NORTHERN STAR
RESOURCES LIMITED

AFTER-TAX PROFIT INCREASES 30% TO A RECORD $28.3M

Final fully-franked dividend of 2.5¢ declared

KEY POINTS

- **Record FY2013 revenue of $144.2M and after-tax profit of $28.3m, up 45% and 30% respectively from previous year**
- **EBITDA up 29% to $63.8M, earnings per share up 29% to 6.6¢**
- **Cash costs down 5% to $680/oz; All-in sustaining costs of $1,016/oz**
- **Record profit comes after spending $44M on capital expenditure, including $17.5M on one-off expansion items to underpin growth**
- **Profit is also after non-cash write-downs of $10M on exploration and investments**
- **Result stems from record production of 88,614oz**
- **Final fully-franked dividend of 2.5¢-a-share declared, payable in September 2013 (total payout is $10m)**
- **Cash, bullion and investments on hand of $61m, no bank debt at 30 June 2013)**
- **Upgraded JORC resource estimate for Paulsens of 2.9Mt at 5.6gpt for 532,000oz[1], underpinning five-year mine life**
- **Key Voyager lodes have resource grade of 12.2gpt**
- **Substantial improvement in the confidence level of the Voyager Resource, with Measured and Indicated ounces up 15%**
- **Recent Titan Discovery at Paulsens has uncovered a significant area of new mineralisation outside this resource estimate**
- **Voyager 1 and 2 lodes remains open at depth and down plunge**
- **Northern Star's FY2014 budget forecasts surplus cash of $50-$70m from production of 100,000-115,000oz**
- **FY2014 C1 cash costs of A$610-$690/oz (inclusive of all royalties) and all-in sustaining costs of A$900-1,050/oz**

Northern Star Resources Limited (ASX: NST) has achieved its twin aims of maximising Shareholder returns today and laying the foundations for tomorrow's growth, posting a 30 per cent increase in after-tax profit to $28.3 million for the year to 30 June 2013.

The result came on the back of record revenue of $144.2 million, up 45 per cent and production of 88,614 ounces, up 32 per cent.

In light of the outstanding outcome, Northern Star has declared a final fully-franked dividend of 2.5¢ a share, taking the year's payout to 3.5¢ a share. This represents a fully-franked yield of 4.5 per cent based on a share price of 79¢.

ASX ANNOUNCEMENT
5 AUGUST 2013

Australian Securities Exchange Code: NST

Board of Directors

Mr Chris Rowe
Non-Executive Chairman

Mr Bill Beament
Managing Director

Mr Michael Fotios
Non-Executive Director

Mr Peter O'Connor
Non-Executive Director

Mr John Fitzgerald
Non-Executive Director

Ms Liza Carpene
Company Secretary

Issued Capital

Shares 424M

Options 5M

Current Share Price $0.79

Market Capitalisation
$335 million

Cash/Bullion and Investments
30 Jun 13 - $61 million

Level 1
1 Puccini Court
Stirling WA 6021
T +6 8 6188 2100
F +6 8 6188 2111
E info@nsrltd.com
www.nsrltd.com

Importantly, Northern Star achieved these results despite outlaying $44 million on capital expenditure, including $17.5 million on items which underpinned its expansion. This included the plant upgrade, which lifted throughput by 30 per cent and helped the Company generate the record production.

The profit also came after a $10 million non-cash write-down on the carrying values of exploration and investments.

Managing Director Bill Beament said it was the ideal outcome for Shareholders. “We have delivered a record profit and a strong dividend while expanding our plant, growing our mine life and making the significant Titan discovery,” Mr Beament said.

“The key to achieving this combination is maximising our productivity to keep our costs low.”

EBITDA was up 29 per cent to $63.8 million, earnings per share were up 29 per cent to 6.6¢, cash costs were down 5 per cent to $680/oz (inclusive of $38/oz royalties) and all-in sustaining costs totaling $1,016/oz.

The result leaves Northern Star with $61 million in cash, bullion and investments at 30 June 2013. The Company has no bank debt.

The dividend will be declared to all Shareholders on the register at 16 August 2013 and is expected to be paid on 27 September 2013.

Resource Update

Northern Star is also pleased to announce today an updated JORC-compliant resource estimate for its Paulsens Gold Mine of 2.9 million tonnes at 5.6gpt for 532,000 ounces[1]. This is despite mining 53,500 ounces since the March Resource update *(see Table 1)*. This latest estimate continues to underpin a mine life of at least five years.

The resource estimate at Paulsens comprises 399,000oz underground and 61,000oz in the planned open pit *(see Figure 1)*. In addition, there are the satellite resources that make up the Paulsens Project, these being Merlin, Belvedere and the Mt Clement JV.

The resource upgrade announced in March this year delivered substantial additional ounces, whereas this upgrade was aimed at improving the confidence level of those resources.

This goal has been achieved, with a substantial improvement in the confidence level of the Voyager Resource, as shown by the 15 per cent increase in the Measured and Indicated ounces. These two categories now account for 91% of the total resource ounces.

