

Quarterly Report for the period ended 30 June 2006

HIGHLIGHTS

- First drilling phase for the 2006 field season completed, confirming the prospectivity of Northern Star's tenement portfolio within the East Kimberley region of Western Australia.
- New high-grade gold and silver intersections returned from first 13 of 33 holes from 1,789m RC drilling program at the Range Prospect (Wilson River Project), with significant intercepts including:
 - ◆ 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
- Remaining assay results from the Range drilling program anticipated late July/early August 2006.
- In addition to Range drilling, first phase drilling programs also completed at West Robin nickel prospect (Springvale Project) and Bond platinum and Emull zinc prospects (Red Billabong Project) in Western Australia's East Kimberley region.
- Testing for high-grade shoots at the Emull zinc deposit (Red Billabong Project) returned a higher grade interval of **4m @ 4.61% Zn (including 1m @ 8.4% Zn)** from 157m within a broad interval (**33m @ 1.02% Zn** from 134m) of zinc mineralisation.
- Preliminary assay results from drilling at the Bond Prospect (Red Billabong Project) have confirmed anomalous platinum mineralisation.
- Follow-up drilling currently being planned for the Range Prospect and base metal targets at Red Billabong.

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 3,675 km² and are highly prospective for nickel-copper-cobalt and platinum group elements (PGE) mineralisation, gold, diamonds and base metals.

The first drilling phase of the 2006 season was completed during the June 2006 Quarter, confirming 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 for roughly half of the holes from the drilling at the Range Prospect have again returned high grade gold-silver values. The Company also enjoyed success with its base metal-PGE drilling programs at the Red Billabong Project, south west of Halls Creek.

The remainder of the very active 2006 field season will see the generation and testing of several priority drilling targets for the Company. These will include follow-up drilling of the high-grade gold mineralisation intersected at the Range Prospect and base metal targets at the Red Billabong Project. In addition, accelerated field exploration will be conducted on several other nickel-PGE and base metal targets, as well as on the high-grade gold-silver mineralisation at the Hunter prospect.

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 % U₃O₈, 0.76% U₃O₈ and 0.38% U₃O₈ within the Dunham Project, 0.15% U₃O₈ within the Wilson River Project, and 0.157% U₃O₈ from the Tunganary Project. No drilling has been conducted previously in these areas. The company will assess the potential of these areas to host potentially economic 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 km².

Together with the present ground holdings at the Wilson River, Dunham and new Tunganary projects (covering some 900 km² 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.

Initial assay results were received for 13 of the 33 holes from the recently completed 1,798m RC drilling program at the Range Prospect. These include some outstanding new high-grade intersections.

Preliminary assay results have returned high grade values (Table 1), with significant intercepts including:

- ◆ 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 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 majority of holes contained intercepts of anomalous gold. 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.

The current drill program focused on testing the mineralisation already intersected, as well as holes to determine the overall scale and potential of the mineralised system. This included the more significant veins contained within a north-northeast trending corridor that is over 2 km long and 1 km wide. The veins display prominent epithermal textures (crustiform quartz-adularia, colloform banding, bladed quartz after calcite, brecciation and cockade quartz). The subsurface extent of the zones of quartz veining seen at surface was confirmed, with all holes encountering quartz veining varying from 1m to 11m in down hole width.

The drilling verified that the prominent east-west veins have vertical to steeply south dipping orientations whereas the southern most north-east trending vein dips shallowly at 20-40 degrees to the south east. Drilling was also undertaken in a new area of epithermal veining a few kilometres to the west of the previous drilling. Vein orientation here varied from shallow south (on east west veins) to shallow east (on north east veins).

A more detailed review of the drilling will be available once all the results are received, with remaining results anticipated late July/early August 2006.

Additionally, a new area of mineralisation has been highlighted from a recently completed soil sampling program, which returned highly anomalous soil gold values, up to 0.7g/t. The anomalous area, which is open to the east and south, lies some 200m to the south east of the recent drilling and occurs where no previous work (rock sampling or drilling) has been conducted (Figure 2). Further soil sampling together with geological mapping and rock sampling will be conducted to define the extent and character of the mineralisation in this area.

