Northern Star Resources Ltd

ACN 092 832 892

ANNUAL FINANCIAL STATEMENTS

2009

Directors' Report

The Directors present their report on the results of the Company for the year ended 30 June, 2009 and the state of affairs at that date. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

The names of the Directors in office during the course of the year and at the date of this report are:
Christopher K G Rowe (Chairman)
William J (Bill) Beament (Managing Director)
Terrence W Ransted – resigned 4 September 2009
Peter J Langworthy – resigned 22 April 2009
Peter C P Farris – appointed 22 April 2009
Michael G Fotios – elected 4 September 2009

Principal Activity

The principal activities of the Company in the course of the year were the acquisition of mineral tenements, mineral exploration and investment.

Operating Results

The net loss of the Company for the year, after provision for income tax amounted to $4,664,644 (2008: $86,595).

Dividends

No dividends were paid during the year and no recommendation is made as to dividends.

Review of Operations

The Company continues to be actively involved in, mineral exploration, focussing primarily on three project groups around Halls Creek in the largely under-explored East Kimberley region of Western Australia. Drilling was conducted on a number of projects, including the Wilson River and Red Billabong projects. Reconnaissance exploration, comprising a combination of geochemical, geological and/or geophysical surveys, was conducted on these and the other projects to define drill targets. The exploration work to define economic mineral deposits is on going.

More details of the activities of the Company for the year together with future prospects are set out in the Review of Operations section of the annual report.

Significant Changes in State of Affairs

The state of affairs of the Company was not affected by any significant changes during the year.

Matters Subsequent to the End of the Financial Year

On 6 July 2009, a placement of 7,444,547 shares and 7,444,547 options was completed and the securities issued to Investmet Limited. The shares were issued at an issue price of 1.25 cents per share. The options vest immediately, - 2,481,516 options are exercisable at 2.5 cents each on or before 4 September 2010; 2,481,516 are exercisable at 5 cents each on or before 4 September 2011, 2,481,515 are exercisable at 10 cents each on or before 4 September 2012.

On 4 September 2009 a General Meeting of shareholders approved a number of transactions including ratification of the earlier placement, approval of a further placement to Investmet Limited, approval of the issue of securities in settlement of unpaid directors' and consultancy service fees and approval of the issue of incentive options.

In accordance with shareholder approval, on 7 September 2009, 7,000,000 shares and 7,000,000 options were issued. The shares were at 1.125 per share in settlement of outstanding unpaid directors' and consultancy service fees.

On 8 September 2009, a placement 7,555,453 shares and 7,555,452 options was completed in accordance with shareholder approval and the securities were issued to Investmet Limited. The shares were issued at an issue price of 1.25 cents per share. The options vest immediately - 2,518,484 options are exercisable at 2.5 cents each on or before 4 September 2010; 2,518,484 are exercisable at 5 cents each on or before 4 September 2011, 2,518,485 are exercisable at 10 cents each on or before 4 September 2012.

In addition, and in accordance with shareholder approvals, on 11 September 2009 a total of 37,000,000 incentive options were issued to directors, their related entities and the Company Secretary's service company. The options have varying vesting and expiry dates. One third of the options are exercisable at 2.5 cents each, one third at 5 cents each and the remaining one third at 10 cents each.

Directors' Report - continued

Matters Subsequent to the End of the Financial Year - continued

Also, subsequent to the end of the financial year, a fully underwritten non-renounceable pro rata rights issue was commenced to raise $606,303 (less costs of the issue). Under the terms of the offer, shareholders are entitled to two new shares and two attaching new options for every five shares held. The issue price of the new shares is 1.25 cents each. One third of the options are to be exercisable at 2.5 cents each expiring in 2010; one third are to be exercisable at 5 cents each expiring in 2011; and the remaining one third are to be exercisable at 10 cents each expiring in 2012. Record date for calculation of entitlements was 16 September 2009 and the issue closes on 7 October 2009.

The funds raised from the placements and to be raised from the rights issue are to be used for continuing exploration and evaluation of the Company's existing projects, investigation and due diligence on potential acquisitions, retirement of debt and working capital.

Other than as stated above, there were no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in financial years subsequent to the financial year ended 30 June 2009.

Likely Developments and Expected Results of Operations

The Company intends to continue exploration programmes on its existing tenements, and to acquire further suitable tenements for exploration. Further information on the likely developments in the operations of the Company and the expected results of operations have not been included in this annual financial report because the directors believe it would be likely to result in unreasonable prejudice to the Company.

Directors' Qualifications, Experience and Special Responsibilities

ROWE, Christopher Kenneth George, BA, MA Economics and Law (Chairman) Age 65

Mr Rowe has practised as a Barrister and Solicitor both in the United Kingdom and in Western Australia before becoming a full time consultant to the mining and oil and gas industry. He has been chairman or deputy chairman of a number of public listed mining and oil and gas related companies in Australia and North America holding both executive and nonexecutive positions. Board positions with other listed public companies within the last three years are Advance Healthcare Group Limited (from June 2006 to April 2007)and DVM International Ltd (chairman from April 2008) .
Member of nomination and remuneration committees, member of audit committee.

BEAMENT, William James (Bill) BEng-Mining (Hons) (Managing Director) Age 34

Mr Beament is a mining engineer with more than 15 years experience in the resource sector in mine management including several senior management positions, including General Manager of the Eloise Copper Mine in Queensland. For the past four years, Mr Beament has held the position of Operations manager for Barminco Limited with overall responsibility for 12 mine sites across Western Australia.
Member of nomination and remuneration committees, member of audit committee.

FARRIS, Peter Charles Diploma Business Perth Tech, Diploma Business RMIT, MAICD (Non-executive Director) Age 64 – Appointed 22 April 2009

Mr Farris 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. Mr Farris has held no board positions with other listed companies during the last three years.Member of nomination and remuneration committees, member of audit committee.

FOTIOS, Michael George, BSc (Hons) MAusIMM (Non-executive Director) Age 47 – Elected 4 September 2009

Mr Fotios has qualifications in Geology specialising in Economic Geology with extensive experience in exploration throughout Australia working with gold, base metals, tantalum, tin and nickel from exploration to feasibility over the last 25 years. 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. He was Managing Director and a director with Galaxy Resources Limited from April 2006 to December 2008
Member of nomination and remuneration committees, member of audit committee.

Company Secretary

Karen Elizabeth Vere Brown, BEc (Hons) Age 49

Miss Brown is an honours graduate in economics from the University of Western Australia and is a director of Mineral Administration Services Pty Ltd which provides secretarial, financial and administration services to the Company. Miss Brown has considerable experience in corporate administration of listed companies over a period exceeding 21 years, primarily in the mineral exploration industry.

Directors' Report – continued

Meetings of Directors
During the financial year, eight (8) meetings of directors were held. There were one (1) Audit, nil (0) Nomination and one (1) Remuneration Committee Meeting held during the financial year.

The full Board carried out the functions of the Audit,Nomination and Remuneration Committees.

The number of meetings attended by each director during the year is as follows:

Director	Number of meetings held	Number of meetings attended	Committee Meetings		
			Audit	Nomination	Remuneration
Christopher K. G. Rowe	8	8	1	-	1
William J Beament	8	8	1	-	1
Terrence W. Ransted	8	6	1	-	1
Peter J. Langworthy	7	7	1	-	1
Peter C Farris	1	1	-	-	-

Audit Committee
The audit committee comprises the full board.

Corporate Governance
In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Northern Star Resources Ltd support and have adhered to the principles of corporate governance and have established a set of policies and manuals for the purpose of managing corporate governance. The Company's detailed corporate governance policy statement is contained in the additional Supplementary Information section of the annual report and can be viewed on the Company's web site at www.nsrltd.com.