Importantly, the key Voyager resource grade of 12.2gpt has been maintained, ensuring that the Company continued to be among the lowest cost producers in the industry.

This latest resource estimation does not take into account the recent Titan discovery (see ASX Announcement dated 1 August 2013). The discovery hole at Titan returned 6.9m at 24.7gpt. Titan lies just 100m from the Paulsens mine infrastructure.

Extensive exploration programs with two underground diamond drill rigs continuing at Paulsens mine

GOLD MINERAL RESOURCES [1]

As at 30 June 2013	MEASURED (M)			INDICATED (I)			(M) + (I)	INFERRED (Inf)			TOTAL (MI & Inf)			
Based on attributable ounces	Tonnes (000s)	Grade (gpt)	Ounces (000s)	Tonnes (000s)	Grade (gpt)	Ounces (000s)	Ounces (000s)	Tonnes (000s)	Grade (gpt)	Ounces (000s)	Tonnes (000s)	Grade (gpt)	Ounces (000s)	Cut Off Grade
PAULSENS GOLD PROJECT														
Surface														
Paulsens				573	2.5	47	47	169	2.5	14	742	2.5	61	1.0 gpt Au
Belvedere				168	3.6	19	19	99	5.2	16	267	4.2	35	1.0 gpt Au
Merlin							-	523	1.4	24	523	1.4	24	1.0 gpt Au
Mt Clement (20%)							-	226	1.8	13	226	1.8	13	0.5 gpt Au
Underground														
Upper Paulsens	63	9.7	20	98	13.1	41	61	119	8.0	31	280	10.2	92	2.5 gpt Au
Voyager UG	517	12.1	201	173	11.9	66	267	61	13.3	26	751	12.2	293	2.5 gpt Au
Stockpiles	118	2.6	10				10				118	2.6	10	1.0 gpt Au
Gold in Circuit/Transit			4				4						4	
TOTAL	**698**	**10.5**	**235**	**1,012**	**5.3**	**173**	**408**	**1,197**	**3.2**	**124**	**2,907**	**5.6**	**532**	

[1] Resources are inclusive of Reserves

[1] Table 1 - Paulsens Resources @ 2.5gpt Au Lower Cut-Off Underground and 1.0gpt Au Lower Cut-Off Open Pit

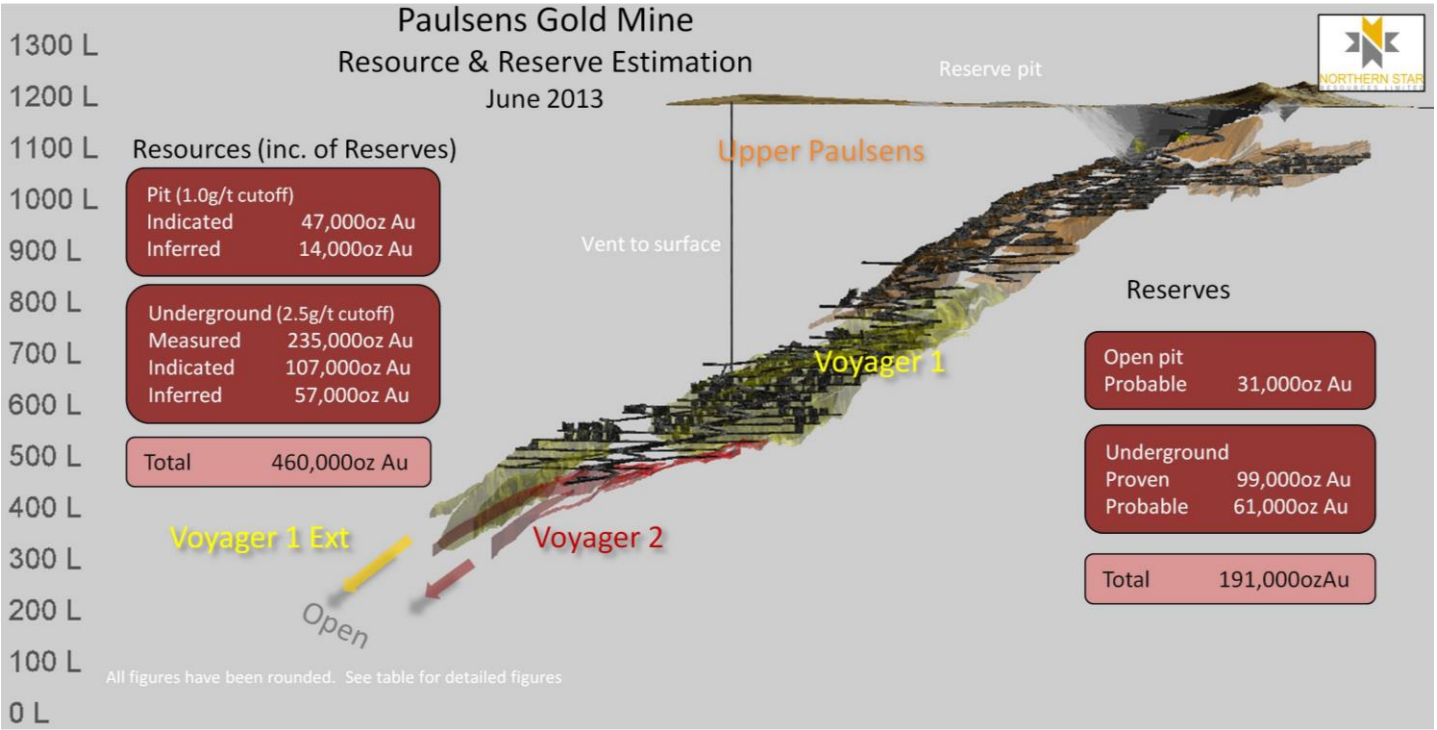

Figure 1 - Long Section of Paulsens Mine Open Pit and Underground Mineral Resource and Reserves