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.

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 km².

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

Springvale Project

Springvale, located some 45 km north of Halls Creek, comprises two ELs and one ELA covering an area of approximately 280 km².

West Robin Prospect – Nickel-PGEs

An initial program of 785m of RC drilling was completed at the West Robin prospect to test electromagnetic anomalies (identified from ground geophysical surveys) to establish if the conductive responses were due to nickel sulphide mineralisation.

The drilling, comprising 9 holes completed on 5 sections, intersected strongly sheared mafic/ultramafic rocks intruded by felsic dykes. On three sections, all associated with surface electromagnetic conductors, 3 to 5m wide zones of disseminated pyrrhotite and minor graphitic zones were returned from the drilling. Assay results have shown these zones are not nickeliferous.

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 km².

Bond Prospect - Platinum

A 19 hole aircore (746m) and 11 RC hole (674m) drill program was designed to determine the source of the PGE mineralisation at the Bond prospect (Figure 3). The single previous RC drill hole (RC hole RBC-007) drilled late last year had returned: 9m @ 0.3g/t Pt, 0.4g/t Pd and 0.06g/t Au (0.78g/t PGE+Au) from 26m, including 1m @ 1.08g/t Pt, 1.30g/t Pd and 0.11g/t Au (2.49g/t PGE+Au) from 27m.

Preliminary assay results from the follow-up drilling have confirmed anomalous platinum mineralisation.

The RC drilling tested the host stratigraphy on four traverses; one on the same traverse as RBC-007, as well as 180m and 435m to the north east of RBC-007, and one traverse some 850m to the south west of RBC-007.

Significant results (Table 2) included:

RBC-010 (EOH 79m) 4m @ 0.16g/t Pt and 0.24g/t Pd (0.42g/t PGE+Au) from 34m,
RBC-014 (EOH 70m) 1m @ 0.29g/t Pt and 0.66g/t Pd (0.95g/t PGE+Au) from 44m, and
RBC-017 (EOH 70m) 6m @ 0.08g/t Pt and 0.08g/t Pd (0.28g/t PGE+Au) from 42m.

In addition to the above, RBC-014 returned 3m @ 2.2 g/t Au from 67m.

Aircore holes tested the strike extensions of the potential stratigraphy to the north and south, as well as an area to the west of the RC traverses. Anomalous results include the 4m composite sampling from RBA-345 (20m @ 98ppb Pt, 60ppb Pd and 117ppb Au from 12m) and RBA-346 (4m @ 185ppb Pt, 50ppb Pd and 30ppb Au from 12m).

Further work in the prospect area will be determined by the results from the infill sampling of the anomalous aircore samples and an evaluation of the effectiveness of the recent RC drilling.

Golden Eye prospect - Gold Copper

Initial wide spaced reconnaissance drilling (34 holes) to test electromagnetic and aeromagnetic anomalies in the covered region to the west and north west of Emull returned anomalous gold and copper values from a single hole in which gabbroic lithologies were logged, 19m @ 19ppb Au and 514ppm Cu from 65m, including 1m @ 742ppb Au and 717ppm Cu from 69m.

The recently completed program of follow-up aircore drilling, comprising 5 holes for 381m, around the existing hole to determine the source and extent of the anomalism failed to replicate the original anomalous values. No further work is planned for the area.

Pick and Shovel prospect - Zinc

Initial reconnaissance drilling to test electromagnetic and aeromagnetic anomalies in the northern portion of the Red Billabong tenements highlighted that a number of areas, including the Moola Bulla Complex, were anomalous in base metals. This included Area 2 – now referred to as the Pick and Shovel prospect – where RBA-109 (EOH 43m) returned 3m @ 0.31% Zn and 0.13% Pb from 40m and RBA-114 (EOH 29m) returned 11m @ 0.1% Zn and 0.12% Pb from 11m.