Environmental Issues
The Company is subject to environmental regulation in respect to its mineral tenements relating to any exploration activity on those tenements. No breaches of any environmental restrictions were recorded during the year. Performance bonds are required by the Mines Department to cover environmental regulation rehabilitation.

Share Options
Listed options to take up ordinary shares in the capital of Northern Star Resources Ltd granted and still outstanding at the date of this report are as follows:

Unlisted options:

Date options granted	Number and class under option	Issue/ exercise price of shares	Exercise / expiry dates
18 June 2007	100,000	$0.20	18 June 2012
10 October 2007	1,500,000	$0.20	10 October 2010
Unlisted options – 2,000,000 – divided into three classes as follows:			
03 December 2007	500,000	$0.20	Between 03 December 2007 and 16 November 2010
03 December 2007	500,000	$0.25	Between 03 June 2008 and 16 November 2010
03 December 2007	1,000,000	$0.35	Between 03 June 2009 and 16 November 2010
Unlisted options – 1,000,000 – divided into five classes as follows:			
02 September 2008	400,000	$0.20	Between 02 Sept 2008 and 02 September 2011
02 September 2008	150,000	$0.20	Between 27 February 2009 and 02 September 2011
02 September 2008	150,000	$0.25	Between 07 November 2008 and 02 September 2011
02 September 2008	150,000	$0.20	Between 27 February 2009 and 02 September 2011
02 September 2008	150,000	$0.30	Between 07 November 2008 and 02 September 2011

Directors' Report - continued

Share Options - continued

Unlisted options - continued:

Date options granted	Number and class under option	Issue/ exercise price of shares	Exercise / expiry dates
Unlisted options – 7,444,547 – divided into three classes as follows:			
06 July 2009	2,481,516	$0.025	31 May 2010
06 July 2009	2,481,516	$0.050	31 May 2011
06 July 2009	2,481,515	$0.010	31 May 2012
Unlisted options – 7,555,452 – divided into three classes as follows:			
08 September 2009	2,518,484	$0.025	04 September 2010
08 September 2009	2,518,484	$0.050	04 September 2011
08 September 2009	2,518,484	$0.010	04 September 2012
Unlisted options – 7,000,000 – divided into three classes as follows:			
07 September 2009	2,333,334	$0.025	04 September 2010
07 September 2009	2,333,333	$0.050	04 September 2011
07 September 2009	2,333,333	$0.010	04 September 2012
Unlisted options – 37,000,000 – divided into three classes as follows:			
11September 2009	12,333,334	$0.025	04 September 2010
11 September 2009	12,333,333	$0.050	Between 04 Sep 2010 and 04 Sep 2012
11 September 2009	12,333,333	$0.010	Between 04 Sep 2011 and 04 Sep 2013

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

Directors' Interests and Benefits

a) Professional fees of $42,613 (2008: $66,920) were paid during the year to Multi Metal Consultants Pty Ltd, a company in which Mr Ransted has a substantial financial interest.
b) Professional fees of $32,700 (2008 :$32,700) were paid during the year to Little Breton Nominees Pty Ltd, a company in which Mr. Rowe has a substantial financial interest.
c) Professional fees of $12,500 (2008: $NIL) were paid during the year to Xstrata Nickel, a company in which Mr Langworthy was an employee and $7,750 (2008: $NIL) were paid to Jericho Exploration Pty Ltd, a company in which Mr. Langworthy has a substantial financial interest.
d) Professional fees of $4,861 (2008 :$NIL) were paid during the year to Farris Corp, a company in which Mr. Farris has a substantial financial interest.
e) Professional fees of $79,925 (2008 :$NIL) were paid during the year to Mining and Infrastructure Group Pty Ltd, a company in which Mr. Beament has a substantial financial interest.

This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as directors' fees and shown in the financial statements, prepared in accordance with the Corporations Regulations, or the fixed salary of a full-time employee.

Remuneration Report

The remuneration report is set out under the following main headings:

A Principles used to determine the nature and amount of remuneration
B Details of renumeration
C Service agreements
D Share-based compensation.
E Additional information

The information provided within this remuneration report includes remuneration disclosures that are required under Accounting Standard AASB 124 'Related Party Disclosures'. These disclosures have been transferred from the financial report and have been audited.

Directors' Report - continued

Remuneration Report - continued

A *Principles used to determine the nature and amount of remuneration (audited)*

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms with market best practice for delivery of reward.

The Board ensures that executive reward satisfies the following key criteria for good reward corporate governance practices:

competitiveness and reasonableness
acceptability to shareholders
transparency
capital management

The Company has structured an executive remuneration framework that is market competitive and complementary to the reward strategy for the organisation.

Non-executive directors
Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Board. The Chairman's fees are determined independently to the fees of non-executive directors based on comparative roles in the external market. The Chairman is not present at any discussions relating to determination of his own remuneration.

Directors fees
Directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at $150,000 in aggregate. This amount is separate from any specific tasks the directors or their related entities may take on for the Company. For example, Multi Metal Consultants Pty Ltd of which Mr Ransted is a principal, has provided some administration services for the Company, separate from Mr Ransted's tasks as non-executive Director. Their remuneration is set out below.

The Company has no performance based remuneration component built into director and executive remuneration packages.

B *Details of remuneration (audited)*

	2009 $	2008 $
Directors' income paid or payable or otherwise made available to Directors of the Company	424,238	547,190

There are no executive officers of the Company other than directors.

The details of remunerations of directors and key management personnel and specified executives of Northern Star Resources Ltd are set out in the following tables:

The key management personnel of Northern Star Resources Ltd are the following:

- K E V Brown – Company Secretary

Directors' Report - continued

Remuneration Report - continued

B *Details of remuneration (audited)- continued*

Key management personnel and other executives of the Company

Name	Short-term benefits Cash salary and fees $	Post-employment benefits Superannuation $	Long term benefits	Share-based payment $	Total $
Executive Director of Northern Star Resources Ltd					
2009					
WJ Beament	257,008	15,938	24,303#	39,668	336,917
Total	257,008	15,938	24,303	39,668	336,917
2008					
CS Wilkinson	33,333	3,000	-	-	36,333
WJ Beament	229,167	20,625	-	89,456	339,248
Total	262,500	23,625	-	89,456	375,581
Non-executive Directors of Northern Star Resources Ltd					
2009					
C Rowe*	32,700	-	-	-	32,700
T Ransted	25,000	2,250	-	-	27,250
P Langworthy**	20,250	1,823	-	-	22,073
P Farris***	4,861	437			5,298
Total	82,811	4,510	-	-	87,321

2009 notes

*The director's cash fees ($32,700) in respect of Mr Rowe were paid to Little Breton Nominees Pty Ltd, a company with which he is associated.

**In respect of Mr Langworthy, director's cash fees ($12,500) and superannuation ($1,125) were paid to Xstrata Nickel, of which he was an employee and cash fees ($7,750) and superannuation ($698) were paid to Jericho Exploration Pty Ltd, a company with which he is associated.

The directors' cash fees ($4,861) and superannuation ($437) in respect of Mr Farris were paid to Farris Corporation Pty Ltd, a company with which he is associated.

Payment towards leave accrued on termination as employee and prior to being appointed as a consultant.

Name	Cash salary and fees	Superannuation	Long term benefits	Share-based payment	Total
2008					
C Rowe*	32,700	-	-	-	32,700
I Chalmers	4,167	375	-	-	4,542
G Lethridge**	15,064	1,356	-	-	16,420
T Ransted	25,000	2,250	-	-	27,250
P Langworthy**	25,000	2,250	-	-	27,250
C Wilkinson	50,000	4,500	57,692***	(48,745)	63,447
P Farris	-	-	-	-	-
Total	151,931	10,731	57,692	(48,745)	171,609

2008 notes

*The director's cash fees ($32,700) in respect of Mr Rowe were paid to Little Breton Nominees Pty Ltd, a company with which he is associated.