Northern Star's recently-completed budget for FY2014 shows the Company is set to generate surplus cash of $50-$70 million on the back of higher production and lower costs, assuming an A$1,450/oz gold price.

The Company is set to produce between 100,000-115,000oz for the year at a cash cost of between $610-$690/oz (inclusive of $40/oz royalty) and all-in sustaining costs of A$900-$1,050/oz.

Capital expenditure for the year will be $28 million, 90 per cent of which will be "sustaining capital".

Yours faithfully

BILL BEAMENT
Managing Director
Northern Star Resources Limited

RESOURCE ESTIMATION PARAMETERS

	Voyager UG	Upper Levels	Open Pit	Belvedere
Tenements	M08/099 & M08/196			M08/222
Section 1 - Sampling Techniques and Data				
Sampling Techniques	Selected sampling intervals have been sampled either whole core or half core	Reverse circulation samples have been recovered as rock chips during the drilling process. Selected diamond drillhole sampling intervals have been sampled either whole core or half core. Face samples have been taken as rock chips utilising a "channel" sampling technique.	Sampling techniques are expected to be up to industry standard at the time over a 20 year time period.	RC – Rig-mounted static cone splitter used with the aperture set to yield a primary sample of approximately 4kg (representing approximately one eighth of the total sample). Off-split retained. DD – Core is half cut with an Almonté diamond core saw. Sample intervals are defined by the geologist to honour geological boundaries.
Drilling Techniques	Diamond bit, whole core recovery - predominantly NQ (76mm) diameter, with some LTK60 (60mm) and rare LTK48 (48mm). 2213 diamond drill-holes total were used to generate sample composite data.	Drill samples used in this resource estimate were recovered using: Reverse circulation and Diamond bit, whole core recovery - predominantly NQ (76mm) diameter, with some LTK60 (60mm) and rare LTK48 (48mm).	RC - 739 holes drilled between 1989 and 2009, face sampling hammer 4 to 5 inch bit size. DD – 154 holes drilled between 1989 and 2012.	Drill type – Predominantly RC (65 holes), one hole has a Diamond tail, one hole is diamond from surface. RC holes are a nominal 5 1/4" face sampling bit, core is NQ2 sized. Core is oriented using ORI-shot device.
Drill Sample Recovery	Whole core - >99% recovery		Sample recovery data was not reviewed for this report.	RC – Approximate recoveries are sometimes recorded as percentage ranges based on a visual and weight estimate of the sample. DD – Recoveries are recorded as a percentage calculated from measured core verses drilled intervals. For RC drilling, efforts are made to ensure good recoveries are achieved by the use of auxiliary compressors and high pressure booster units supplying compressed air at a high enough pressure to keep water from the hole and the samples dry in most circumstances. Where water is encountered in the pre-collar and wet samples result, more frequent cleaning of the cyclone and splitter is carried out and the hole is thoroughly flushed at the end of each sample.
Logging and Photography	Drill core metre marking and reconciliation, lithology, and sampling intervals have been established for all core used in the estimate. All drill core has been photographed after logging and prior to sampling to record pertinent data.		It is assumed the core and chip samples have been logged to a level of detail to support appropriate Mineral Resource estimation.	Core and chip samples have been logged to a level of detail to support this Mineral Resource estimation, initial mining studies and initial metallurgical studies. Core photography exists for the two diamond holes
Sub-sampling techniques and sample preparation	All core samples have been dried, crushed, split, pulverised, split, and fire assayed or screen fire assayed to ascertain grade information. All face samples are dried, crushed, split, pulverised, split, and assayed using leachwell techniques with an AAS finish.		Sampling techniques and sample prep were not assessed in this report	RC - Rig-mounted static cone splitter used for dry samples. DD - Core is half cut with Almonté diamond core saw. Following drying at 105°C to constant mass, all samples below approximately 4kg are totally pulverised in LM5's to nominally 90% passing a 75µm screen. The very few samples generated above 4kg are crushed to <6mm and riffle split first prior to pulverisation. For RC drilling, duplicate samples are taken from the cone splitter at an incidence of 1 in 25 samples. Repeat analysis of pulp samples (for all sample types – diamond, RC, rock and soil) occurs at an incidence of 2 in 50 samples. No formal heterogeneity study has been carried out or nomograph plotted. An informal analysis suggests that the sampling protocol currently in use are appropriate to the mineralisation encountered and should provide representative results.

