



NORTHERN STAR
RESOURCES LIMITED

Intrepid shareholders approve sale of Paulsens Gold Mine to Northern Star

Key Points

- ▶ Intrepid shareholders approve deal to sell Paulsens Gold Mine in WA to Northern Star for \$40m
- ▶ Leading financier RMB Resources agrees to provide funding to underpin the acquisition
- ▶ Northern Star shareholders to vote on deal next week
- ▶ Paulsens forecast to generate \$44m in surplus cash for Northern Star in Stage 1 alone (June 2010 – February 2011) before debt and royalty payments
- ▶ Aggressive in-mine, near-mine and regional exploration program being devised to grow reserve/resource inventory to extend mine life

Overview

Northern Star Resources Ltd (ASX: **NST**) is pleased to announce that Intrepid Mines shareholders today approved the sale of the Paulsens Gold Mine in Western Australia to Northern Star for \$40 million.

Northern Star is also pleased to report that RMB Resources has approved the provision of funding to Northern Star for the Paulsens acquisition (See ASX announcement of June 30, 2010 for full details).

The two approvals pave the way for Northern Star to benefit handsomely from the \$44 million in surplus cashflow which Paulsens is forecast to generate in Stage One alone (June 2010 - February 2011).

Northern Star shareholders are due to vote on the acquisition at a meeting on July 26, 2010. The Company recently released a supplementary notice of meeting to deal with the resolutions associated with the transaction.

Northern Star reminds shareholders that the proxies for the meeting need to be submitted before 12pm Saturday July 24.

ASX ANNOUNCEMENT 21 JULY 2010

Australian Securities Exchange
Code: NST

Board of Directors

Mr Chris Rowe
Non-Executive Chairman

Mr Bill Beament
Managing Director

Mr Michael Fotios
Non-Executive Director

Mr Peter Farris
Non-Executive Director

Ms Karen Brown
Company Secretary

Issued Capital

Shares
205.9 M

Options 102M (\$6.0M Funding)

- 33.1M @ 2.5c, \$0.8M
- 33.3M @ 5.0c, \$1.7M
- 35.8M @ 10 c, \$3.6M

Current Share Price
\$0.062

Market Capitalisation
\$12.8 million

Projects

Paulsens
Golden Crown
Range
Emull

Commodities

gold
gold
gold, silver
Zn, Cu, gold

Completion of the transaction and possession of the mine is now scheduled for July 30, 2010.

Northern Star revealed last month that an updated Stage One plan for Paulsens forecast that gold production in this nine-month period would be 8,000 ounces higher than initially expected now at 51,000oz.

This meant the project @ A\$1,400/oz gold price was now forecast to generate \$44m in surplus cashflow before debt and royalty payments, \$19m more than originally predicted.

Completion of the acquisition will also enable Northern Star to proceed with an aggressive exploration plan aimed at growing the reserve and resource inventory through in-mine, near-mine and regional exploration.

Paulsens is a high-grade, low cost mine which has yielded more than 370,000 ounces at an average cash operating cost of less than A\$550/oz since commencing production in 2005. The acquisition will give Northern Star a direct entry into the Australian gold business and will provide the Company with immediate cashflow following settlement on July 30, 2010.

Yours faithfully,



Bill Beament
Managing Director
Northern Star Resources Ltd