

Quarterly Report for the period ended 30 June 2005

HIGHLIGHTS

- New high grade gold and silver rock chip values returned from quartz vein sampling at the Range prospect (Wilson River project), including:
 - ◆ **5.52 g/t Au** (2 g/t Ag);
 - ◆ **3.89 g/t Au** (4.4 g/t Ag); and
 - ◆ **3.05 g/t Au** (3.26 g/t Ag).
- The area of known epithermal style gold mineralisation at Range extended to a corridor that is over 2 km long and 1 km wide.
- Drilling is scheduled to commence at Range in late July / early August
- Drilling at the Red Billabong nickel project is 75% complete with extensive ultramafic/mafic rocks identified with the potential to host nickel sulphide mineralisation. Assay results are pending.
- Elevated platinum and palladium values, peaking at 80 ppb and 66 ppb respectively, returned from soil samples over an 800 m strike length at Springvale.

INTRODUCTION

Northern Star Resources (ASX Code: NST) has three project groups centred on Halls Creek in the largely under-explored East Kimberley region of Western Australia (Figure 1). The project groups cover an area of approximately 3,500 km² and are highly prospective for nickel-copper-cobalt and platinum group metals mineralisation, gold, diamonds and base metals.

The East Kimberley region hosts a number of major mineral deposits, including the world-class Argyle diamond mine, Sally Malay nickel mine with reserves of 3.4mt @ 1.56% nickel, Panton platinum project with resources of 75.2mt @ 1.9 g/t platinum group elements plus gold, and the 70,000 ounce Palm Springs gold mine.

EXPLORATION

Wilson River Project Group (100% NST)

The project group, situated about 150 km north of Halls Creek and centred 50 km west of the Argyle diamond mine, is comprised of four exploration licences (ELs) and three exploration licence applications (ELAs) covering approximately 1,350 km².

Together with the present ground holdings at the Wilson River and Dunham projects, the additional three ELAs provides NST with a strategic advantage to the **emerging epithermal style of gold mineralisation** in the Kimberley region.

Range Prospect, Wilson River Project - Gold

During 2004, NST reported rock chip samples from the Range prospect returned encouraging high grade gold in quartz veins, which exhibit low sulphidation epithermal textures. The results, including **40.84 g/t Au (10.5 g/t Ag)**, are the **highest gold grades ever reported in the East Kimberley's from epithermal textured quartz veins**.

Recent mapping and sampling at the Range prospect (Figure 2) has located further quartz veining to the north and south of the prospect area, which exhibits typical epithermal textures. Zones of quartz veining are generally 3 to 5 m wide but can be up to 15 m in width. The mineralised veins identified to date are contained within a north-northeast trending corridor that is over 2 km long and 1 km wide.

A number of new veins up to 700 m in length have been mapped to the north of the previously known quartz veining. Results of recent rock chip sampling from a single vein returned elevated responses including **5.52 g/t Au** (2 g/t Ag), **3.89 g/t Au** (4.4 g/t Ag), and **1.25 g/t Au** (3.8 g/t Ag). The last two samples on the eastern end of the vein returned elevated silver values including 3.1 g/t Ag (0.14 g/t Au) and 3.4 g/t Ag (0.2 g/t Au).

To the south, the quartz veining and brecciation occurs within a 700 m long north northeasterly trending zone. Higher grade gold rock chip values, including **3.05 g/t Au** (3.26 g/t Ag) and **2.36 g/t Au** (2.44 g/t Ag), were returned from samples taken from the northern end of this zone where it intersects an east-west quartz vein, and also another area 300m to the south.

Drill testing of the veins is scheduled to commence in late July/early August after drilling at Red Billabong has been completed.

Drainage sampling has commenced in the region containing the Range prospect, including the 40 km² catchment area in the eastern and northern parts of the Wilson River project, which are known to be anomalous in silver from previous drainage sampling.