**The directors' cash fees ($40,064 in aggregate) and superannuation ($3,606 in aggregate) in respect of Mr Lethridge and Mr Langworthy , were paid to Xstrata Nickel, of which these directors were employees.

*** The long term benefit payment made in respect of Mr Wilkinson related to unused annual leave.

Name	Cash salary and fees	Superannuation	Long term benefits	Share-based payment	Total
Other key management personnel					
2009					
K Brown	30,000	-	-	-	30,000
2008					
K Brown	30,000	-	-	-	30,000

Corporate administration, accounting & company secretarial fees paid to Mineral Administration Services Pty Ltd, a company with which Ms Brown is associated.

No long term or termination benefits were paid in the current or previous financial year.

Directors' Report - continued

Remuneration Report - continued

C *Service Agreements (audited)*

BEAMENT, WILLIAM JAMES (BILL)
Term of Agreement – on going commencing 15 March 2009

The previous contract was terminated by mutual consent and an interim alternative arrangement was entered into on 15 March 2009 for the provision of services by way of consultancy at a daily rate of $1,150 for services rendered pending negotiation of a new contract.

D *Share-based compensation (audited)*

During the financial year, 1,000,000 options were granted to the employees . The 1,000,000 options are exercisable at the vesting dates listed below:

Date options granted	Number and class under option	Issue/ exercise price of shares	Value per option at grant date	Exercise / expiry dates
02 Sep 2008	400,000	$0.20	$0.024	Between 02 September 2008 and 02 September 2011
02 Sep 2008	150,000	$0.20	$0.024	Between 27 February 2009 and 02 September 2011
02 Sep 2008	150,000	$0.25	$0.020	Between 07 November 2008 and 02 September 2011
02 Sep 2008	150,000	$0.20	$0.024	Between 27 February 2009 and 02 September 2011
02 Sep 2008	150,000	$0.30	$0.017	Between 07 November 2008 and 02 September 2011

Fair value of options granted on 02 September 2008
The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility (76%) of the underlying share, the expected dividend yield (nil) and the risk-free interest rate (5.67%) for the term of the option.The share price at the grant date was $0.08

The terms and conditions of each grant of options affecting remuneration in the previous, current or future reporting periods are as follows:

Grant date	Date vested and exercisable	Expiry date	Exercise price	Value per option at grant date
18 June 2007	18 June 2007	18 June 2012	$0.20	$0.113
03 Dec 2007	03 Dec 2007	16 November 2010	$0.20	$0.070
03 Dec 2007	03 June 2008	16 November 2010	$0.25	$0.067
03 Dec 2007	03 June 2009	16 November 2010	$0.35	$0.060
02 Sep 2008	02 Sept 2008	02 September 2011	$0.20	$0.024
02 Sep 2008	29 Feb 2009	02 September 2011	$0.20	$0.024
02 Sep 2008	07 Nov 2008	02 September 2011	$0.25	$0.020
02 Sep 2008	29 Feb 2009	02 September 2011	$0.20	$0.024
02 Sep 2008	07 Nov 2008	02 September 2011	$0.30	$0.017

Details of options over ordinary shares in the company provided as remuneration to each director of Northern Star Resources Ltd and each of the key management personnel of the Company are set out below.

Name	Number of options granted		Number of options vested	
	2009	2008	2009	2008
Directors of Northern Star Resources Ltd				
Bill Beament	-	2,000,000	2,000,000	1,000,000
Other Key Management personnel				
Karen Brown	-	-	-	-

Options were granted for no consideration as a one off incentive bonus. The options carry no dividend or voting rights and are exercisable during the vesting period. When exercised, each option is convertible into one ordinary share, which would result in the issue of 2,000,000 ordinary shares. No options were excercised during the year.

Directors' Report - continued

Remuneration Report - continued

E *Additional information (audited)*

Name	Cash Bonus Paid %	Cash Bonus Forfeited %	Options Year granted %	Options Vested %	Options Forfeited %	Options Financial years in which options may vest $	Options Minimum total value of grant yet to vest $	Options Maximum total value of grant yet to vest $
C Rowe	-	-	-	-	-	-	-	-
W Beament	-	-	2008	100	-	-	-	-
T Ransted	-	-	-	-	-	-	-	-
PLangworthy	-	-	-	-	-	-	-	-
P Farris	-	-	-	-	-	-	-	-

Share –based compensation: Options

Name	A Remuneration consisting of options	B Value at grant date $	C Value at exercise date $	D Value at lapse date $	E Total of columns B-D $
C Rowe			-	-	-
W Beament	11.77%	39,668	-	-	39,668
T Ransted	-	-	--	-	-
P Langworthy	-	-	-	-	-
P Farris	-	-	-	-	-

Insurance of Officers and auditors

During the financial year, Northern Star Resources Ltd incurred a premium to insure the directors, secretary and/or officers of the Company.

The liability insured is the indemnifaction of the Company against any legal liability to third parties arising out of any Directors or Officers duties in their capacity as a Director or Officer.

No liability has arisen under this indemnity as at the date of this report.

The Company has in place deeds of indemnity with each of the Directors.

The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate, against a liability incurred as such by an officer or auditor.

Directors' Report - continued

AUDIT INDEPENDENCE AND NON-AUDIT SERVICES

Auditors' independence -section 307C

The following is a copy of a letter received from the Company's auditors:

"The Directors
Northern Star Resources Ltd
PO Box 8178
Perth Business Centre WA 6849

Dear Sirs,

In accordance with Section 307C of the Corporations Act 2001 (the "Act") I hereby declare that to the best of my knowledge and belief there have been:

- no contraventions of the auditor independence requirements of the Act in relation to the audit of the 30 June 2009 annual financial statements; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

Frank Vrachas (Lead auditor)
Rothsay Chartered Accountants
Dated 30 September 2009"

During the year the following fees were paid or payable for services provided by the auditor:

	2009 $	2008 $
Audit services		
Audit and review of financial reports under the Corporations Act 2001	20,000	19,000

Non-audit services

No other services were provided by the auditor.

Signed at Perth in accordance with a resolution of Directors.

Bill Beament
Managing Director

Dated this 30th day of September 2009

Directors' Declaration

In the opinion of the Directors of Northern Star Resources Ltd:

(a) the financial statements and notes set out on the following pages are in accordance with the Corporations Act 2001 including:

i. giving a true and fair view of the financial position of the Company as at 30 June 2009 and of its performance for the financial year ended on that date; and

ii complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements ; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(c) the audited remuneration disclosures set out in the directors' report comply with Accounting Standard AASB 124 *Related Party Disclosures* and the Corporations Regulations 2001.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Directors:

Bill Beament

Bill Beament
Managing Director

PERTH
Dated this 30th day of September 2009

Income Statement
For the year ended 30 June 2009

	NOTES	2009 $	2008 $
Revenue from continuing operations			
Interest income		23,511	102,756
Rent from property		9,395	-
Revenue from disposal of assets		400,255	-
Total revenue from continuing operations		433,161	102,756
Expenses			
Administration and secretarial services		(63,706)	(58,448)
Consultancy/Advisory fees		(10,880)	-
Audit fees	11	(20,000)	(19,000)
Depreciation		47,555	(207)
Employee benefits		52,017	(40,711)
Exploration expensed		(4,190,218)	594,937
Insurance		(19,271)	(27,459)
Office rent, ancillaries and running		(61,707)	(61,944)
Personnel & support		(334,336)	(382,097)
Public relations		(5,329)	(46,601)
Share registry and ASX listing fees and other corporate costs		(37,280)	(84,925)
Cost of assets disposed		(433,863)	(46,979)
Other expenses from continuing operations		(20,787)	(15,917)
Total Expenses		(5,097,805)	(189,351)
(Loss) before income tax expense		(4,664,644)	(86,595)
Income tax expense	12	-	-
(Loss) for the year		(4,664,644)	(86,595)
(Loss) attributable to members of Northern Star Resources Ltd		(4,664,644)	(86,595)
(Loss) per share for loss from continuing operations attributable to the ordinary equity holders of the Company			
Basic earnings per share (cents per share)	13	(4.79c)	(0.10c)

Diluted earnings per share are not disclosed as they are not materially different to basic earnings per share.