A program comprising 15 aircore holes (485m) and 2 RC holes (150m) was completed during the quarter. Assay results from this drilling did not duplicate the results returned from the original aircore program. The data is being evaluated to determine whether additional work is required to resolve the source of the original anomalous intercepts.

Emull area – Base Metals

Initial drilling within the southern Red Billabong project area (Emull area) confirmed a number of areas of interest that are anomalous in base metals. The results from the initial drilling were reported to the ASX on 31 August 2005 and 04 October 2005. Follow up drilling results were reported to the ASX on 31 January 2006.

Emull West prospect - Zinc

A shallow aircore and RC programme (6 holes for 199m and 2 holes for 165m respectively), was completed 1.5km west of the Emull deposit, to evaluate possible extensions and/or additional mineralisation. This drilling again returned elevated values (Table 3). Previous drilling had returned **15m @ 0.28% Zn, 0.25% Cu and 0.33% Pb from surface.**

Hole RBC-021 returned **28m @ 0.11% Zn, 0.09% Cu**, and 0.05% Pb from 8m, **including 9m @ 0.19% Zn, 0.14% Cu**, and 0.05% Pb from 18m, and Hole RBC-022 returned 3m @ 0.07% Zn, 0.22% Cu, and 0.003% Pb from 25m.

Further drilling is being planned to identify any high grade zinc shoots, following confirmation of highly anomalous base metal values in the recent RC drilling.

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 (see below for a general description).

Three deeper RC percussion holes (totalling 479m) were drilled in the eastern portion of the Emull zinc mineralisation testing down dip from 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 intercepts (Table 4) include;

- ◆ 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 (Figure 4). Furthermore the drill 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.

The Emull base metal occurrence comprises zinc rich mineralisation hosted by the Emull gabbro. A wide range of mineralisation styles are represented, including historic intersections of 11.6m averaging 1.14% Cu, 0.95% Zn, 1.68% Pb, 107g/t Ag and 1.56g/t Au (DDHE1), 16.3m averaging 0.31% Cu, 1.65% Zn, 0.22% Pb, 11g/t Ag and 0.13g/t Au (DDHE9) and 2.1m averaging 0.56% Cu, 4.33% Zn and 0.25% Pb (DDHE7) and the above mentioned DDHE4 which averaged 7.85m @ 0.11% Cu, 7.39% Zn, 0.15% Pb, 3g/t Ag and 0.09g/t Au from 161.01m, including 2.74m @ 0.09% Cu, 11.5% Zn, 0.25% Pb and 3.4g/t Ag from 161.7m.

The deposit was recognised as a series of copper stained, siliceous gossans located adjacent to the contact between the Emull gabbro and felsic volcanic rocks of the Koongie Park Formation. Thin semi-massive and disseminated mineralisation is confined to four discontinuous but apparently stratabound lenses, dominated by sphalerite, with subordinate chalcopyrite and galena. The largest lens has a strike length of 500m and a maximum width of 50m.

The genesis of mineralisation at Emull is not certain, although models based on an origin as a volcanic hosted massive sulphide (VHMS) deposit partially assimilated during intrusion of

the Emull gabbro, or as a skarn developed within the Emull gabbro intrusion, have been proposed.

A second prospect of similar character, Location 5, is located approximately 800m northwest of Emull. The Company has also defined mineralisation at Emull west (see above), 1.5 km and 700m north west of Emull and Location 5, respectively.

Volcanogenic massive sulphide mineralisation is well documented within Koongie Park Formation sediments and volcanics northeast of Emull. Base metal occurrences at Sandiego, Hanging Tree, Onedin, Gosford and Atlantis, referred to as the Koongie Park deposits, have been identified. The most significant of these is the Sandiego deposit.

Within these deposits, metal zonation within massive sulphide lenses characteristic of VHMS deposits, is preserved at Sandiego and Onedin. Here lead-zinc lenses overlie both massive and stringer copper mineralisation. The ore occurs in massive, breccia, banded and stringer form, commonly in steeply plunging shoots aligned parallel to the axes of isoclinal folds.

