

Appendix 5B

Mining exploration entity quarterly report

Name of entity

NORTHERN STAR RESOURCES LTD

ABN

43 092 832 892

Quarter ended ("current quarter")

31 December 2010

Consolidated statement of cash flows

		Current Quarter \$A'000	Year to date (6 Months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	24,552	54,278
1.2	Payments for		
	(a) exploration and evaluation	(296)	(326)
	(b) development	(5,168)	(6,436)
	(c) production	(8,532)	(10,425)
	(d) administration	(201)	(1,162)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	70	94
1.5	Interest and other costs of finance paid	(76)	(557)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
Net operating cash flows		10,349	35,466
Cash flows related to investing activities			
1.8	Payment for purchases of		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other – acquisition Paulsens Gold Mine	(5,762)	(34,904)
Net investing cash flows		(5,762)	(34,904)
1.13	Total operating and investing cash flows (carried forward)	4,587	562

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	4,587	562
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	1,126	4,321
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	15,000
1.17	Repayment of borrowings	(5,328)	(15,000)
1.18	Dividends paid	-	-
1.19	Other – costs of issues	(48)	(142)
Net Financing Cash Flows		(4,250)	4,179
Net increase (decrease) in cash held		337	4,741
1.20	Cash at beginning of quarter/year to date	5499	1095
1.21	Exchange rate adjustments to Item 1.20	-	-
1.22	Cash at end of quarter	5,836	5,836

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	348
1.24	Aggregate amount of loans to the parties included in item 1.10	-

Explanation necessary for an understanding of the transactions

Payments to directors or director related entities for:	\$000s
Executive directors' salary & statutory superannuation	129
Non executive directors' fees & statutory superannuation	45
Disbursements for office services paid to a company in which non-executive directors have an interest	174

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

add notes as necessary for an understanding of the position

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outlays for next quarter

	\$A'000
4.1 Exploration and evaluation	500
4.2 Development	6,400
4.3 Production	11,950
4.4 Administration	250
Total	19,100

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the statement of cash flows) to the related items in the accounts is follows.

	Current Quarter \$A'000	Previous Quarter \$A'000
5.1 Cash on hand and at bank	5,262	3643
5.2 Deposits at call	34	1306
5.3 Bank overdraft		-
5.4 Other – cash security for environmental and supplier bonds	540	540
Total: cash at end of quarter (item 1.22)	5,836	5499

Changes in interests in mining tenements - See attached tenement schedule for details

	Tenement Reference	Nature of Interest [note (2)]	Interest at Beginning of Quarter	Interest at End of Quarter
6.1		Interests in mining tenements relinquished, reduced or lapsed		
6.2	E(A) 08/2232 E51/1391	Application Equity on grant	0% 100%	100% 100%

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preferences securities <i>(description)</i>				
7.2 Changes during quarter (a) increases through issues (b) decreases through returns of capital, buybacks, redemptions				
7.3 Ordinary securities	298,224,962	298,224,962		
7.4 Changes during quarter (a) increases through issues				
Option exercise	6,937,469	6,937,469	5.0c	5.0c
Option exercise	250,000	250,000	5.75c	5.75c
Option exercise	5,000,000	5,000,000	7.5c	7.5c
Option exercise	1,834,133	1,834,133	10.0c	10.0c
Option exercise	1,200,000	1,200,000	20.0c	20.0c
(b) decreases through returns of capital, buybacks				
7.5 Convertible debt securities				
7.6 Changes during quarter (a) increases through issues (b) decreases through securities matured, converted				
7.7 Options			<i>Exercise price</i>	<i>Expiry date</i>
<i>ESOP options NSTAB</i>	1,000,000	-	10.0c	30/07/2012
<i>ESOP options NSTAC</i>	1,000,000	-	20.0c	30/07/2013
<i>ESOP options NSTAI</i>	1,000,000	-	various	02/09/2011
<i>Unlisted options NSTAQ</i>	5,213,334	-	2.5c	04/09/2011
<i>Unlisted options NSTAU</i>	12,333,333	-	5.0c	04/09/2012
<i>Unlisted options NSTAS</i>	12,333,333	-	10.0c	04/09/2013
<i>Unlisted options NSTAY</i>	18,841,964	-	5.0c	04/09/2011
<i>Unlisted options NSTAY</i>	22,633,859	-	10.0c	04/09/2012
<i>Unlisted options NSTAY</i>	500,000	-	5.75	Various to 20/10/2013
<i>Unlisted options NSTAY</i>	750,000	-	5.75	Various to 08/12/2013
<i>ESOP options NSTAY</i>	1,000,000	-	Various	Various to 11/10/2014
<i>ESOP options NSTAY</i>	1,000,000	-	Various	Various to 04/11/2014
<i>ESOP options NSTAW</i>	100,000	-	20.0c	18/06/2012
7.8 Issued during quarter				
<i>ESOP options NSTAY</i>	1,000,000	-	Various	Various to 11/10/2014
<i>ESOP options NSTAY</i>	1,000,000	-	Various	Various to 04/11/2014
7.9 Exercised during quarter				
<i>Unlisted options NSTAA</i>	1,200,000	-	20c	10/10/2010
<i>Unlisted options NSTAY</i>	1,937,469	-	5.0c	04/09/2011