The above income statement should be read in conjunction with the accompanying notes.

Balance sheet
As at 30 June 2009

	NOTES	2009 $	2008 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	152,326	1,336,898
Receivables	4	110,470	49,576
TOTAL CURRENT ASSETS		262,796	1,386,474
NON-CURRENT ASSETS			
Property, Plant & Equipment	5	54,461	434,899
Capitalised Exploration & Evaluation expenditure	6	3,646,433	6,209,439
TOTAL NON-CURRENT ASSETS		3,700,894	6,644,338
TOTAL ASSETS		3,963,690	8,030,812
LIABILITIES			
CURRENT LIABILITIES			
Trade Payables	7	289,161	213,802
Provisions	8	10,435	6,915
Current Borrowings	9	127,347	47,614
TOTAL CURRENT LIABILITIES		426,943	268,331
NON CURRENT LIABILITIES			
Borrowings	10	15,733	51,970
TOTAL LIABILITIES		442,676	320,301
NET ASSETS		3,521,014	7,710,511
EQUITY			
Contributed Equity	2	10,822,898	10,295,734
Reserves	20	272,621	324,638
Accumulated Losses	20	(7,574,505)	(2,909,861)
TOTAL EQUITY		3,521,014	7,710,511

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

		Attributable to members of Northern Star Resources Ltd			
	Notes	Contributed equity $'000	Reserves $'000	Retained earnings $'000	Total equity $'000
Balance at 1 July 2007		8,853	178	(2,823)	6,208
Profit/(Loss) for the financial period	20b	-	-	(87)	-
Total recognised income and expense for the year		-	-	(87)	(87)
Contributions of equity, net of transaction costs	2	1,443	-	-	1,443
Share based payments	20a	-	147	-	147
Balance at 30 June 2008		10,296	325	(2,910)	7,711

		Attributable to members of Northern Star Resources Ltd			
	Notes	Contributed equity $'000	Reserves $'000	Retained earnings $'000	Total equity $'000
Balance at 1 July 2008		10,296	325	(2,910)	7,711
Profit/(Loss) for the financial period	20b	-	-	(4,665)	-
Total recognised income and expense for the year		-	-	(4,665)	(4,665)
Contributions of equity, net of transaction costs	2	527	-	-	527
Share based payments	20a	-	(52)	-	(52)
Balance at 30 June 2009		10,823	273	(7,575)	3,521

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Cash flow statement
For the year ended 30 June 2009

	NOTES	2009 $	2008 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to Suppliers & Employees (inclusive of goods and services tax)		(456,082)	(701,228)
Net cash (outflow) inflow from operating activities	19	(456,082)	(701,228)
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipt on sale of property, plant & equipment		304,300	-
Payment for Plant & Equipment		(9,915)	(328,967)
Payment for Exploration and Evaluation		(1,627,212)	(1,572,001)
Interest received		23,511	102,756
Rent received from property		9,395	-
Increase/(Decrease) in payables		1,613	-
Net cash (outflow) inflow from investing activities		(1,298,308)	(1,798,212)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds form issue of shares		554,096	1,355,203
Cost of share issue		(26,932)	(62,299)
Borrowings received		105,000	(21,946)
Repayment of borrowings incl interest		(26,109)	-
Lease repayments		(36,237)	-
Net cash (outflow) inflow from financing activities		569,818	1,270,958
Net (decrease) increase in cash and cash equivalents		(1,184,572)	(1,228,482)
Cash and cash equivalents at the beginning of the financial year		1,336,898	2,565,380
Cash and cash equivalents at end of financial year	3	152,326	1,336,898

Non -Cash investing and financing activities

	2009 $	2008 $
Acquisition of motor vehicle by means of mortgage loan	-	70,000
Acquisition of field equipment my means of loan	-	24,545

The above cash flow statement should be read in conjunction with the accompanying notes.

Notes to the financial statements

For the year ended 30 June 2009

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001.

Historical cost convention

These financial statements have been prepared under the historical cost convention.

b. Income Tax

The income tax expense or revenue for the year is the tax payable on the current year's taxable income based on the national income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

c. Exploration and evaluation expenditure

Expenditure on acquisition, exploration and evaluation relating to an area of interest is carried forward where rights to tenure of the area of interest are current and:

i) the area has proven commercially recoverable reserves; or

ii) exploration and evaluation activities are continuing in an area of interest but have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

At the end of each financial year the Directors assess the carrying value of the exploration expenditure carried forward in respect of each area of interest and where the carried forward carrying value is considered to be in excess of (i) above, the value of the area of interest is written down or provided against.

Capitalised exploration expenditure is considered for impairment based upon areas of interest on an annual basis, depending on the existence of impairment indicators including:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted or planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area; and
- sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Costs carried forward in respect of an area of interest that is abandoned are written off in the year in which the decision to abandon is made.

Notes to the financial statements
For the year ended 30 June 2009

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Mineral Tenements

The Company's activities in the mining industry are subject to regulations and approvals including mining heritage, environmental regulation, the implications of the High Court of Australia decision in what is known generally as the "Mabo" case and any State or Federal legislation regarding native and mining titles. Approvals, although granted in most cases, are discretionary. The question of native title has yet to be determined and could effect any mining title area whether granted by the State or not.

e. Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

f. Property, Plant and equipment

Plant and equipment is stated at historical cost less depreciation. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset during their expected useful life of 3 to 5 years.
Depreciation on building is calculated on straight line basis to write off the net cost during their useful life of 20 years.

g. Employee Benefits

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within twelve (12) months of the reporting date are recognised in provisions and are measured at the amounts expected to be paid when the liability is settled.

h. Share-based payments

Where shares or options are issued to employees, including directors, as remuneration for services, the difference between fair value of the shares or options issued and the consideration received, if any, from the employee is expensed. The fair value of the shares or options issued is recorded in contributed equity.

i. Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.
The carrying value value, less impairment provision, of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

j. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, except where the GST incurred is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.
Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with receivables or payables in the balance sheet.

k. Impairment of assets

Assets are reviewed for impairment at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).
Non-financial assets, other than goodwill, that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.
Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Notes to the financial statements

For the year ended 30 June 2009

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

l. Revenue Recognition

Interest income is recognised on a time proportionate basis using the effective interest method.

m. Trade Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

n. Provisions

Provisions are recognised when the Company has a present obligation and it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

o. Leases

Leases of property, plant and equipment where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised.Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

p. Contributed Equity

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

q. Earnings per share

Basic earnings per share is determined by dividing the profit (loss) after income tax attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

r. Segment Reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operation in other economic environments.

s. New accounting standards and UIG interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2009 reporting periods. The Company has not applied any of the following in preparing this finanical report.

