



QUARTERLY REPORT PERIOD ENDED 31 MARCH 2008



ASX Code: NST

Shares on Issue
90,758,090

Current Share Price
\$0.075

Market Capitalisation
\$6.8 M

Current Cash
\$1.9 M

DIRECTORS

Chris Rowe (Chairman)

Bill Beament (MD)

Terry Ransted

Peter Langworthy

COMPANY SECRETARY

Karen Brown

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HIGHLIGHTS DURING THE QUARTER

CORPORATE

- ▶ Xstrata Nickel successful takeover of Jubilee Mines NL
- ▶ Technical team secured and operating

EXPLORATION

- ▶ 2008 Field Season commenced
- ▶ Heritage surveys completed at Range and Hunter epithermal gold/silver prospects
- ▶ Extensive analysis of previous exploration activities

OVERVIEW

Northern Star Resources (ASX Code: NST) is a diversified resource company focused on the exploration and development of three project groups centred on Halls Creek in the East Kimberley region of Western Australia (see Figure 5 attached). The project groups cover an area of approximately 3,175 km² and are highly prospective for gold, nickel-copper-cobalt, base metals, uranium, platinum group elements (PGE) and diamonds.

Northern Star has defined an initial 33,600oz gold resource at the Golden Crown Project, high-grade epithermal gold/silver exploration opportunities at the Wilson River Project, and a potentially significant zinc-copper deposit at the Emull Project. These three projects will form the principal focus of its exploration & development strategy during 2008.

Late in the quarter the Company was able to commence the 2008 exploration field season, with heritage land access clearances on the Hunter and Range prospects as well as ground reconnaissance on all the major 2008 drill targets already completed. Drilling is expected to commence in May.

This year the Company has the opportunity to drill up to 20,000m which will be the most aggressive exploration season to date with all resources secured and in place. The major targets this season include gold/silver at the Wilson River (Range and Hunter), zinc/copper at Emull, and nickel at the northern portion of the Red Billabong Project.

In addition to the above programs, the Company has also commenced its ongoing exploration programs on its other Projects. This includes the evaluation of the Golden Crown, Tunganary and McGowan Projects. An outline of the 2008 field season exploration activities is attached (Figure 4).

Predominately the March quarters achieve minimal field activities due to the wet season in the Kimberley region, however the Company was extremely busy with the new and expanded technical team undertaking an extensive review of all previous exploration conducted to date. This has given the Company an opportunity to further highlight the potential of the three main prospects, outline additional targets and enabled the tenement portfolio to be high graded.

During the quarter Xstrata completed the takeover of Jubilee Mines NL, therefore becoming Northern Star Resources Ltd major shareholder with a 25% holding. Following from this Gary Lethridge resigned from Jubilee and hence from the board of Northern Star Resources Ltd. The board decided not to replace this non-executive director's position leaving Peter Langworthy as the only representative for Xstrata Nickel.

Subsequent to the end of the quarter the Company confirms that 1.6 million shares held by clients of Opes Prime have been sold in an orderly manner to Northern Star's Chairman Chris Rowe, who picked them up on market. To the best of our knowledge all of the Company shares affected by the Opes Prime collapse have been taken. No Directors or Officers of NST are exposed to margin loan arrangements with Opes Prime secured by NST shares.

PROJECT UPDATE

► Range Epithermal Gold/Silver Prospects

The Range Prospect is part of the Wilson River Project Group, located about 150km north of Halls Creek. Together with the present ground holdings at the Wilson River, Dunham and new Tunganary projects, the Company holds a major ground position totalling 2,200 km² in the East Kimberley district and is strategically well placed to take advantage of the emerging epithermal style of gold mineralisation in the region.

