



NORTHERN STAR
RESOURCES LIMITED

Option conversions and share transactions

Paradice and Wyllie Group acquire significant stakes in Northern Star

ASX ANNOUNCEMENT
24 AUGUST 2011

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 Farris
Non-Executive Director

Ms Karen Brown
Company Secretary

Issued Capital

Shares
337 M

Options 39M (\$3.8M Funding)

Current Share Price
\$0.58

Market Capitalisation
\$195 million

Projects

Paulsens
Ashburton
Golden Crown
Range
Emull

Commodities

gold
gold
gold
gold, silver
Zn, Cu, gold

Northern Star Resources (ASX: NST) is pleased to advise that a series of early option conversions and share transactions underway is expected to result in one significant institutional investor joining the Company's share register and another increasing its substantial stake.

Northern Star's largest shareholder, InvestMet Limited, has exercised 20.6 million options in the Company, injecting \$1.54 million into Northern Star as a result. Half of these options were not due to expire until September 2012.

InvestMet has also sold 10 million Northern Star shares, taking its total holding to 65.5 million shares, or 17.5 per cent on a fully diluted basis. The proceeds of this sale have been used to fund InvestMet's early exercise of options and its tax liability resulting from its Northern Star investment.

These shares have been acquired by the Wyllie Group, which will become a significant shareholder in the Company with a 3 per cent stake.

Wyllie Group is a family-owned boutique investment company with a diverse range of investments across all asset classes. The group's range of activities include property investment, resources, commercial and residential property development, farming, financial services, share trading and holding of strategic investments in public and private companies.

The Wyllie Group was keen to gain greater exposure to the resource sector and viewed NST as exciting Company. It has also recently become a significant shareholder in InvestMet.

Northern Star Managing Director Bill Beament has exercised a further seven million options he holds in the Company. These options were not due to expire until September 2012 but Mr Beament has elected to convert them early to assist with the overall restructure of the Company's option arrangements.

To fund the option exercise and to cover the tax liability stemming from his investment, Mr Beament has sold four million Northern Star shares. At the conclusion of these transactions, Mr Beament has increased his holding to 14.4 million Northern Star shares from 11.3 million previously.

Some of the shares that resulted from this transaction have been acquired by the highly regarded Australian fund management group Paradice Investment Management. Paradice became a substantial shareholder in Northern Star earlier this month with a 5 per cent stake. The acquisition of these additional shares has lifted its holding in Northern Star to 6.3 per cent.

Northern Star considers this to be an excellent outcome for the Company given that these options have expiry dates extending until September 2012 and will therefore be exercised well ahead of this date. It is also delighted that a fund management group of Paradice's standing has chosen to make an investment of this size in the Company.

Northern Star Chairman Chris Rowe will exercise 2.7 million options in the Company. The majority of these are not due to expire until September 2012. Mr Rowe will sell 1.9 million Northern Star shares to fund the option exercise and to meet his tax liability relating to his Northern Star investment. Mr Rowe will retain a direct holding of 7.2 million Northern Star shares.

Northern Star Non-executive Director Michael Fotios will exercise 6.3 million options in the Company. The majority are not due to expire until September 2012. After this conversion, Mr Fotios and his related entity (Delta Resource Management) will have a direct holding of 19.1 million Northern Star shares in addition to his interest in InvestMet Limited.

Mr Rowe said the option conversions would further enhance Northern Star's highly attractive capital structure by removing a significant stock overhang, while the subsequent share acquisitions by Paradice and Wyllie Group amounted to a strong vote of confidence in the Company by two highly respected investment groups.

"I welcome Paradice and Wyllie Group as substantial shareholders in Northern Star and I am confident that their decisions to invest will be well rewarded," Mr Rowe said.

Post these transactions \$2.1M will have been injected into Northern Star, the Company will have 337M shares on issue and 39M options. A further 7M options are expected to be exercised before they expire on the 4th September 2011.