Affected Standard	Nature of Change to Accounting Policy	Application *
AASB 8: Operating Segments	No impact on accounting policy, affects disclosures in relation to operating segments instead of business and geographical segments for the financial report ending 30 June 2010	1 January 2009
AASB 2007-3: Amendments to Australian Accounting Standards arising from AASB 8 [AASB5, AASB6, AASB102, AASB 107, AASB119, AASB127, AASB134, AASB136, AASB 1023 and AASB1038]	No impact on accounting policy, affects disclosures only	1 January 2009
Revised AASB 101: Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101	No impact on accounting policy, affects disclosures only	1 January 2009
AASB 2008-1 Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations	No impact on accounting policy, affects disclosures only	1 January 2009
AASB 2008-8 Amendment to IAS 39 *Financial Instruments: Recognition and Measurement*	No material impact on the financial statements	1 July 2009

* Applicable to reporting periods commencing on or after the given date

Notes to the financial statements
For the year ended 30 June 2009

Critical accounting estimates & judgements

In preparing this Financial Report, the Company has been required to make certain estimates and assumptions concerning future occurrences. There is an inherent risk that the resulting accounting estimates will not equate exactly with actual events and results.

i) Significant accounting judgements
In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:
Capitalisation of exploration and evaluation expenditure
The Group has capitalised significant exploration and evaluation expenditure on the basis either that this is expected to be recouped through future successful development (or alternatively sale) of the Areas of Interest concerned or on the basis that it is not yet possible to assess whether it will be recouped.

ii) Significant accounting estimates and assumptions
The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:
Impairment of capitalised exploration and evaluation expenditure
The future recoverability of capitalised exploration and evaluation expenditure is dependent on an number of factors, including whether the Company decides to exploit the related lease itself, or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.
Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.
As at 30 June 2009, the carrying value of exploration expenditure is $3,646,433.

			2009		2008
		Number	$	Number	$
NOTE 2 – CONTRIBUTED EQUITY					
a)	Share Capital				
	Ordinary shares - Fully paid	99,260,631	10,295,734	90,758,090	10,295,734
	Movement in ordinary share capital				
	At 1 July	90,758,090	10,295,734	77,473,712	8,852,829
	Placement (December 2009/2008)	8,491,941	551,976	11,784,378	1,355,203
	Shares issued for no cosideration (Fraka)*	-	-	1,500,000	150,000
	Exercise of options	10,600	2,120		
	Less: costs of issues	-	(26,932)	-	(62,298)
	At 30 June	99,260,631	10,822,898	90,758,090	10,295,734

In September 2008, the company made a placement of 8,491,941 ordinary shares at $0.065 each. The funds were utilised for working capital.
In December 2007, the Company made a placement of 11,784,378 ordinary shares at $0.115 each. The funds were utilised for working capital.
*1,500,000 shares were issued at 10 cents each to Fraka as a consideration for acquisition of tenements.
Terms and conditions of ordinary shares:
Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the company, ordinary shareholders rank after all other shareholders and creditors are fully entitled to any proceeds of liquidations.

Notes to the financial statements

For the year ended 30 June 2009

	2009 $	2008 $
NOTE 3 – CASH AND CASH EQUIVALENTS		
(Current assets)		
Cash at Bank and on hand	6,172	2,621
Cash on Deposit (at call)	146,154	1,334,277
	152,326	1,336,898

Reconciliation to cash at the end of the period

The above figuress are reconciled to cash at the end of the finanical period as shown in the statement of cash flows as follows:

Balances as above	152,326	1,336,898
Balances as per statement of cash flows	152,326	1,336,898

(a) Cash at bank bears nil interest per annum.

(b) Cash on deposit bears interest at 2.73% (2008 – 6.98% per annum)

	2009 $	2008 $
NOTE 4 – TRADE AND OTHER RECEIVABLES		
(Current assets)		
GST Receivable	1,850	49,576
Prepayments	8,620	-
Vendor finance receivable	100,000	-
	110,470	49,576

	Vehicles $	Furniture, Computers and equipment $	Property $	Other Assets $	Total $
NOTE 5 –PROPERTY, PLANT & EQUIPMENT					
(Non – current assets)					
Year ended 30 June 2009					
Opening net book amount	69,006	46,171	307,720	12,002	434,899
Additions/transfers	6,956	14,960	-	-	21,916
Disposals/tranfers	(90,154)	(33,177)	(314,577)	(12,002)	(449,910)
Depreciation charge	52,311	(11,612)	6,857	-	47,556
Closing net book amount	38,119	16,342	-	-	54,461
At 30 June 2009					
Cost	125,438	48,657	-	-	174,095
Less: Accumulated Depreciation	(87,319)	(32,315)	-	-	(119,634)
Net book value	38,119	16,342	-	-	54,461
Year ended 30 June 2008					
Opening net book amount	32,106	14,465	-	-	46,571
Additions	70,000	41,062	314,577	12,002	437,641
Depreciation charge	(33,100)	(9,356)	(6,857)	-	(49,313)
Closing net book amount	69,006	46,171	307,720	12,002	434,899,
At 30 June 2008					
Cost	208,636	66,874	314,577	12,002	602,089
Less: Accumulated Depreciation	(139,630)	(20,703)	(6,857)	-	(167,190)
Net book value	69,006	46,171	307,720	12,002	434,899

Notes to the financial statements
For the year ended 30 June 2009

	2009 $	2008 $
NOTE 6 – OTHER ASSETS -		
(Non – current assets)		
EXPLORATION & EVALUATION EXPENDITURE		
Exploration & Evaluation expenditure costs brought forward in respect of areas of interest		
Balance 1 July	6,209,439	3,786,492
Expenditure during year comprising		
Acquisitions	-	356,009
Exploration	1,627,212	1,472,001
Less expensed to profit or loss	(4,190,218)	594,937
Balance 30 June	3,646,433	6,209,439

Exploration and evaluation expenditure is recorded at historical cost on an area of interest basis. Recovery of these costs is dependent upon the commercial success of future exploration and development or realisation by disposal of the interests therein.
There may exist on the Company's exploration properties, areas subject to claim under native title or containing sacred sites or sites of significance to Aboriginal people. As a result, exploration properties or areas within the tenements may be subject to exploration and mining restrictions.

NOTE 7 –TRADE AND OTHER PAYABLES
(Current liabilities)

Trade payables	289,161	213,802

Trade payables are unsecured and payable on supplier credit terms, usually payable within 30 days of recognition. The Company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

NOTE 8 – PROVISIONS
(Current liabilities)

Employee benefits – accumulated annual leave	10,435	6,915

NOTE 9 –CURRENT BORROWINGS
(Current liabilities)

Loan Insurance premium funding	10,233	11,377
Other loans	66,237	36,237
Loan from directors including interest	50,877	-
	127,347	47,614

NOTE 10– BORROWINGS
(Non - Current liabilities)

Loan	15,733	51,970
	15,733	51,970

Notes to the financial statements
For the year ended 30 June 2009

	2009 $	2008 $
NOTE 11- AUDITORS' REMUNERATION		
During the year the following fees were paid or payable for services provided by the auditor:		
(a) Audit services	20,000	19,000
Audit and review of financial reports under the Corporations Act 2001		
(b) Non-audit services	-	-
Total remuneration of auditors	20,000	19,000

The Company has received notification from the Company's auditor that he satisfies the independence criterion and that there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct in relation to the audit.