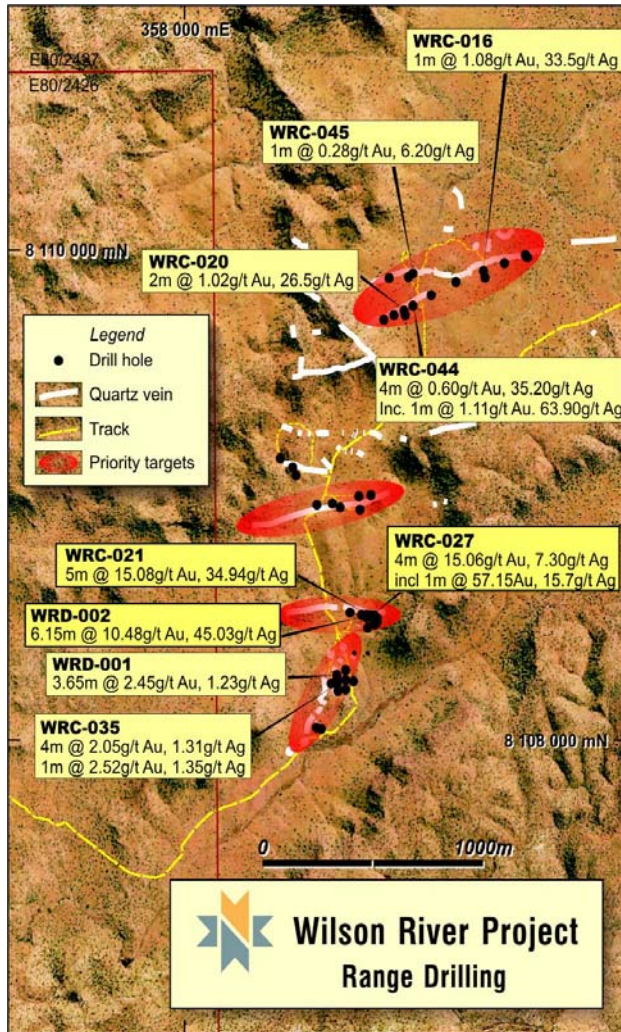


Figure 1 – Range ‘Target Hot Spots’

► Hunter Epithermal Gold/Silver Prospect

Up to 5,000m of RC drilling will be undertaken to evaluate the high grade gold and silver mineralisation defined at the Hunter Prospect. The programme will focus on testing the mineralisation identified from reconnaissance sampling on the outcropping quartz reefs at the Hunter Prospect, (Figure 2). The mineralised veins identified to date are contained within a north-northeast trending corridor that is over 1.5 km long and 1 km wide.

During the quarter heritage surveys were conducted over the Hunter prospect by the Traditional Owners facilitated by the Kimberley Land Council. No significant sites were recorded hence clearing the prospect to be drilled. The land access track and drill pad sites are currently being cleared with a civil contractor.

The results from the previous reconnaissance sampling include;

- **50.7g/t Au** and 10g/t Ag
- **31.7g/t Au** and 15g/t Ag
- **23.5g/t Au** and 15g/t Ag

These results at Hunter are better than what was achieved at the same stage of early reconnaissance sampling at the Range and hence show the potential of the Hunter prospect to yield excellent drill results.