RESOURCE ESTIMATION PARAMETERS

	Voyager UG	Upper Levels	Open Pit	Belvedere
Quality of assay data and laboratory tests	For drill samples total gold is determined by fire assay using the lead collection technique (50 gram sample charge weight) and AAS finish. Various multi-element suites are analysed using a four acid digest with an ICP-OES finish. The field QAQC protocols include; duplicate samples at a rate of 1 in 25, coarse blanks inserted at a rate of 3%, commercial standards submitted at a rate of 4%. The laboratory QAQC protocols include: repeat of pulps at a rate of 2%, sizing at a rate of 1%. The labs internal QAQC is loaded into NST database. In addition to the above, about 5% of samples are sent to an umpire laboratory. Failed standards trigger re-assaying a second 50g pulp sample of all samples in the fire above 0.1ppm. Both the accuracy component (CRM's and umpire checks) and the precision component (duplicates and repeats) are deemed acceptable.		Quality of assay data and laboratory tests were not assessed in this report. Some minor overlapping intervals were modified.	For drill samples total gold is determined by fire assay using the lead collection technique (50 gram sample charge weight) and AAS finish. Various multi-element suites are analysed using a four acid digest with an ICP-OES finish. The field QAQC protocols include; duplicate samples at a rate of 1 in 25, coarse blanks inserted at a rate of 3%, commercial standards submitted at a rate of 4%. The laboratory QAQC protocols include: repeat of pulps at a rate of 2%, sizing at a rate of 1%. The labs internal QAQC is loaded into NST database. In addition to the above, about 5% of samples are sent to an umpire laboratory. Failed standards trigger re-assaying a second 50g pulp sample of all samples in the fire above 0.1ppm. Both the accuracy component (CRM's and umpire checks) and the precision component (duplicates and repeats) are deemed acceptable.
Verification of sampling and assaying	Drillhole sampling; Twinned drillholes are drilled occasionally to ascertain the reproducibility of sample data from a spatially comparable location. Standards and blanks are inserted regularly (every 20 samples) with the drillhole sample submission to assess lab performance, contamination etc. Face sampling; A duplicate sample is taken of the identified, or the "highest potential", high grade area of every sampled face to also assess the reproducibility of the assays. One standard is inserted with every face sampling submission to assess site lab performance.		Results of twinned holes: PLRC026 - 4m @25g/t and PLRC222 - 3m @ 46g/t, PLRC182 – 3m @ 2.5 and RC89PM42 - 1 m @ 7 show variability but similar gold content	Significant intersections are automatically calculated by the DB, and then modified by the author as required to suit geology. There are no purpose twinned holes, but holes BVRC018 and PEBRC0027 are within 5m due to hole deviation. Results are of similar tenor, 6m @ 2.6 g/t and 5m @ 2.3 g/t) respectively
Location of data points	Drillhole collar positions are picked up by survey using a calibrated total station Leica 1203+ instrument. Drillhole downhole surveys are recorded at 15m and 30m, and then every 30m after, by calibrated Pathfinder downhole cameras. Drillhole data is imported into Vulcan in digital format and "corrected" using the survey pick-ups and downhole camera shots. Where drillholes intercept workings, the breakthrough point is picked up by survey, identified, and reconciled against the digital drill trace. Face samples are located by laser distance measurement device and digitised into Vulcan. The faces are represented as "pseudo-drillholes" to allow assignation of survey, lithology, assay, and other relevant information.		Accuracy and quality of surveys (collar and down-hole surveys) are assumed to be adequate for use in this Mineral Resource estimation though would vary in absolute precision in line with vintage of drilling. Intersections that did not match as mined wireframes were modified on a case by case basis. Quality of topographic control is good, surveyed by mine site surveyors.	NST collar positions were surveyed using DGPS. Some confusion over settings used has lead to doubts over RL accuracy on 2 of the holes, this is not thought to effect the resource estimation materially. Taipan collars were surveyed at end of drill program by contract surveyors and assumed to be accurate enough. Old mine workings have been picked up on surface but actual extent and depth has been estimated using 1930's survey plan. Topographic control uses Kevron aerial photo data supplemented with local DGPS pickups
Data spacing and distribution	Data spacing for indicated material is approximately, or better than, 20m x 20m. Measured data spacing is better than 7m x 7m, and restricted to areas in immediate proximity to mined development. All other areas where sample data is greater than 20m x 20m, or where intercept angle is low, is inferred.		The upper part of mineralisation has been drilled to 10 by 10, remainder a nominal 20 by 20, however this is complicated by irregular drill angles from Underground. The data spacing and distribution is deemed sufficient to establish the degree of geological and grade continuity appropriate for this Mineral Resource and classifications applied. Early RC drilling was composited to 4m, assays over 0.1 were resampled at 1m intervals.	Spacing generally good at 20 by 20m, except for one area missed due to hole deviation, This area has been nominated as inferred within an indicated area. Raw data is composited to 1m lengths with any sub 20cm composites merged with the nearest composite.
Orientation of data in relation to geological structure	Intercept angles are mixed, however, all material remains inferred until reconciled by moderate to high angle (45deg to 90deg) grade control drilling, or mining activities. Hanging-wall drill drives provide excellent intercept orientation to the geological structures used in the estimate.	Intercept angles are predominantly moderate to high angle (45deg to 90deg). Overall the orientation of data to geological structure is very good and is validated by development and stoping of the same zones up and down dip, and along strike.	For the most part drill hole orientation is unbiased, however in the steeper fold hinges, holes can run down dip, resulting in longer than true thickness intersections.	Orientation of sampling is generally perpendicular to mineralisation extent achieving an unbiased sampling as far as the deposit
Audits or reviews	Two independent reviews have been conducted over the last two years at Paulsens, in regards to resource estimates, however. no review or audit has been conducted on this particular resource.		There are no audits or reviews	There have been no audit of the sampling techniques, however the sample data has been extensively QAQC reviewed internally.