NOTE 12 - INCOME TAXES

	2009 $	2008 $
(a) Income Tax Expense		
Current tax	-	-
Deferred tax	-	-
	-	-
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from continuing operations before income tax expense	(4,664,644)	(86,595)
Prima facie tax payable at 30%	(1,399,393)	(25,979)
Add tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Share-based payments	(15,605)	12,213
Adjustments in respect of deferred income tax of previous years	1,860,757	1,298,965
Tax losses not brought to account as a deferred tax	(445,759)	(1,285,201)
Tax benefit relating to timing differences and tax losses not recognised	-	-
(c) Tax losses		
Unused tax losses for which no deferred tax asset has been recognised		
Potential tax benefit at 30%	1,480,108	832,481
(d) Unrecognised temporary differences		
Deferred tax liabilities – Capitalised Exploration	(1,093,930)	(2,041,313)
Prepaid expenditure	(2,586)	-
	(1,096,516)	(2,041,313)
Deferred tax assets – Employee entitlements	3,130	2,075
Deferred tax assets – Revenue tax losses	1,480,108	832,481
Net deferred tax asset not recognised	1,483,238	834,556
Net deferred tax asset/(liability)	386,722	(1,206,757)

Deferred tax assets and liabilities have been offset as they relate to income taxes levied by the same taxation authority and there is a legally recognised right to set off.

Notes to the financial statements
For the year ended 30 June 2009

	2009 Cents	2008 Cents
NOTE 13 – EARNINGS / LOSS PER SHARE		
(a) Basic loss per share		
Loss attributable to the ordinary equity holders of the Company	(4.79)	(0.10)

	2009 $	2008 $
(b) Earnings used in calculating earnings per share		
Loss attributable to the ordinary equity holders of the Company	(4,664,644)	(86,595)

	2009 Number	2008 Number
(c) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares outstanding during the year used in calculation of basic earnings per share `	97,466,944	84,769,846

NOTE 14 - COMMITMENTS

Mining Tenement Leases
In order to maintain current rights of tenure to exploration tenements the Company is required to perform minimum exploration work to meet the minimum expenditure requirements specified by the WA State Government.
The estimated exploration and joint venture expenditure commitments for the ensuing year, but not recognised as a liability in the financial statements :

	2009 $	2008 $
Within one year	140,000	1,309,000
Later than one year but less than five years	-	-
Later than five years	-	-

This expenditure will only be incurred should the Company retain its existing level of interest in its various exploration areas and provided access to mining tenements is not restricted.

NOTE 15 - SEGMENTAL INFORMATION

The Company operates only in Australia and predominantly in the area of mineral exploration in Western Australia.

NOTE 16 - RELATED PARTY TRANSACTIONS

Mr Ransted is a director and shareholder of Multi Metal Consultants Pty Ltd, a company that was paid, during the year, $42,613 (2008: $66,920) for professional services including reimbursement of expenses in the normal course of business at commercial rates.
Mr Ransted holds 25% beneficial interest in Biscay Resources Pty Ltd, a company that was issued, in the 2004 financial year, with 5,000,000 options exercisable at 20 cents each on or before 17 December 2008 as part consideration for acquisition of mineral interests (these options expired unexercised during the year). Under a Farm In Agreement and subsequent supplementary agreement between the Company and Biscay Resources Pty Ltd, the Company was deemed to have earned a 100% interests in certain mineral tenements in consideration of the grant by the Company of a 1% net smelter return (NSR). The 1% NSR essentially comprises one per cent of the total purchased price received by the Company from the sale of any minerals (or product) produced from the tenements less all costs of transporting, concentrating, smelting, refining or otherwise treating the minerals or product, all taxes and other imposts or levies calculated on production or the value of production. To date no minerals or product has been produced from the relevant mineral tenements and therefore no NSR has become due and payable.

Notes to the financial statements
For the year ended 30 June 2009

NOTE 17 – KEY MANAGEMENT PERSONNEL DISCLOSURE

a) Directors
The following persons were directors of Northern Star Resources Ltd during the year

(i) Chairman – non executive
Christopher K G Rowe

(ii) Executive directors
William J (Bill) Beament

(iii) Non – executive directors
Terrence W Ransted (resigned 4 September 2009)
Peter J Langworthy (resigned 22 April 2009)
Peter C P Farris (appointed 22 April 2009)

a) Other key management personnel
Ms Karen Brown – the Company Secretary , also had the authority and responsibility for planning, directing and controlling the activities of the Company , directly or indirectly during the financial year.

b) Transactions with key management personnel
The sum of $30,000 was due and payable for corporate administration, accounting & company secretarial services to Mineral Administration Services Pty Ltd, a company with which Ms Brown is associated.

c) Outstanding balances
The following balances are outstanding during at the reporting date in relation to transactions with related parties:

Current payables – Director's fees including superannuation contributions		
a)	William Beament (Mining & Infrastructure Group Pty Ltd)	12,650
	and outstanding unpaid annual leave on termination of employment contract	24,303
b)	Terry Ransted	20,438
c)	Peter Langworthy (Xstrata Nickel and Jericho)-resigned 22/4/09	15,260
d)	Christopher Rowe (Little Breton Nominees)	24,525
e)	Peter Farris (Farris Corp)	5,260
Current payables – other service fees		
	MultiMetal Consultants (T Ransted)	18,373
Current borrowings – short term loans including interest accrued at balance date		
a)	Christopher Rowe (Little Breton Nominees)	25,712
b)	Peter Langworthy-resigned 22/4/09	25,164

d) Equity instrument disclosures relating to key management personnel

Name	Shares Held Directly	Shares Held Indirectly	Options Held Directly	Options Held Indirectly
C Rowe (Director)	-	2,122,108	-	-
W Beament (Director)	-	150,000	-	2,000,000
T Ransted (Director)	1	2,467,500	-	-
P Langworthy (Director) (resigned 22 April 2009)	-	-	-	-
P Farris (Director) (appointed 22 April 2009)	-	8,764	-	-
K E V Brown (Company Secretary)	-	500,000	-	-

Notes to the financial statements
For the year ended 30 June 2008

NOTE 17 – KEY MANAGEMENT PERSONNEL DISCLOSURE - continued

The interests of Directors and their Director related entities in shares and options at the end of the financial period are as follows:

1)Shares
2009

Name	Balance at the start of the year	Received during the year on exercise of options	Other changes during the year	Balance at the end of the year
Directors of Northern Star Resources Ltd				
C Rowe	3,235,275		(1,113,167)	2,122,108
W Beament	-	-	150,000	150,000
P Langworthy resigned 22 April 2009)	-	-	-	-
P Farris (appointed 22 April 2009)	-	-	8,764	8,764
T Ransted	2,467,501	-	-	2,467,501
Key Management Personnel				
K E V Brown	500,000	-	-	500,000
Total shares	6,202,776	-	(954,403)	5,248,373

(2) Options
2009

Name	Balance at the start of the year	Granted	Exercised/ Lapsed	Balance at the end of the year
Directors of Northern Star Resources Ltd				
C Rowe	26,539	-	(26,539)	-
W Beament	-	2,000,000	-	2,000,000
P Langworthy (resigned 22 April 2009)	-	-	-	-
P Farris (appointed 22 April 2009)	-	-	-	-
T Ransted	5,161,250	-	(5,161,250)	-
Key Management Personnel				
K Brown	40,000	-	(40,000)	-
Total options	5,227,789	2,000,000	(5,227,789)	2,000,000

1)Shares
2008

Name	Balance at the start of the year	Received during the year on exercise of options	Other changes during the year	Balance at the end of the year
Directors of Northern Star Resources Ltd				
C Rowe	1,471,726		1,763,549	3,235,275
W Beament (appointed 20 August 2007)	-	-	-	-
C Wilkinson (resigned 7 November 2007)	2,165,000	-	-	2,165,000
I Chalmers (resigned 3 September 2007)	2,217,501	-	-	2,217,501
G Lethridge (resigned 7 February 2008)	-	-	-	-
T Ransted	2,467,501	-	-	2,467,501
Key Management Personnel				
K E V Brown	500,000	-	-	500,000
Total shares	8,821,728	-	1,763,549	10,585,277