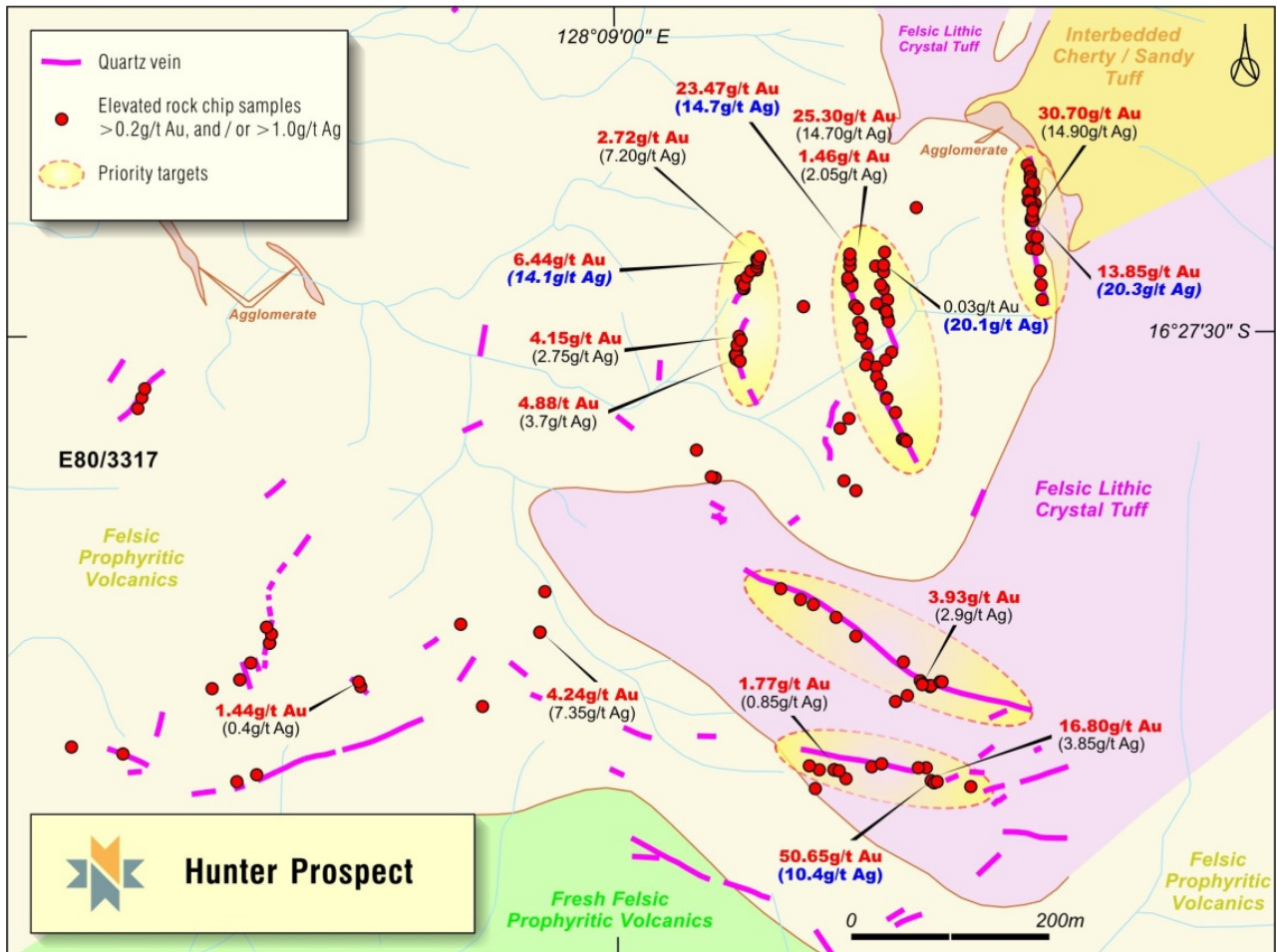


Figure 2 – Hunter Prospect

► **Emull Prospect – Zinc/Copper**

The Company will continue to evaluate the Emull Prospect with the intention to produce an initial resource. The drilling to date has confirmed higher grade zinc intersections in at least three separate “shoots” within a 500m long and 50m wide mineralised trend at Emull (Figure 3). At the end of last year the mineralisation was confirmed at depth, with the deepest holes drilled so far.

The grade potential of Emull is supported by intercepts from previous drilling including;

- 15m @ 4.27% Zn from 47m, including **4m @ 11.29% Zn** and 1.05% Cu
- 28m @ 1.40% Zn from 15m, including **3m @ 8.15% Zn** and 0.29% Cu
- 61m @ 1.32% Zn from 38m, including **9m @ 5.75% Zn** and 0.44% Cu

This season the Company has planned a series of diamond and RC holes to further define the mineralisation and to assist in the geological modelling with the ultimate aim of outlying a resource.

Last season we also received assays of board intersections of low grade copper, including 172m @ 0.16% Cu from 68m, 56m @ 0.30% Cu from 152m and 80m @ 0.17% Cu from 116m. Work to determine the nature and relationship of these copper results to the mineralised system will continue.