The silicified quartz veins at the Range prospect are remarkably similar to those from mineralised epithermal quartz vein systems in Queensland's Drummond Basin. Examples of low sulphidation epithermal gold mineralisation in Australia are the **multi-million ounce** Pajingo-Vera-Nancy and Cracow deposits in Queensland, although these are of a younger age.

East Kimberley Nickel Project Group (100% NST)

The project comprises six tenement holdings, Springvale, Toby, Foal Creek, Red Billabong, Castlereagh and McGowan, over an approximate 1,575 km² area.

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

Red Billabong Project

Red Billabong, located between 30-70 km west and southwest of Halls Creek, comprises five ELs covering approximately 710 km².

During 2004, evaluation of data from the airborne magnetic survey highlighted a number of areas, including three priority targets that have the potential to host nickel-copper-cobalt and platinum group metals mineralisation. Testing of the priority targets with a helicopter borne electromagnetic EM geophysical survey was completed and a number of conductive anomalies were identified in all three target areas.

Drilling commenced late in June to test the EM and aeromagnetic anomalies as possible responses to nickel sulphide mineralisation. The programme is approximately 75% complete and has already confirmed the presence of extensive ultramafic/mafic rocks (dunites, peridotites, pyroxenites and gabbros) which are potential host rocks for nickel sulphide mineralisation.

These rocks are part of the poorly outcropping Moola Bulla intrusive, which is interpreted to have an aerial extent of about 30 km². Approximately half of the holes drilled to date have been targeted at the Moola Bulla intrusive.

The poor outcrop exposure has resulted in the area receiving relatively little exploration to date. Previous exploration tested less than 5% of the total area of the intrusive. This fact, together with the application of advanced exploration techniques, provides the company with the opportunity to identify a new mineralised district.

It is expected the drilling within the Red Billabong project will be completed by late July, with initial results expected by mid August.

Springvale Project

Springvale, located between 30-60 km north of Halls Creek, comprises two ELs covering an area of approximately 254 km².

Previous explorers reported two zones of ultramafic/mafic intrusions in the West Robin Soak area, hosting nickel-copper gossans, chromite bands, and ferruginous rocks. Past rock chip sampling of these intrusions within NST's ground contain up to **1.23% Ni** and **0.19% Cu**.

Infill soil sampling on nominally 400 m spaced traverses was completed in and around the previously reported broad scale reconnaissance soil sampling which covered the northern and western portions of the ultramafic units. The grid covers an area approximately 5.5km by 1.25km.

Elevated platinum and palladium, values peaking at 80 ppb and 66 ppb, returned over four intervals up to 160 m wide and strike length of 800 m. This latest work has expanded the number and extent of the elevated PGM anomalies in the West Robin Soak area.

Two of the intervals are associated with strong chromium values (peak 5979 ppm) indicating the elevated PGM values are most likely associated with chromitite bands.

Importantly, the two other intervals containing stronger PGM values have no associated elevated chromium values indicating they may be sourced by sulphide mineralisation. Further field work, including ground geophysics will be conducted to determine the source of the PGM anomalism.

Northern Star controls the majority of the Springvale layered mafic/ultramafic intrusive complex margin where historical sampling of a number of geological contacts returned anomalous rock chip and gossanous assay results, including individual values of up to **0.3% Ni**, **1.0% Cu** and **0.035% Co** from the undrilled western and southern contacts.

During 2004, a ground EM survey tested 7 km of the intrusive's southern margin. Although no significant conductors were located, an area of interest was defined close to the southern sheared margin.

Further soil sampling has been completed to refine the previously identified zone of elevated copper, cobalt and nickel. The new results have now defined a 750 m by 450 m area (>100 ppm Cu), with peak values of 575 ppm Cu, 93 ppm Co and 343 ppm Ni. Again low to moderate chromium values (peak 346 ppm) indicate the anomalism is not associated with chromitite bands.

Additional sampling has been scheduled to define drill targets.

Halls Creek Project Group (100% NST)

The project group is located east and south of Halls Creek covering an area of approximately 570 km². It includes the Golden Crown, Bailey Range, Balara and Cummins Range projects.