Notes to the financial statements
For the year ended 30 June 2009

NOTE 17 – KEY MANAGEMENT PERSONNEL DISCLOSURE - continued

(2) Options
2008

Name	Balance at the start of the year	Granted	Exercised/Other changes	Balance at the end of the year
Directors of Northern Star Resources Ltd				
C Rowe	26,539	-	-	26,539
W Beament (appointed 20 August 2007)	-	2,000,000	-	2,000,000
C Wilkinson (resigned 7 November 2007)	1,062,500	-	(1,000,000)	62,500
I Chalmers (resigned 3 September 2007)	5,036,250	-	-	5,036,250
G Lethridge (resigned 7 February 2008)	-	-	-	-
T Ransted	5,161,250	-	-	5,161,250
P Langworthy	-	-	-	-
Key Management Personnel				
K Brown	40,000	-	-	40,000
Total options	11,326,539	2,000,000	(1,000,000)	12,326,539

e) Key Management Personnel compensation

	2009 $	2008 $
Short – term employee benefits	339,819	444,431
Post – employment benefits	20,448	34,356
Long-term benefits	24,303	57,692
Termination benefits	-	-
Share based payments	39,668	40,711
	424,238	577,190

The Company has taken advantage of the relief provided by Corporation Regulation 2M.6.04 and has transferred the detailed remuneration disclosures to the Director's Report. The relevant information can be found in sections A-C of the remuneration report within the Director's Report.

f) Related party transactions
Other than the transactions disclosed above there are no other transactions between related parties that require disclosure.

NOTE 18– FINANCIAL RISK MANAGEMENT

The company and group have exposure to the following risks from their use of financial instruments:
(a) credit risk
(b) liquidity risk
(a) market risk

This note presents information about the company's and group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The board of directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the group through regular reviews of the risks.

The Company's activities expose it to a varirty of financial risks.

Notes to the financial statements

For the year ended 30 June 2009

NOTE 18– FINANCIAL RISK MANAGEMENT - continued

(a) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from cash and cash equivalents and deposits with finanical institutions .The Company has adopted the policy of dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company measures credit risk on a fair basis.

The Company does not have any significant credit risk exposure to a single counterparty or any group of counterparties having similar characteristics.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Company's maximum exposure to credit risk without taking account of the fair value of any collateral or other security obtained.

The company has no finanical assets that are neither past due nor impaired therefore credit qualities have not been disclosed.

(i) Trade and other receivables:

The company and group have established an allowance for impairment that represents their estimate of incurred losses in respect of receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures. The management does not expect any counterparty to fail to meet its obligations.

Exposure to credit risk:

The carrying amount of the group's financial assets represents the maximum credit exposure.

	Carrying amount	
	2009 $	2008 $
Cash and cash equivalents	152,326	1,336,898
Trade and other receivables	110,470	49,576
Total exposure	262,796	1,386,474

Net Fair Value

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in Note 1 to the accounts.

Significant Accounting Policies

Details of significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the accounts.

(b) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close-out market positions. Due to the dynamic nature of the underlying businesses, Company Treasury aims at maintaining flexibility in funding by keeping committed credit lines available, ensuring the Company has sufficient working capital and preserving the 15% share issue limit available to the Company under the ASX Listing Rules.

Maturities of finanical liabilities

The Company's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the following tables

The following table details the Company's exposure to interest rate risk as at the reporting date:

Notes to the financial statements
For the year ended 30 June 2009

NOTE 18– FINANCIAL RISK MANAGEMENT - continued

Financial Instruments	Floating interest rate		Non-interest bearing		Total carrying amount as per the statement of financial position		Weighted average effective interest rate	
	2009	2008	2009	2008	2009	2008	2009	2008
	$	$	$	$	$	$	%	%
(i) Financial assets								
Cash		-	6,172	2,621	6,172	2,621	-	-
Trade and other receivables	-	-	110,470	49,576	110,470	49,576	-	-
Deposits	146,154	1,334,277	-	-	146,154	1,334,277	2.73	6.98
Total financial assets	146,154	1,334,277	116,642	52,197	262,796	1,386,474		
(ii) Financial liabilities								
Trade and other creditors	-	-	289,161	213,802	289,161	213,802	-	-
Other creditors	80,000	-	-	-	80,000	-	10%	-
Loan	30,968	57,512			30,968	57,512	13.76%	13.76%
Loan	21,002	30,695			21,002	30,695	17.15%	17.15%
Other liabilities	-	-	21,545	18,292	21,545	18,292		
Total financial liabilities	131,970	88,207	310,706	232,094	442,626	320,301		

(a) Market Risk

(i) Foreign exchange risk

The Company does not operate internationally and is not exposed to foreign exchange risk.

(ii) Price risk

The Company does not have investments in equity securities and is not exposed to price risk.

(iii) Interest rate risk

Although the company has significant interest bearing assets, the Company's income and operating cash flows are substantially independent of changes in market interest rates. The Company monitors interest rates to obtain the best terms and mix of cash flow.

At balance date the company had minimal exposure to interest rate risk, through its cash and equivalents held within financial institution.

	Carrying Amount	
	30 June 2009	30 June 2008
	$	$
Fixed rate instruments		
Financial assets	-	-
Variable rate instruments		
Financial assets	262,796	1,386,474

Fair value sensitivity analysis for fixed rate instruments:

There was no exposure to fixed rate instruments at balance date or at the previous reporting period.

Fair value sensitivity analysis for variable rate instruments:

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. The analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2008.

Notes to the financial statements

For the year ended 30 June 2009

NOTE 18– FINANCIAL RISK MANAGEMENT - continued

Consolidated	Profit or loss		Equity	
	100 bp increase	100bp decrease	100 bp increase	100 bp decrease
30 June 2009				
Cash and cash equivalents	2,628	(2,628)	2,628	(2,628)
30 June 2008				
Cash and cash equivalents	13,865	(13,865)	13,865	(13,865)

Net Fair value

For unlisted investments where there is no organised financial market, the net fair value has been based on a reasonable estimation of the underlying assets of the investment.

For other assets and other liabilities the net fair value approximates their carrying value as disclosed in the Balance Sheet.

NOTE 19 – RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2009 $	2008 $
(Loss) for the year	(4,664,644)	(86,595)
Non Cash Flows in Operating Profit(Loss)		
Depreciation	(47,555)	207
Sale proceeds of assets disposed	(400,255)	-
Rent from property	(9,395)	-
Movements in Provisions	1,076,598	(937,547)
Exploration written off	3,117,139	297,987
Interest income	(23,511)	(102,756)
Cost of assets disposed	433,863	46,979
Employee benefit – share-based payment	(52,017)	40,711
Change in operating assets and liabilities		
Decrease (Increase) in Receivables	1,060	23,097
(Decrease) Increase in Accounts Payable	111,526	13,082
Non operating cash flows	1,109	3,607
Net Cash Inflow (Outflow) by Operating Activities	(456,082)	701,228

NOTE 20 – RESERVES AND ACCUMULATED LOSSES

(A) RESERVES

Share-based payments reserve	272,621	324,638
Movement:		
Balance 1 July	324,638	177,918
Employee Option expense	62,320	40,711
Equity-settled benefits	-	106,009
Options expired	(114,337)	
Balance 30 June	272,621	324,638

Notes to the financial statements
For the year ended 30 June 2009

NOTE 20 – RESERVES AND ACCUMULATED LOSSES – continued

	2009 $	2008 $
(B) ACCUMULATED LOSSES		
Balance 1 July	(2,909,861)	(2,823,266)
Loss for the year after related income tax expense	(4,664,644)	(86,595)
Balance 30 June	(7,574,505)	(2,909,861)

(C) NATURE AND PURPOSE OF RESERVES
The share based payments reserve is used to recognise the fair value of; options issued to employees but not exercised and equity-settled benefits issued in settlement of share issue costs and part consideration, in lieu of cash payment, for acquisition of mineral interests.

