



QUARTERLY REPORT

PERIOD ENDED 30 JUNE 2009



CORPORATE SUMMARY

ASX CODE
NST

ISSUED CAPITAL
Shares
106.7 million

Options
12 million

Current Share Price
\$0.027

Market Capitalisation
A\$2.7 million

DIRECTORS

Chris Rowe (Chairman)
Bill Beament (Managing Director)
Terry Ransted (Non Exec.)
Peter Farris (Non Exec.)

Karen Brown (Company Secretary)

PROJECTS

Golden Crown
Range
Emull

COMMODITIES

gold
gold, silver
zinc, copper, gold

WEBSITE

www.nsr ltd.com

NORTHERN STAR RESOURCES LTD

ABN: 43 092 832 892
24 Mumford Place
Balcatta WA 6021
T: 08 6241 1866
F: 08 6241 1811

Email - info@nsr ltd.com

SUMMARY

CORPORATE

- ▶ Xstrata divests complete holding to New Investors
- ▶ Xstrata Board representative resigns
- ▶ Peter Farris joined the Board
- ▶ Investmet Limited acquires 19.9% of NST
- ▶ Michael Fotios nominated to join the board at EGM
- ▶ Tranche 1 of Placement completed raising \$93,057
- ▶ EGM set for 4th September 2009
- ▶ Reviewing project acquisitions

EXPLORATION

- ▶ Golden Crown resource data reviewed
- ▶ Emull Zinc/Copper resource evaluation continuing
- ▶ Tenement portfolio further reduced

CORPORATE OVERVIEW

During the quarter ending the 30th June 2009, Northern Star Resources Ltd (NST) announced that it had been informed by Xstrata that they had divested a 19.9% holding in NST to a diverse group of new investors including Investmet Limited. Xstrata retained a 5.16% holding in the Company.

Subsequent to the quarter ending the 30th June 2009, NST announced that it had been informed by Investmet Limited that an agreement to purchase Xstrata's remaining 5.1M shares in NST for 1.75 cents per share had been signed. Xstrata's support through this difficult period for the Company has been well received and very much appreciated by the Board.

As a result of Xstrata's divestment, their representative to the Board, Peter Langworthy, has resigned as a director. Peter's experience, advice and support through these difficult times has been critical to the Company's survival and being able to move forward with new investment. Subsequently Peter Farris joined the board during the quarter. Peter is a well respected and highly credentialed businessman in the Perth real estate industry and corporate advisory services. He has managed and developed major real estate companies with turnovers in excess of \$200 million and has extensive experience in company management.

The acquisition of these additional shares by Investmet will take their holding above 19.9%, therefore requiring shareholder approval of the transaction at an EGM. The notice of meeting for the EGM scheduled on the 4th September 2009 at 2pm is being printed and dispatched to shareholders shortly.

As a result of Investmet's holding in the Company, Michael Fotios will be nominated for election as a Non-Executive Director at the EGM and will be a valuable addition due to his knowledge and experience of the Australian Mining Industry. Mr Fotios is a geologist specialising in economic geology with extensive experience in exploration throughout Australia for gold, base metals, tantalum, tin and nickel and taking projects from exploration to feasibility. He previously held positions with Homestake Australia Limited and Sons of Gwalia Limited. He was Managing Director and a Director with Tantalum Australia NL (now ABM Resources Ltd) from September 1999 to October 2005. His last position was as Managing Director of Galaxy Resources Limited.

Subsequent to the quarter ending the 30th June 2009, NST announced that it had completed tranche 1 of the placement. The placement raised \$93,057, by way of an issue of 7,444,547 fully paid ordinary shares at an issue price of \$0.0125 per share. The placement was made to Investmet Limited and the funds raised were pursuant to the "excluded offer" provisions (Section 708) of the Corporations Act, 2001. Tranche 2 of the placement will raised \$94,500, by way of an issue of 7,555,453 fully paid ordinary shares at an issue price of \$0.0125 per share and a free option. This tranche will require shareholder approval at the EGM as it is being issued to Investmet Limited, therefore funds will not be received until after the meeting.

Stage 2 of the capital raising will be via a 2 for 5 pro rata non-renounceable rights issue to shareholders fully underwritten by Investmet Limited. The offer will raise approximately \$571,000 (less costs for legal and ASX). With both stages of the capital raisings there is no placement or underwriting fee which on the funds raised will save the Company \$45,500.

The Company has been very active in reviewing project acquisitions that meet the business criteria for NST. This has involved thorough due diligence on projects across the country. This activity is expected to be the main focus of the Company this year especially now that new investors have joined the register and a funding platform for future activities has been laid.

During the June quarter the Directors of NST continued to ensure that your Company will survive the current market crisis but this has meant by necessity a significant reduction in exploration activity whilst preserving the most advanced assets. NST has now disposed of its realisable assets in the Kimberley including fixed and mobile plant, raising funds to clear creditors. The Company will continue to investigate new opportunities to ensure that it will be active in exploration and development programs when the funding from the two stage raising comes through.

PROJECT UPDATE

▶ **Golden Crown Prospect**

The Golden Crown project is located 30km southeast of Halls Creek and 4km northeast of the Palm Springs Gold Mine where production during the mid-1990's recovered approximately 70,000 ounces of gold. The Inferred Resource contains two deposits located about 600 metres along strike from each other; Golden Crown which contains approximately 136,000 tonnes @ 3.8 g/t gold for 16,600 ounces and Faugh-a-Ballagh which contains approximately 187,000 tonnes @ 2.8 g/t gold for 17,000 ounces. A lower cut of 1 g/t Au was used for the Inferred Resource Estimate.

During the quarter the current resource was further reviewed to place the project into a position where the Company can evaluate costs associated with upgrading the current classification and the potential to add to the resource inventory with additional drilling. Work is continuing through this process.

▶ **Wilson River Epithermal Gold/Silver Project**

Results from the 2008 drill season have been compiled and a preliminary evaluation completed to determine the exploration target potential of near surface gold – silver mineralised zones. Results have highlighted a small but high grade exploration target located at the junction of the Trudi and Graham veins. Further work will be undertaken to evaluate whether a resource can be estimated using existing information.

▶ **Emull Prospect – Zinc/Copper**

Further work continued during the quarter on compiling data and ensuring compliance to QA/QC protocol in order to determine a resource estimate.

▶ **U3O8 URANIUM JOINT VENTURE**

Negotiations are proceeding with specialist uranium explorer U3O8 Limited to restructure the current East Kimberley Joint Venture agreement to more favourable commercial terms to both parties taking into account the current economic conditions.

Bill Beament



Managing Director

The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Jason Boladeras, who is Exploration Manager for Northern Star Resources, a Member of the Australian Institute of Geoscientists and is employed by Geoarc Pty Ltd. Mr Boladeras 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Boladeras consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.