CORPORATE

The Company had \$1.49 million cash at the end of the quarter.

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 undertaken 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
(Values >0.5g/t Au and >1.0g/t Ag)

Hole	EOH (m)	Easting AGD66	Northing AGD66	Azm (Mag)	Dip	From (m)	To (m)	Interv. (m)	Au g/t	Ag 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

1 metre 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.

Table 2 Significant Drill Intercepts –Bond Prospect

Hole	EOH (m)	Easting AGD66	Northing AGD66	From (m)	To (m)	Interv. (m)	Pt ppb	Pd ppb	Au ppb	PGE+ Au g/t
RBA-345	60	321435	7962065	12	32	20 #	98	60	117	0.28
RBA-346	52	321475	7962065	12	16	4 #	185	50	30	0.27
RBC-010	79	322000	7962492	34	38	4	163	240	17	0.42
RBC-014	70	322394	7962683	44	45	1	286	656	10	0.95
				67	70	3	17	8	2,198	2.23
RBC-017	70	321370	7961980	42	48	6	78	76	124	0.28

Holes drilled nominally at -60°. # 4metre samples analysed using Aqua Regia digest and ICP-AES or MS finish. 1 metre samples - Au, Pt, Pd determined by lead collection fire assay by firing a 40g (approx) sample with an ICP OES finish.

RBA = Aircore hole RBC = Reverse circulation hole

Table 3 Significant Drill Intercepts –Emull West

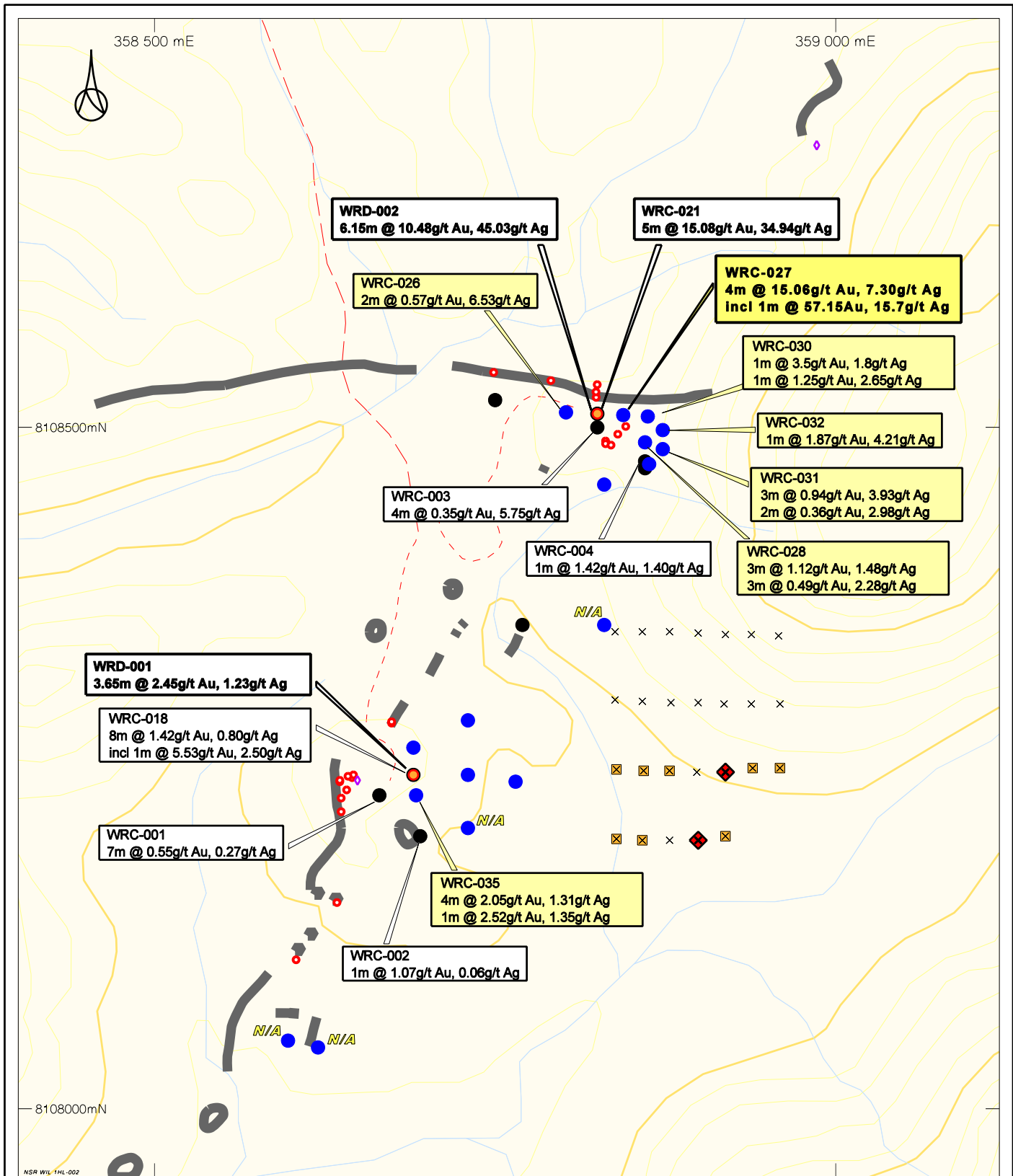
Hole	EOH (m)	Easting AGD66	Northing AGD66	From (m)	To (m)	Interv. (m)	Zn %	Cu %	Pb %
RBC-021	80	319650	7962100	8	36	28	0.11	0.09	0.05
Including				18	27	9	0.19	0.14	0.05
RBC-022	85	319650	7962070	25	28	3	0.07	0.22	0.003