RESOURCE ESTIMATION PARAMETERS

	Voyager UG	Upper Levels	Open Pit	Belvedere
Section 3 - Estimation and Reporting of Mineral Resources				
Database integrity	Sampling and logging data is entered directly into the logging package OCRIS. Constrained look-up lists, depth and some interval validation are inbuilt and ensure that the data collected is correct at source. Data is imported to a GBIS relational geological database where additional validation checks are carried out, including depth checks, interval validation, out of range data and coding. Where possible, raw data is loaded directly to the database.		Database was not validated by report author. NSR take responsibility for the database quality, being adequate for this initial resource. Main validation tool is checking and if necessary fixing errors if they are found, while working with the data. Surface database validated during database compilation.	Sampling and logging data is entered directly into the logging package OCRIS. Constrained look-up lists, depth and some interval validation are inbuilt and ensure that the data collected is correct at source. Data is imported to a GBIS relational geological database where additional validation checks are carried out, including depth checks, interval validation, out of range data and coding. Where possible, raw data is loaded directly to the database.
Site Visits	This resource estimate has been conducted by geologists working in the mine itself and in direct, daily contact with the ore body data used in this resource estimate.			
Geological interpretation	Mineralisation is interpreted to be typical of an Archaean mesothermal, narrow vein, lode gold deposit. The majority of mineralisation is located within a large, variably folded and faulted quartz host, close to, or on, the contacts with the surrounding wall rock sediments. The Upper Zone lodes are located on, or close to, the hanging wall contact and are typically associated with significant, crystalline, massive sulphide accumulations. These accumulations are commonly found along the apex of the folded quartz host and are thought to be derived from surrounding sulphidic sediments during quartz host emplacement. The Lower Zone lodes are located on, or close to, the footwall contact and are typically associated with fine, graphitic structures, colloquially referred to as "stylolites". These lodes are typically found in the vertical "limb" of the folded quartz host. These structures are interpreted as "crack-seal" textures, and/or thin delaminated footwall graphitic shale fragments that associate with gold mineralization through chemical reduction of oxidising, acid-rich gold fluids. Numerous, isolated, non-continuous occurrences of mineralisation associated with highly altered "rafts" of gabbro and/or sediments are domained independently to constrain their extent within the quartz host. Late stage dolerite intrusives have also displaced the host and ore lodes creating isolated, sometimes significantly sized, fragments of intact mineralised rockmass. Faulting post-host emplacement and pre-mineralisation means the mineralisation envelope is continuous but leaves the contact zone for a distance before re-joining along strike. Faulting post-mineralisation means the mineralisation domains are frequently displaced. This late stage faulting is represented as discrete offset "joins" in the interpreted shapes.		Confidence in the geological interpretation of the mineral deposit is high due to amount of outcrop and significant amount of UG mining. Nature of the data used and of any assumptions made. An alternative interpretation (modelling ore zones as well as just quartz) would probable increase estimation grade but lower the tonnes. Quartz morphology has been the main guide to controlling the Mineral Resource estimation using 4 domains to subdivide varying dip. Oxidation profile created from drill data.	Mineralisation is considered to be mesothermal, narrow vein lode style. The interpretation used for this estimate is based on work completed by site personnel who logged the holes and mapped the area. It includes geological units on which the mineralisation is based. The interpretation is considered robust in light of the data available. There are no reasonable alternative interpretations to use for this Mineral Resource estimation at this time. Strike extents on lode 1 are limited by Belvedere dolerite extent. High grade shoots can be interpreted in Lode one though data distribution is not high enough to confirm. There is minimal weathered rock present
Dimensions	The total mineralised envelope runs East-West, dips variably to the North, and plunges at a consistent 30-35deg to the West. 2000m East-West, 300-500m North-South (dependent on dip), UZ lodes typically 2-7m wide, LZ lodes are typically 0.5-2m wide.		From surface, 400 m strike, and ~60 0m down plunge (-30 degrees) as estimated in this resource (does not encompass all of Paulsens only top ~300m's)	180m by 100m, 2-3m thick, from surface, though top 20m mined in the 1930's
Estimation and modelling techniques	Inverse distance squared (ID2) was used to estimate this resource, using Vulcan 8.1. Block size is 5m(Y)by 4m(X) by 5m(Z), sub-blocked to 1m by 0.25m by 1m to suit the narrow east-west orientation of the majority of the domains. 16 domains were used to constrain the various lodes, defined by orientation, geological continuity, and grade population. Each domain is validated against the lithology, and then snapped to the drill-hole and face data to constrain the mineralised envelope as a 3D wireframe. Compositing of drill-hole samples was completed against these wireframed domains at 1m (downhole) intervals, with the "tails" being merged into the last composite to eliminate their potential unweighted influence on the estimate. Top-cuts were calculated for each domain dependent on the sample population characteristics, using a simple log probability plot method to ascertain where the population relationship breaks down. Top cuts are set to incorporate approximately 95-97.5% of the available sample population of each domain.		Resource has been estimated by MIK of two metre down-hole composited gold grades with block support correction. A variance adjustment has been applied to derive estimates of recoverable resources for open pit. Gemcom was used for data compilation, GS3M was used for estimating. Cumulative distribution plots and high coefficient of variation provide an indication of the highly variable nature of this mineralisation. There are no Paulsens pit production records as the mine went directly underground. Block size is 20m by 10m by 5m based on sample spacing in the more closely drilled portions A dip variable was assigned by ordinary kriging and digitised section lines. Five variable search passes ranged from 20 by 15 by 5 to 50 by 40, by 10. Validation of model is by visually comparing blocks to drilling by section.	ID^2 was used to estimate this resource. This was compared to OK and NN methods and found to be appropriate. Domains are snapped to drilling, and composited to eliminate composites of less than 0.2m length. Two domains were used to reflect the 2 styles of mineralisation. Composites were cut to 25/t based on log distribution. Grades are estimated to parent block size, 10m x 10m x 10m. Subcelled down to 1.25m x 1.25m x 1.25m to best fit estimation domains and be compatible with Surpac. Sample spacing is variable and ranges from <10m to 40m. Average sample distance for all estimated blocks is 25m and search ellipse 90m x 40m x 40m. Average number of samples used per estimate is 34 from an average of 6 holes. Block grades were compared visually to drilling data and Swath plots generated to compare composite grade with block grade.
Moisture	Moisture content of the Voyager resource is Moisture content of the rockmass under consideration is extremely low due to its entirely unweathered, almost entirely unoxidised nature. Incipient moisture content will be low due to these factors. Porosity and permeability of the ore host rock is relatively high, however, contained moisture will be immediately lost during mining activities and therefore will only contribute to density as surficial coatings and be dealt with during stockpiling calculations.		The tonnages are estimated on a dry basis	Tonnages are estimated on a dry basis. Moisture content within the ore is expected to be low
Cut-off parameters	Reporting cut-off is 2.5g/t		Interpretation is based on geology, not grade. Reporting grade is at 1g/t.	Interpreting cut-of is nominally 0.5g/t. Reporting cut-off grade is 1g/t