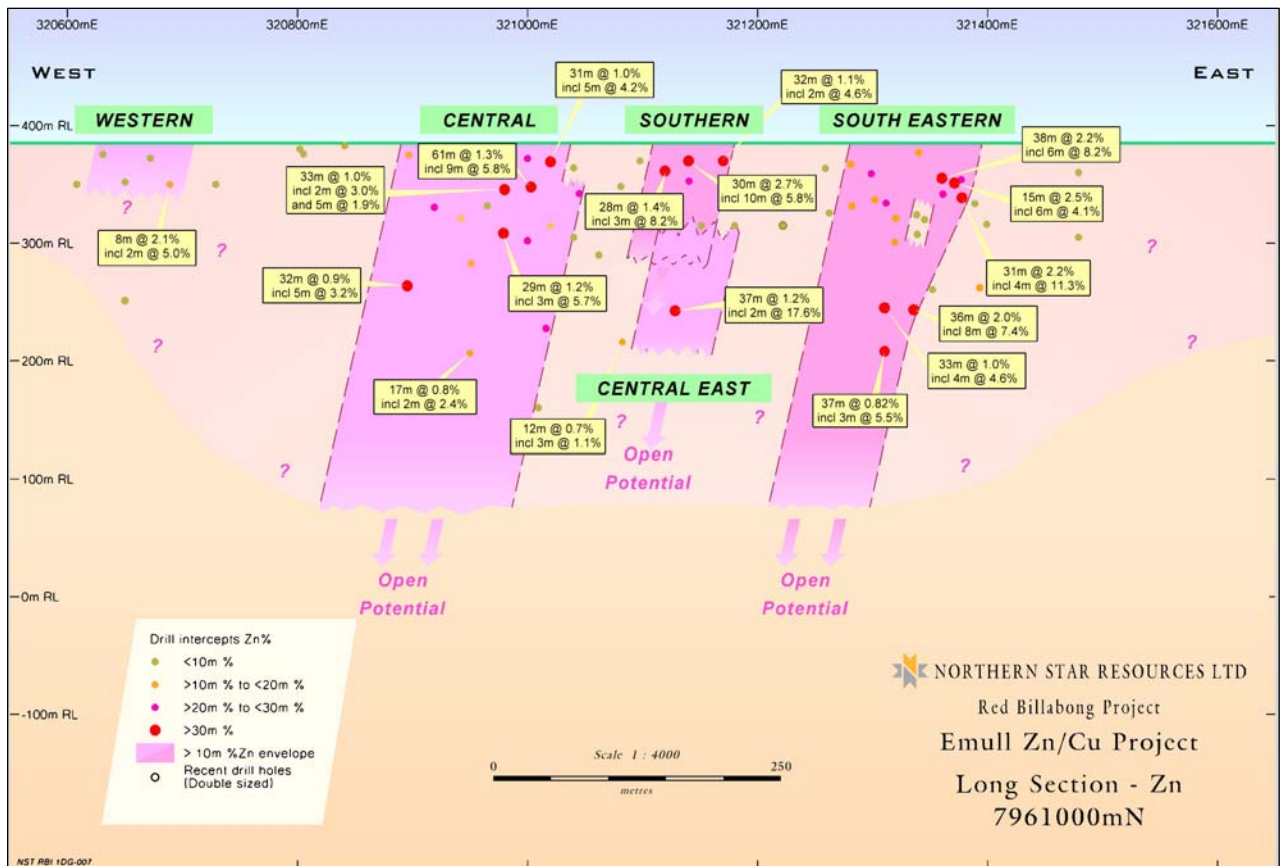


Figure 3 – Emull Long Section

► Red Billabong Project – Nickel Sulphides

Air Core drilling will be undertaken on a number of prospective areas in the northern portion of the Red Billabong project area to further test whether elevated nickel in previous AC drilling are due to nickel sulphide mineralisation.

The previously unrecognised prospective areas for Nickel Sulphides occur in the covered region 20km's to the north of the Emull prospect and contain holes that intersected mafic/ultramafic lithologies with anomalous base metal geochemistry.

The nickel potential of the Red Billabong project is supported by intercepts from previous AC drilling including;

- 20m @ 0.17% nickel from 16m including 7m @ 0.29% nickel from 17m
- 40m @ 0.10% nickel from 28m including 7m @ 0.20 % nickel from 29m
- 30m @ 0.16% nickel

Hole spacing was broad over the anomalies but ultramafic rocks were identified in most of the holes and will be followed up.

► **Golden Crown Prospect**

Late last year the Company announced an Inferred Mineral Resource estimate and geological model for the Golden Crown Project, located 20km east of the town of Halls Creek and 4km northeast of the previously mined 70,000oz Palm Springs Gold Mine (Figure 7).

The total Inferred resource was estimated at **323,000 tonnes @ 3.2 g/t gold** containing **33,600 ounces** at a 1g/t cutoff grade. This resource is contained within two deposits located about 600 metres along strike from each other. This season the Company will continue to evaluate the resource potential of this project area.

► **U3O8 URANIUM JOINT VENTURE**

The Wilson River and Tunganary tenements lie in the East Kimberley region, which is considered to be one of the most significant, unexplored provinces in Australia for unconformity-related uranium mineralisation. The combined tenements cover some 2,200km² and 220km of prospective mineralised unconformity. A number of known uranium anomalies exist such as A3, Frog, Frog West, Last and Antares.

In the upcoming quarter specialist uranium explorer U3O8 Ltd is expected to follow up in the field the spectacular radiometric uranium anomalies discovered late last field season from the 25,000 line km airborne geophysical survey completed over the Joint Venture Tenements. This

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Bill Beament

Managing Director

Information in this announcement is based on information compiled by Mr TW Ransted, MAusIMM, Non Executive Director of the Company who is a competent persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Ransted is a full time employee of Multi Metal Consultants Pty Ltd and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being undertaken, and consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