Cummins Range Project – Gold

The Cummins Range project is located approximately 120 km south southwest of Halls Creek and comprises a single granted Exploration Licence, E80/2636, covering an area of approximately 113 km².

At Cummins Range, 1,500 m of RAB drilling is planned to follow-up an anomalous gold-bismuth association (2m @ 0.6 g/t gold and 420 ppm bismuth from 3m) recorded in very limited, wide-spaced geochemical drilling in an under-explored area with poorly exposed bedrock geology.

The recent aeromagnetic survey indicates this anomaly is on the margin of a magnetic high adjacent to a granite intrusive, in a similar geological setting to the gold-copper-bismuth mineralisation at Tennant Creek, Northern Territory (eg Warrego 6.75 Mt @ 6.6 g/t gold, Nobles Nob ~2.0 Mt @ 17.3 g/t gold). The survey also reveals a number of similar magnetic highs over a 6 km² area, which will be tested in the current drilling programme.

Balara Project – Tantalum

Balara comprises two granted Exploration Licences, E80/2525 and E80/2526, covering approximately 317 km² and located between 60 km and 100 km southwest of Halls Creek.

The priority exploration target at Balara is for the discovery of pegmatite-hosted tantalum-tin mineralisation similar to deposits in production at Greenbushes, in the southwest of Western Australia, and at Wodgina in the Pilbara region of Western Australia.

At the Romulus prospect, massive pegmatite and numerous pegmatite dykes are exposed over an area of more than 1.6 hectares. A soil sampling traverse detected coincident tantalum and niobium enrichment over the central portion of the pegmatite with a peak of more than 600 ppm tantalum. Approximately 400 m of RC drilling will test the concept of stacked horizontal mineralised pegmatite sheets.

Golden Crown Project

Golden Crown, located 20 km east of Halls Creek and approximately 4 km northeast of the 70,000 oz Palm Springs gold mine, comprises two ELs covering an approximate 40 km² area (Figure 1).

Drilling conducted during 2004 confirmed that numerous quartz veins with high grade gold occur over a 250 m length at the Faugh-a-Ballagh prospect and 130m length at the Golden Crown prospect.

An assessment of the resource potential at the Golden Crown and Faugh-a-Ballagh prospects is in progress but relies heavily on previous explorers' drilling. As downhole surveys were not completed down the past drill holes their exact positions and deviations are unknown.

Several critical drill hole intercepts, including 5m @ 23.0 g/t Au from 81m (Golden Crown) and 7m @ 11.4 g/t Au from 123m (Faugh-a-Ballagh) need to be surveyed before an assessment of the resource potential can be finalised. This will require re-entering drill holes to allow access for the downhole survey tool.

The critical holes have now been located and surveying will be conducted using the drill rig currently completing the Red Billabong drilling.