RESOURCE ESTIMATION PARAMETERS

	Voyager UG	Upper Levels	Open Pit	Belvedere
Section 3 - Estimation and Reporting of Mineral Resources				
Mining factors or assumptions	Standard Sub Level echelon retreat mining methods are the predominate method used. Historical mining and reconciliation data has been taken into consideration but without affecting wire frame interpretation		This resource is based on mining a small open pit	It is assumed Belvedere will initially be mined by open cut, and quick evaluations support the economics. Below economic pit depth, grades are high enough to potentially be mined by underground methods.
Metallurgical factors or assumptions	The ore is considered to be free milling, average hardness, and with no significant refractory component. There are few deleterious elements, the footwall graphitic shales being the only concern in that this can affect recovery through preg-robbing if fed in large volumes. This known effect is managed through blending the ROM feed to the crusher prior to milling.		Assumption made that Paulsens pit material will be metallurgically similar to upper Paulsens underground material	Initial, in house bottle roll test indicate a recovery of > 94% with reagent consumption in line with Paulsens ore
Environmental factors or assumptions	As with all unweathered, underground deposits, when mined, natural oxidation and weathering occurs, however, the ore and waste material mined at Paulsens has been reviewed several times by both independent and contracted consultants with the overall comment that there appears to be no major effects on the environment outside of the environmental conditions imposed with the granting of the initial mining licence.			
Bulk density	The bulk densities used in this resource are derived from a series of laboratory pycnometer readings, with some of these densities incrementally adjusted over time through tonnage reconciliations.		Assumed to be 2.5 and 2.9 t/bcm for oxidised and fresh respectively, based on previously used numbers.	Bulk density used was based on 246 samples from 2 diamond holes. Measurements were taken using the immersion method and related back to dominant rock code. Bulk density of the host rock is well covered, but of the mineralisation only lower grade intersections are represented in only 7 samples. Ten samples were used to determine an average SG of weather rock
Classification	Resource classification is defined by data spacing and reflects the degree of confidence in the areas specified. The data comes from diamond drillholes and face/wall, and rise sampling. Indicated resource classification is where the mineralisation has been sufficiently defined by a drill spacing of 12-15m by 12-15m or better, and/or where development has occurred within 12-15m. Measured resource classification is where the estimate is supported by data less than 5m apart and/or within 5-7m of development.		Classification of the Mineral Resources into varying confidence categories is based on search passes. Search passes 1 and 2 become indicate, 3, 4, 5 inferred. The result appropriately reflects the Competent Person(s)' view of the deposit.	Mineral Resources classification is based on drill spacing and kirging efficiency variable. There is no Measured component. The result appropriately reflects the Competent Person(s)' view of the deposit.
Audits or reviews	This resource has not been audited. Previous estimates of this area utilising the same, or very similar variables, have been reviewed with positive commentary.		There have not been any audits or reviews of this Mineral Resource estimate	
Discussion of relative accuracy/confidence	This resource is one in an iterative, evolutionary approach, attempting to increase confidence with each iteration. Taking account of all reconciliation, audit, mentor, and increased ore body knowledge over the intervening period between estimates in an attempt to produce more accurate estimates with time.	This resource is the first in an iterative, evolutionary approach for the estimator, attempting to increase confidence with each iteration. Taking account of all reconciliation, audit, mentor, and increased ore body knowledge over the intervening period between estimates in an attempt to produce more accurate estimates with time.	The estimation method has been demonstrated to provide reliable estimates of recoverable open pit resources. The statement relates to global estimates, for use in initial pit studies. There is no open pit production data available for comparison. Current pit model is intended only for initial pit investigations. Pre mining work would include infill and replacement drilling, maybe even pre-production grade control of a significant portion of the potential open pit mineralisation. Aspects for concern include the irregular sample spacing, lack of density samples for the oxidised mineralisation, high proportions of un-assayed drill-hole intervals within the mineralised domain and high proportion of older RC holes of uncertain quality. Only a quartz wireframe was used to restrict grade, not specific ore zone wireframes.	This mineral resource estimate is considered as robust and representative of the Belvedere mineralisation. The application of geostatistical methods has helped to increase the confidence of the model and quantify the relative accuracy of the resource on a global scale. It relies on historical data being of similar standard as Northern Stars recent infill drilling. This applies to approximately half of the holes. The relevant tonnages and grade are variable on a local scale.