Exploration Timetable 2008

| Project | Task | Q1 | Q2 | Q3 | Q4 |
|-----------------|---|----|----|----|----|
| Range | Drill target 'Hot Spots' | | | | |
| | Explore surrounding mineralised reefs | | | | |
| Hunter | Secure statutory approvals to drill | | | | |
| | Drill target 'Hot Spots' | | | | |
| Emull | Geological Modelling and Further Drilling | | | | |
| | Scoping Study - Resource Evaluation | | | | |
| Golden Crown | Further evaluation of resource potential | | | | |
| RB + Springvale | Evaluate nickel potential | | | | |
| Uranium | Analysis all geophysical survey data (U ₃ O ₈) | | | | |
| | Field Exploration | | | | |
| Other Prospects | Strategic study and regional analysis | | | | |



Figure 4 – Exploration Activities Plan

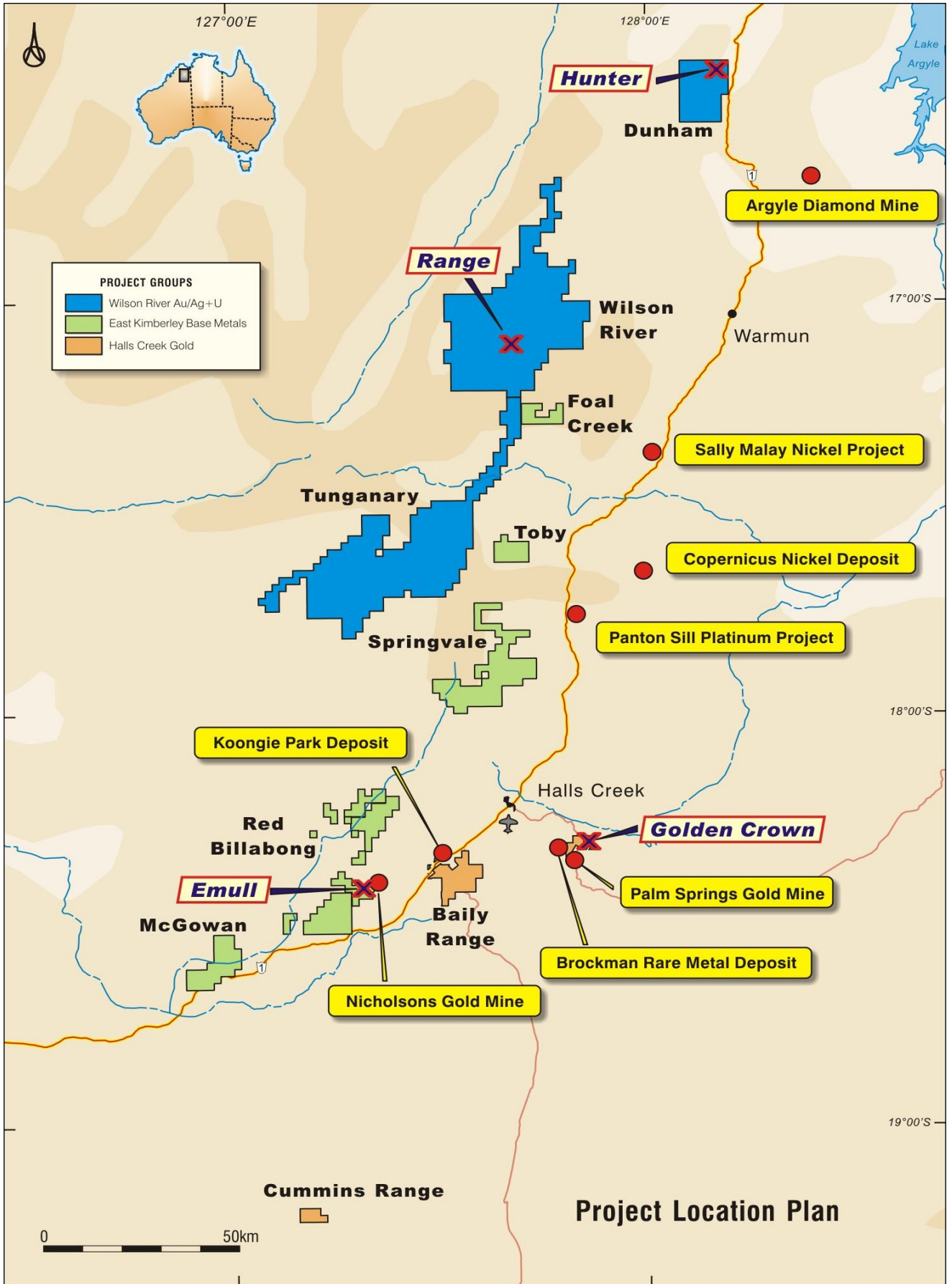


Figure 5 – Project Location Plan