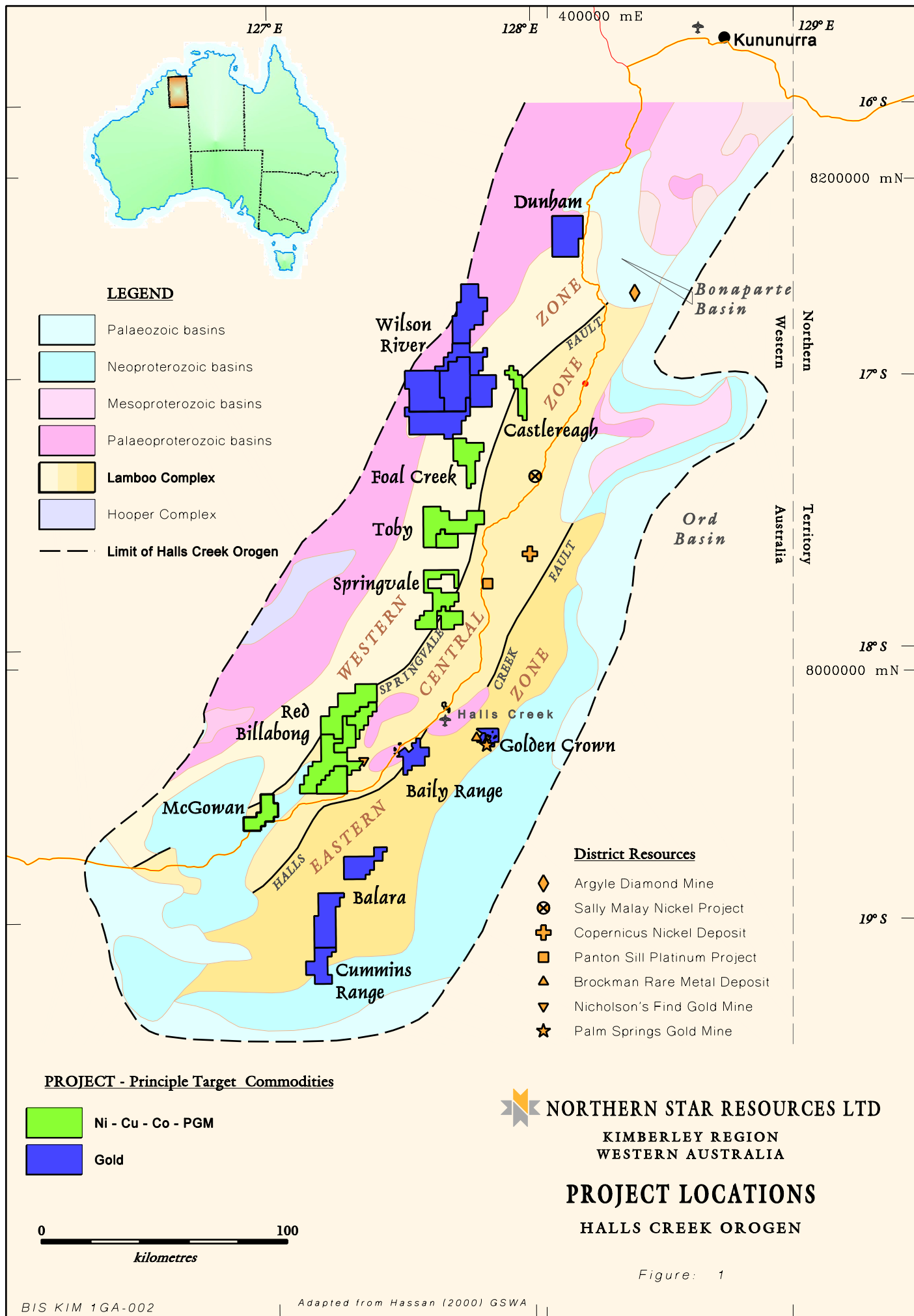
Target generation work and geochemical testing of other syenite rocks within the project area that could potentially host gold mineralisation is ongoing.

CORPORATE

The Company had \$3.1 million cash at the end of the quarter.

Charles Wilkinson
Managing Director

Information in this report is based on information compiled by Mr C S Wilkinson, MAusIMM, Managing Director of the Company, who is a competent person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Wilkinson has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity, which is being undertaken and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



LEGEND

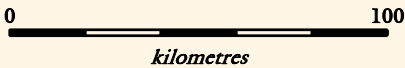
- Palaeozoic basins
- Neoproterozoic basins
- Mesoproterozoic basins
- Palaeoproterozoic basins
- Lamboo Complex
- Hooper Complex
- Limit of Halls Creek Orogen

District Resources

- Argyle Diamond Mine
- Sally Malay Nickel Project
- Copernicus Nickel Deposit
- Panton Sill Platinum Project
- Brockman Rare Metal Deposit
- Nicholson's Find Gold Mine
- Palm Springs Gold Mine

PROJECT - Principle Target Commodities

- Ni - Cu - Co - PGM
- Gold



NORTHERN STAR RESOURCES LTD

KIMBERLEY REGION
WESTERN AUSTRALIA

PROJECT LOCATIONS

HALLS CREEK OROGEN

Figure: 1