Mining exploration entity quarterly report

	<i>Unlisted options NSTAY</i>	5,000,000	-	5.0c	30/07/2012
	<i>Unlisted options NSTAY</i>	250,000	-	5.75c	20/10/2011
	<i>Unlisted options NSTAY</i>	5,000,000	-	7.5c	30/07/2013
	<i>Unlisted options NSTAY</i>	1,834,133	-	10.0c	04/09/2012
7.10	Expired during quarter				
	<i>Unlisted options NSTAA</i>	300,000	-	20c	10/10/2010
	<i>Unlisted options NSTAZ</i>	2,000,000	-	Various	16/11/2010
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does/~~does not~~* (delete one) give a true and fair view of the matters disclosed.

Bill Beament

Sign here: [signed B. Beament] Date: 31/01/2011
(Director/Company Secretary)

Print name: B. BEAMENT

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address the topic, the Australian standard on that topic (if any) must be complied with.

Additional note:

Tenement Schedule
31 December 2010

Tenement Number	Interest	Project Name and Location
E08/1744	100%	Paulsens, Ashburton WA
E08/1745	100%	Paulsens, Ashburton WA
E47/1134	100%	Paulsens, West Pilbara WA
E47/1553	100%	Paulsens, West Pilbara WA
E08/1187	100%	Paulsens, Ashburton WA
E08/1845	100%	Paulsens, Ashburton WA
M08/196	100%	Paulsens, Ashburton WA
M08/99	100%	Paulsens, Ashburton WA
M08/222	100%	Paulsens, Ashburton WA
P08/543	100%	Paulsens, Ashburton WA
P08/544	100%	Paulsens, Ashburton WA
P08/565	100%	Paulsens, Ashburton WA
P47/1264	100%	Paulsens, West Pilbara WA
P47/1265	100%	Paulsens, West Pilbara WA
P47/1313	100%	Paulsens, West Pilbara WA
L08/12-15	100%	Paulsens, Ashburton WA
E08/1166	80%	Hardey Junction JV, Ashburton WA
E08/1189	80%	Hardey Junction JV, Ashburton WA
E08/1763	80%	Hardey Junction JV, Ashburton WA
E08/1842	80%	Hardey Junction JV, Ashburton WA
E08/1843	80%	Hardey Junction JV, Ashburton WA
E08/1844	80%	Hardey Junction JV, Ashburton WA
P08/546	80%	Hardey Junction JV, Ashburton WA
E08/1606	20% free carried	Mt Clement JV, Ashburton WA
M08/191	20% free carried	Mt Clement JV, Ashburton WA
M08/192	20% free carried	Mt Clement JV, Ashburton WA
M08/193	20% free carried	Mt Clement JV, Ashburton WA
E(A)08/2232	100%	Star of the East, Ashburton WA
E51/1391	100%	Cheroona, Murchison WA
E(A)52/2509	100%	Beatty Park, Peak Hill WA
E80/2612	100%	Emull (Red Billabong), Kimberley WA
E80/2394	100%	Golden Crown, Kimberley WA
E80/3550	10% free carried	Tunganary JV, Kimberley WA
E80/3640	10% free carried	Tunganary JV, Kimberley WA
E80/4001	100%	Range (Wilson River), Kimberley WA

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