NOTE 21 – EVENTS OCCURING AFTER THE BALANCE SHEET DATE

On 6 July 2009, a placement of 7,444,547 shares and 7,444,547 options was completed and the securities issued to Investmet Limited. The shares were issued at an issue price of 1.25 cents per share. The options vest immediately, - 2,481,516 options are exercisable at 2.5 cents each on or before 4 September 2010; 2,481,516 are exercisable at 5 cents each on or before 4 September 2011, 2,481,515 are exercisable at 10 cents each on or before 4 September 2012.

On 4 September 2009 a General Meeting of shareholders approved a number of transactions including ratification of the earlier placement, approval of a further placement to Investmet Limited, approval of the issue of securities in settlement of unpaid directors' and consultancy service fees and approval of the issue of incentive options.

In accordance with shareholder approval, on 7 September 2009, 7,000,000 shares and 7,000,000 options were issued. The shares were at 1.125 per share in settlement of outstanding unpaid directors' and consultancy service fees.

On 8 September 2009, a placement 7,555,453 shares and 7,555,452 options was completed in accordance with shareholder approval and the securities were issued to Investmet Limited. The shares were issued at an issue price of 1.25 cents per share. The options vest immediately - 2,518,484 options are exercisable at 2.5 cents each on or before 4 September 2010; 2,518,484 are exercisable at 5 cents each on or before 4 September 2011, 2,518,484 are exercisable at 10 cents each on or before 4 September 2012.

In addition, and in accordance with shareholder approvals, on 11 September 2009 a total of 37,000,000 incentive options were issued to directors, their related entities and the Company Secretary's service company. The options have varying vesting and expiry dates. One third of the options are exercisable at 2.5 cents each, one third at 5 cents each and the remaining one third at 10 cents each.

Also, subsequent to the end of the financial year, a fully underwritten non-renounceable pro rata rights issue was commenced to raise $606,303 (less costs of the issue). Under the terms of the offer, shareholders are entitled to two new shares and two attaching new options for every five shares held. The issue price of the new shares is 1.25 cents each. One third of the options are to be exercisable at 2.5 cents each expiring in 2010; one third are to be exercisable at 5 cents each expiring in 2011; and the remaining one third are to be exercisable at 10 cents each expiring in 2012. Record date for calculation of entitlements was 16 September 2009 and the issue closes on 7 October 2009.

The funds raised from the placements and to be raised from the rights issue are to be used for continuing exploration and evaluation of the Company's existing projects, investigation and due diligence on potential acquisitions, retirement of debt and working capital.

Other than as stated above, there were no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in financial years subsequent to the financial year ended 30 June 2009.

Notes to the financial statements

For the year ended 30 June 2009

NOTE 22 – SHARE-BASED PAYMENTS

An Employee Share Option Plan (ESOP) was established and reapproved by shareholders at the 2006 annual general meeting, to provide long-term incentive for senior employees to deliver long-term shareholder returns. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Options granted under the plan carry no dividend or voting rights.When exercisable, each option is convertible into one ordinary share.

Set out below are a summary of the options granted by the Company under the plan:

Grant Date	Expiry date	Exercise price	Balance at the start of the year (Number)	Granted during the year (Number)	Lapsed during the year (Number)	Balance at end of the year (Number)	Vested and exercisable at end of the year (Number)
As at 30 June 2009							
18 June 2007	18 June 2012	$0.20	100,000	-	-	100,000	100,000
03 Dec 2007	16 Nov 2010	$ 0.20	500,000	-	-	500,000	500,000
03 Dec 2007	16 Nov 2010	$ 0.25	500,000	-	-	500,000	500,000
03 Dec 2007	16 Nov 2010	$ 0.35	1,000,000	-	-	1,000,000	1,000,000
02 Sep 2008	02 Sep 2011	$0.20		400,000	-	400,000	400,000
02 Sep 2008	02 Sep 2011	$0.20		150,000	-	150,000	150,000
02 Sep 2008	02 Sep 2011	$0.25		150,000	-	150,000	150,000
02 Sep 2008	02 Sep 2011	$0.20		150,000	-	150,000	150,000
02 Sep 2008	02 Sep 2011	$0.30		150,000	-	150,000	150,000
Weighted average exercise price			$0.28	$0.22	-	$0.26	$0.26
	As at 30 June 2008						
18 Nov 2005	31 Dec 2008	$0.30	250,000	-	(250,000)	-	-
18 Nov 2005	31 Dec 2008	$0.30	250,000	-	(250,000)	-	-
18 Nov 2005	31 Dec 2009	$0.45	250,000	-	(250,000)	-	-
18 Nov 2005	31 Dec 2010	$0.60	250,000	-	(250,000)	-	-
18 June 2007	18 June 2012	$0.20	100,000	-	-	100,000	100,000
03 Dec 2007	16 Nov 2010	$ 0.20	-	500,000	-	500,000	500,000
03 Dec 2007	16 Nov 2010	$ 0.25	-	500,000	-	500,000	500,000
03 Dec 2007	16 Nov 2010	$ 0.35	-	1,000,000	-	1,000,000	-
Weighted average exercise price			$0.39	$0.29	$0.39	$0.28	$0.22

No options covered in the above table were exercised during the year.

(A) Director option expense

No options were granted to the directors during the year.

(B) Employee option expense

1,000,000 options were issued to the employees in five tranches with exercise prices of 20 cents, 25 cents and 30 cents.

The assessed fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price ($0.20),($0.25),($0.35), the term of the option (3 years), the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date ($0.08) and expected price volatility of the underlying share (76%), the expected dividend yield and the risk-free interest rate (5.67%) for the term of the option.

(C) Expenses arising from share-based payment transactions

Total expenses arising from share-based payments recognised during the year as employee benefits expense was:

	2009 $	2008 $
Director benefits (share options)	39,668	40,711
Employee benefits (share options)	22,652	-
	62,320	40,711

Notes to the financial statements
For the year ended 30 June 2009

NOTE 22 – SHARE-BASED PAYMENTS - continued

(D) Effect on equity arising from share-based payment transactions

Total amount arising from share-based payments recognised during the year in equity as an increase in share-based payments reserve and increase in cost of share issue was:

	2009 $	2008 $
Equity-settled	-	106,009

NOTE 23 –CONTINGENT LIABILITIES

No contingent liabilities or assets have arisen during the finanical period.

ROTHSAY

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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF NORTHERN STAR RESOURCES LTD

We have audited the accompanying financial report of Northern Star Resources Ltd (the Company") which comprises the balance sheet as at 30 June 2009 and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the company.

The Company has disclosed information as required by Australian Accounting Standard AASB 124 *Related Party Disclosures* ("remuneration disclosures") under the heading "Remuneration Report" in the directors' report as permitted by the Corporations Regulations 2001.

Directors Responsibility for the Financial Report

The Directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report. The Directors are also responsible for the remuneration disclosures contained in the directors' report.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of material misstatement and the remuneration disclosures in the Directors' report comply with AASB 124.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used in and the reasonableness of accounting estimates made by the directors as well as evaluating the overall presentation of the financial report and the remuneration disclosures contained in the directors' report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

We are independent of the Company, and have met the independence requirements of Australian professional ethical requirements and the Corporations Act 2001.

Audit opinion

In our opinion the financial report of Northern Star Resources Ltd is in accordance with the Corporations Act 2001, including:

a) (i) giving a true and fair view of the Company's financial position as at 30 June 2009 and its performance for the year ended on that date; and
(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b) the financial report also complies with International Financial Reporting Standards.

c) the remuneration disclosures in the Directors' report comply with AASB 124

Rothsay

Frank Vrachas
Partner

Dated 30th September 2009