
Tunganary
A3
Toby
Springvale
West Robin
Red Billabong
Halls Creek
Emull/Bond
Golden Crown
Baily Range
McGowan
Balara
Cummins Range
District Resources
Argyle Diamond Mine
Sally Malay Nickel Project
Copernicus Nickel Deposit
Panton Sill Platinum Project
Brockman Rare Metal Deposit
Nicholson's Find Gold Mine
Palm Springs Gold Mine
Scale 1 : 2 000 000
0
100
kilometres
NORTHERN STAR RESOURCES LTD
EAST KIMBERLEY
TENEMENT LOCATIONS
Figure: 1
Plan No: NST KIM 1AL-005



LEGEND

- Quartz vein
- Diamond drillhole collar
- RC drillhole collar 2005
- RC drillhole collar 2006
- Track
- Creek / waterhole
- Area of higher grade gold and silver mineralisation
- Area of soil sampling
- Rockchip sample values >0.2g/t Au
- Rockchip sample values >1.0g/t Ag

Scale

0 1km

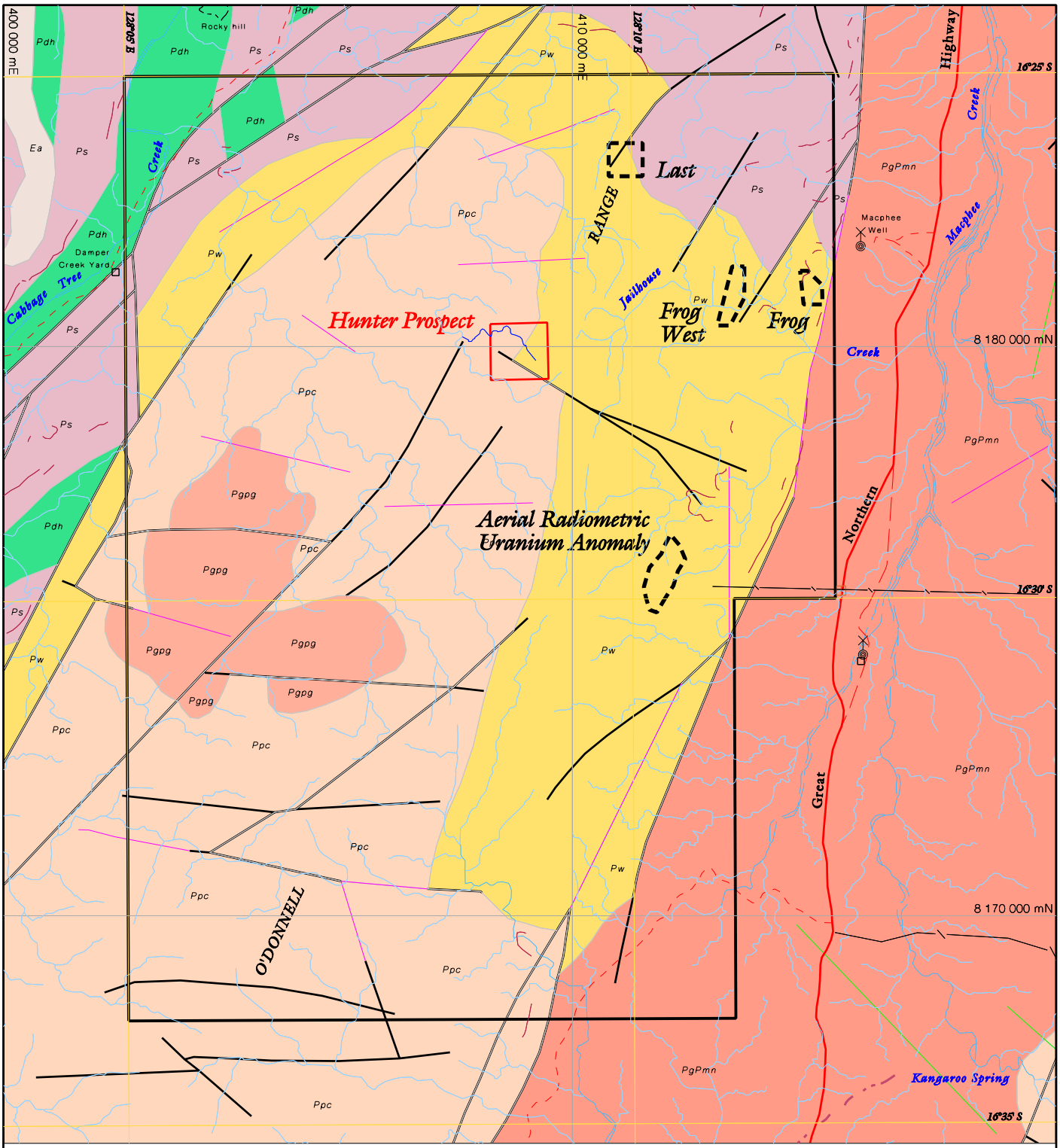
NORTHERN STAR RESOURCES LTD

KIMBERLEY REGION
WESTERN AUSTRALIA

Wilson River Project

Range Area Drilling

Figure: 2



LEGEND

- Ea — Antrim Plateau Volcanics (Early Cambrian)
- Pdh — Hart Dolerite (c. 1790 Ma)

SPEEWAH GROUP c1835Ma

- Ps — Sediments, volcaniclastic sediments

PAPERBARK SUPER SUITE c1865 - 1850Ma

- Pgpg — Granitoid
- PgPmn — Mount Nyulasy Granite
- Ppc — Castlereagh Porphyry (c1865-1850Ma)
- Pw — Whitewater Volcanics (1865 - 1850Ma)