Holes drilled nominally at -60°. 1metre sample analysed using mixed acid digest and ICP-AES or MS finish. High sulphur samples analysed using a modified mixed acid digest with ICP-AES or MS finish.

Table 4 Significant RC Percussion Drill Intercepts -Emull

Hole	EOH (m)	Easting AGD66	Northing AGD66	From (m)	To (m)	Interv. (m)	Zn %	Cu %	Pb %	Ag g/t	Au g/t
RBC-023	169	321310	7960840	134	167	33	1.02	0.34	0.16	7.20	0.12
Including				157	161	4	4.61	0.54	0.16	9.53	0.12
RBC-025	160	321390	7960840	135	150	15	0.25	0.33	0.19	5.83	0.8

Holes drilled nominally at -60°. 1metre sample analysed using mixed acid digest and ICP-AES or MS finish. High sulphur samples analysed using a modified mixed acid digest with ICP-AES or MS finish.



LEGEND

Quartz vein

Diamond drillhole collar

RC drillhole collar 2005 (holes with values >0.5g/t Au and >1.0g/t Ag highlighted)

RC drillhole collar 2006 (holes with values >0.5g/t Au and >1.0g/t Ag highlighted)

N/A Assays not yet available

Soil Samples 2006

Sample location

>0.1g/t Au in soils

>0.5g/t Au in soils

NST Rockchip samples pre2006

Rockchip sample values >0.2g/t Au

Rockchip sample values >1.0g/t Ag

Scale 1 : 4000

0 200

metres

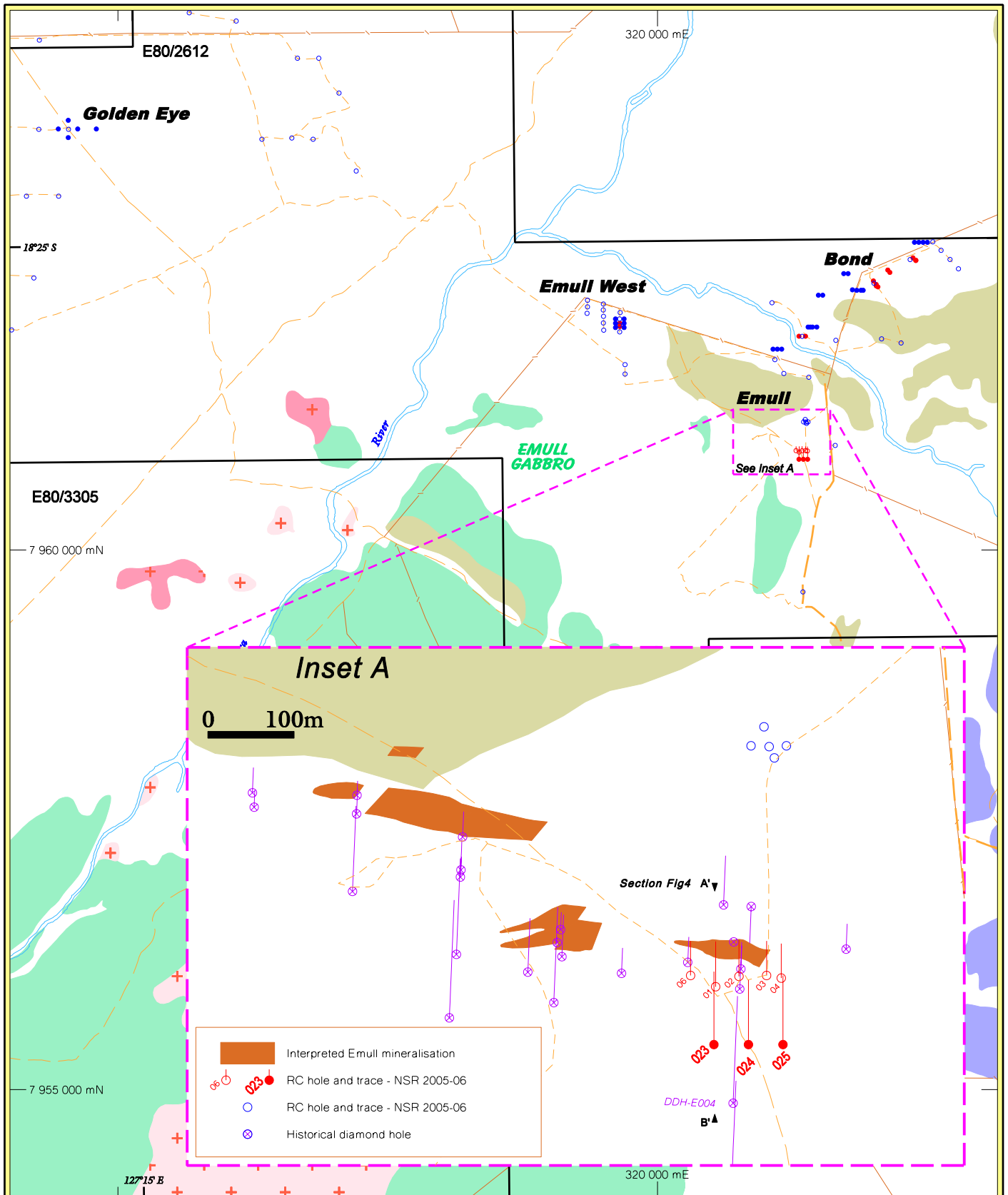
NORTHERN STAR RESOURCES LTD

**KIMBERLEY REGION
WESTERN AUSTRALIA**

**Wilson River Project
Range Prospect - South**

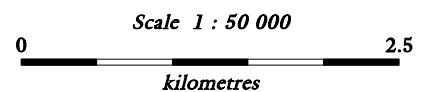
Drilling

Figure: 2



- LEGEND**
- Cover
 - GSWA outcrop geology
 - Gabbro
 - Granotoid
 - Metamorphic rocks
 - Lamboo Ultramafic

- NST - RAB/AC drill hole location (2005/2006)
- NST - RC drill hole location (2005/2006)



NORTHERN STAR RESOURCES LTD
 KIMBERLEY REGION
 WESTERN AUSTRALIA
Red Billabong Project

Southern Location Plan