RESERVE ESTIMATION PARAMETERS				
	Voyager UG	Upper Levels	Open Pit	Belvedere
Tenements	M08/099 & M08/196			M08/222
Section 4 - Estimation and Reporting of Ore Reserves				
Mineral resource Estimate for conversion to Ore Reserves	All Voyager One and Echo reserves were based on an updated resource model completed by the Northern Star geology department in January 2012. This was provided to Entech as a Vulcan block model file entitled 'Voy_120121.bmf'. The Mineral Resources are reported inclusive of the Ore Reserve Indicated Resources were converted to Probable Ore Reserves subject to mine design physicals and an economic evaluation. Measured material existed in the Voyager 1 Resource model which subsequently converted to Proven Reserves. Further to this stockpiles and gold in circuit (GIC) and gold in transit (GIT) were considered as Proven.	All Upper Paulsens including Upper and Lower Zone, Gemini and Cassini reserves were based on a resource estimate completed by Hellman & Schofield Pty Ltd in February 2011 and provided to Entech as a Vulcan block model file entitled 'Paul_0211_H&S.bmf' The Mineral Resources are reported inclusive of Ore Reserve. Indicated Resources were converted to Probable Ore Reserves subject to mine design physicals and an economic evaluation. Measured material existed in the Voyager 1 Resource model which subsequently converted to Proven Reserves. Further to this stockpiles and gold in circuit (GIC) and gold in transit (GIT) were considered as Proven.	The open pit reserve estimate is based in the mineral resource estimate completed by MPR Geological Consultants Pty Ltd (MPR) in January 2012. The Mineral Resources are reported inclusive of Ore Reserve	The open pit reserve estimate is based on the mineral resource estimate completed by the Northern Star Resources Geology Department in January 2013. The Mineral Resources are reported inclusive of Ore Reserve
Site visits	Site visits have been undertaken by the competent person. The competent person has previously been engaged to work on site			
Study Status	Update of previous Ore Reserve			Prefeasibility Study
Cut-off Parameters	Break even cut off of 3.43 g/t applied		Break even cut off of 1.0 g/t applied	Break even cut off of 1.2 g/t applied based on expected operating costs, revenue and recoveries.
Mining Factors or Assumptions	The Underground mine uses Uphole long hole stoping retreat, Jumbo stripping and air leg room and pillar mining techniques. Based on historical min performance a mining recovery factor of 100% is applied. Mining Dilution of 20% for stoping and 17% for development is also applied based on historical data. Indicated Resources were converted to Probable Ore Reserves subject to mine design physicals and an economic evaluation. Measured material existed in the Voyager 1 Resource model which subsequently converted to Proven Reserves. Further to this stockpiles and gold in circuit (GIC) and gold in transit (GIT) were considered as Proven.		Open Pit techniques, 95% mining recovery, 10% mining dilution. Geotechnical factors assumed from geotechnical report provided by Northern Star on nearby Paulsens operation.	
Metallurgical Factors or Assumptions	The Paulsens gold mill utilises a CIL (Carbon In Leach) circuit for the extraction of gold. Reserves are based on historical data from the operation of the plant and a Processing recovery of 95% is used.			
Environmental	Paulsens is currently compliant with all legal and regulatory requirements. All government permits and licenses and statutory approvals are either granted or in the process of being granted			
Infrastructure	All current site infrastructure is suitable to the proposed mining plan.			
Costs	Processing, Mining Services, Geology Services and Administration costs have been estimated as a cost per ore tonne based on tracked historical performance. Mining Services fixed cost is based on the monthly lump sum provided in the schedule of rates and then annualised and divided by the budgeted annual processing rate to obtain a cost per ore tonne.		Mining and Haulage costs are based on contractor estimates and first principle calculation. Processing costs are based on historical processing data from the plant	
Revenue factors	Revenue was based on a gold price of USD $1600 and an AUD to USD exchange rate conversion of 1.00. Which is seen as representative of current economic forecasts for the period			Revenue was based on a gold price of USD $1650 (which is seen as representative of current economic forecasts for the period) an AUD to USD exchange rate conversion of 1.00 and a WA State Govt royalty of 2.5%
Market Assessment	All product is sold direct at market prices with no hedges in place			
Economic	All costs assumptions are made based on historical performance from the mine and current economic forecast seen as representative of current market conditions			All costs assumptions are made based on historical performance from the plant and quotes from experienced mining contractors. The economic forecast is seen as representative of the current market condition.
Social	Agreements are in place and are current with all key stakeholders including traditional land owner claimants			
Other				
Classification	All Reserves have been classed as Probable			
Audits or reviews	The Ore Reserve has been prepared by an independent consultant and is in line with current industry standards			
Discussion of relative accuracy/confidence	Confidence in the model and Ore Reserve Estimate is considered high based on current mine and reconciliation performance		Confidence is in line with pre-feasibility study levels	