- Uranium Occurences
- Geological boundary
- Fault
- Quartz vein
- Dolerite dyke
- Anticline
- Syncline
- Major Creek
- Highway
- Track

AMG zone 52 AGD66
(Geology after GSWA)

Scale 1 : 100 000

0 — 5

kilometres

NORTHERN STAR RESOURCES LTD

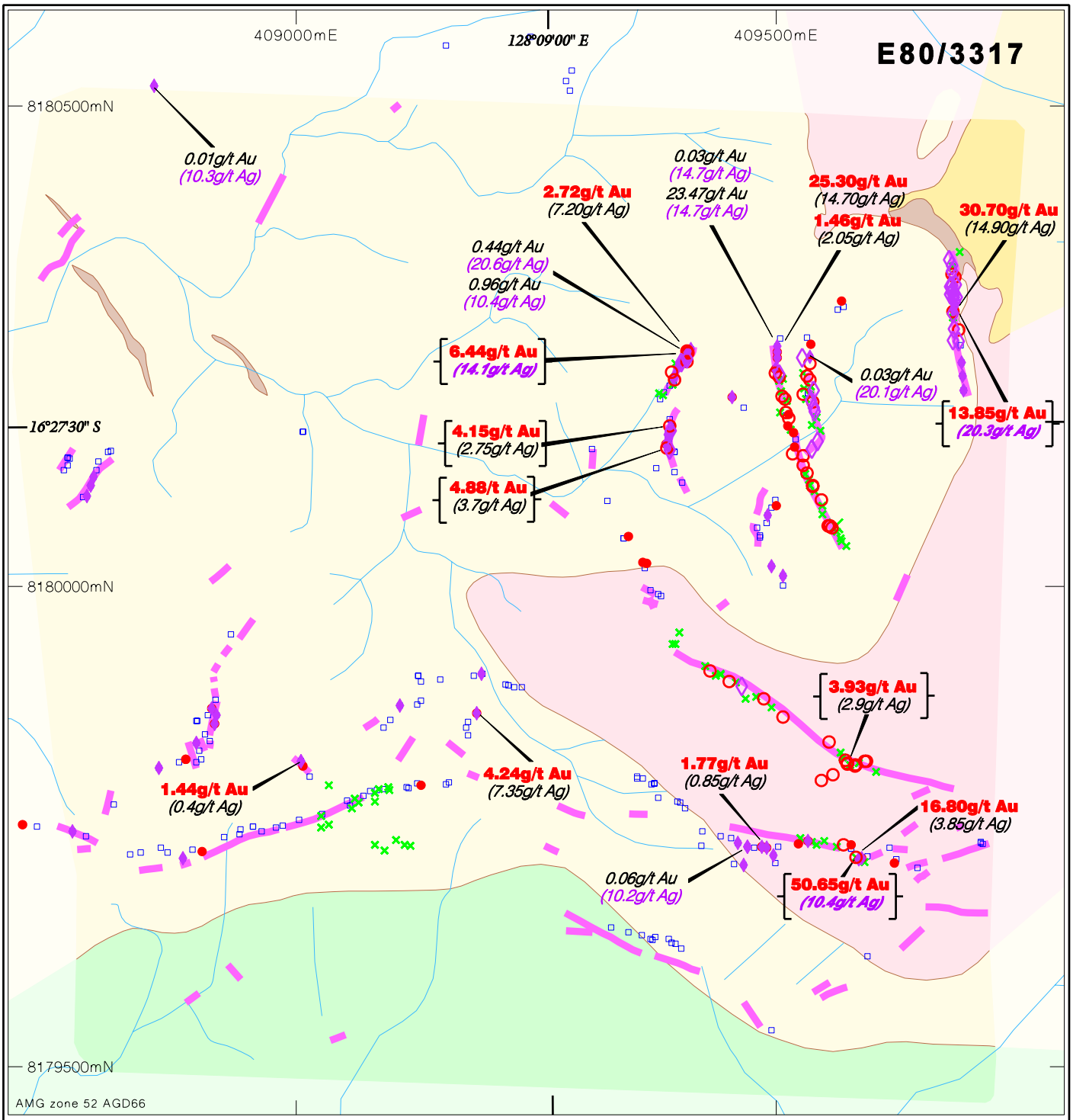
KIMBERLEY REGION
WESTERN AUSTRALIA

Dunham Project

E 80/3317

LOCATION

NSR DHM 1GA-001 Figure: 3



LEGEND

- Felsic prophyritic volcanic of probable pyroclastic affinity strongly fractured and weathered
- Fresh, well indurated, unfractured equivalent of above felsic prophyritic volcanic
- Felsic lithic crystal tuff/volcaniclestic × silice cement
- Agglomerate
- Interbedded cherty felsic tuff and coarse sandy tuff
- Geological boundary
- Quartz vein
- Creek
- 2005 / 2006 NSR rockchip sample values >0.2g/t Au
- 2005 / 2006 NSR rockchip sample values >1.0g/t Ag
- 2005 NSR rockchip sample
- 2006 NSR rockchip sample

NB Only samples with >1.0g/t Au and / or >8.0g/t Ag highlighted
2005 highlighted results indicated in brackets

Scale 1 : 6 000

0 — 500

metres

NORTHERN STAR RESOURCES LTD

KIMBERLEY REGION
WESTERN AUSTRALIA

Dunham Project

Hunter Prospect

Rockchip Sampling and Geology

Figure: 4

Plan No: NSR DHM 1GD-006