Competent Persons Statements

The information in this announcement that relates to Paulsens and Ashburton mineral resource estimations, exploration results, data quality, geological interpretations, potential for eventual economic extraction and estimates of exploration potential, is based on information compiled by or under the supervision of Brook Ekers, who is an AIG member who is a full-time employee of Northern Star Resources Ltd. Mr Ekers has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Ekers consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Information in this announcement that relates to the Paulsens Project Ore Reserves has been compiled by or under the supervision of Darren Stralow, General Manager – Paulsens Gold Mine, who is a full-time employee of Northern Star Resources Ltd. Mr Stralow has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Stralow is a Member of the Australasian Institute of Mining and Metallurgy and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Information in this announcement that relates to the Ashburton Ore Reserves has been compiled by Shane McLeay, Principal Engineer – Entech Pty Ltd, who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Shane McLeay is a Member of the Australasian Institute of Mining and Metallurgy and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

Northern Star Resources Limited has prepared this announcement based on information available to it. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this announcement. To the maximum extent permitted by law, none of Northern Star Resources Limited, its directors, employees or agents, advisers, nor any other person accepts any liability, including, without limitation, any liability arising from fault or negligence on the part of any of them or any other person, for any loss arising from the use of this announcement or its contents or otherwise arising in connection with it.

This announcement is not an offer, invitation, solicitation or other recommendation with respect to the subscription for, purchase or sale of any security, and neither this announcement nor anything in it shall form the basis of any contract or commitment whatsoever. This announcement may contain forward looking statements that are subject to risk factors associated with gold exploration, mining and production businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimations, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory changes, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

GOLD MINERAL RESERVES[1]

As at 31 December 2012	PROVED			PROBABLE			PROVED and PROBABLE		
Based on attributable ounces	Tonnes (000's)	Grade (gpt)	Ounces (000's)	Tonnes (000's)	Grade (gpt)	Ounces (000's)	Tonnes (000's)	Grade (gpt)	Ounces (000's)
PAULSENS GOLD PROJECT									
Surface									
Paulsens	-	-	-	424	2.3	31	424	2.3	31
Belvedere	-	-	-	129	3.2	13	129	3.2	13
Underground									
Upper Paulsens	-	-	-	36	6.9	8	36	6.9	8
Voyager UG	328	8.0	84	149	11.1	53	477	8.9	137
Stockpiles	102	3.3	11	-	-	-	102	3.3	11
Gold in Circuit/Transit	-	-	4	-	-	-	-	-	4
Subtotal Paulsens	430	6.9	99	738	4.4	105	1,168	5.3	204
ASHBURTON GOLD PROJECT									
Surface									
Mt Olympus	248	3.6	29	113	3.6	13	361	3.6	42
Peake	-	-	-	47	5.0	8	47	5.0	8
Zeus	-	-	-	38	2.4	3	38	2.4	3
Subtotal Ashburton	248	3.6	29	198	3.8	24	446	3.7	53
TOTAL RESERVES	**678**	**5.9**	**128**	**936**	**4.3**	**129**	**1,614**	**5.0**	**257**

[1] Rounding errors may occur