



Drilling hit of 40g/t highlights scope for major increase in life at Paulsens Gold Mine

Pivotal result points to existence of another lode

Highlights

- ▶ **Drilling hits the much sought-after Voyager Two lode at Paulsens, returning 2m at 40.5g/t, 175m vertically below the bottom of stage 1 mine plan**
- ▶ **The hole was the second to hit Voyager Two, providing strong confidence that Paulsens' life will be extended beyond 2011**
- ▶ **Immediate follow-up drilling planned to test extent of Voyager Two**
- ▶ **Paulsens continuing to beat all expectations after pouring a record 30,600oz in September quarter**
- ▶ **Preparations underway for upgrade in current 65,000oz resource based on recently-announced high-grade results of up to 38g/t**

Northern Star Resources (ASX:NST) is pleased to report that it is poised for a major extension in the life of its Paulsens Gold Mine in Western Australia after drilling hit a new lode with an intersection of 2m at 40.5g/t, 175 metres below the bottom of the stage 1 mine plan (see Figure 1).

The intersection confirms Northern Star's belief that the existing Voyager One lode currently being mined at Paulsens is accompanied by another lode, Voyager Two. It is the second hole to have intersected Voyager Two, with a hole announced in September returning 3.4m at 1.5g/t, including 0.44m at 6gpt.

The Voyager Two lode stands to underpin a substantial increase in mine life at Paulsens beyond 2011, marking a major step-change for Northern Star as it pushes ahead with its plan to build a substantial gold mining house.

Paulsens has performed beyond all expectations since being acquired by Northern Star from Intrepid Mines in July for \$40 million. The project poured a record 30,602 ounces in the September quarter.

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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
288 M

Options 74M (\$5.7M Funding)
- 33.3M @ 5.0c, \$2.0M
- 5.0M @ 7.5c, \$0.4M
- 35.8M @ 10 c, \$3.6M

Current Share Price
\$0.225

Market Capitalisation
\$65 million

Projects

Paulsens
Golden Crown
Range
Emull

Commodities

gold
gold
gold, silver
Zn, Cu, gold

It is expected to produce a total of 65,000oz under the Stage One mine plan, which runs until early 2011 and extends to a depth of 500m. The Stage Two mine plan is being generated and allows for the mine to operate beyond 2011 to a depth of about 600m.

Northern Star Managing Director Bill Beament said Voyager Two had the potential to add several years to Paulsens' life.

"This latest intersection is spectacular, but its importance to Paulsens in the wider context is far greater," Mr Beament said. "It is early days in that we have little idea of the extent of the Voyager Two mineralisation, but it is already clear that this is the most significant development at Paulsens since Northern Star acquired the project.

"We will now undertake follow-up drilling as a priority to establish the grade and parameters of Voyager Two and assess its impact on Paulsens future."

Yours faithfully,



Bill Beament
Managing Director
Northern Star Resources Ltd

Competent Persons Statements

The information in this announcement that relates to exploration results, data quality, geological interpretations and potential for eventual economic extraction, is based on information compiled by or under the supervision of Brook Ekers, (Member AIG), who is a full-time employee of Northern Star Resources Ltd. Mr. Ekers has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Ekers consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

Some of the information contained in this Announcement has been obtained from third parties and has not been independently verified by NST. In particular the financial projections model on which the forward looking statements included in this Announcement has not been prepared by the Company and the Company has not undertaken any verification of the model. The Company takes no responsibility and is not liable for the projections in any way. Given the risks and uncertainties that may cause the Company's actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward looking statements included in this announcement, undue reliance should not be placed on these statements. Nothing contained in this Announcement is a promise or representation as to the future. No assurance or representation is made by any person that any forecast or projection will be achieved. Accordingly, investors must make their own investigations and inquiries regarding all assumptions, uncertainties and contingencies, which may affect the future operations of the Company.

Paulsens Mine
Voyager 1 & 2 Resource
Proposed Stages in Oblique Section

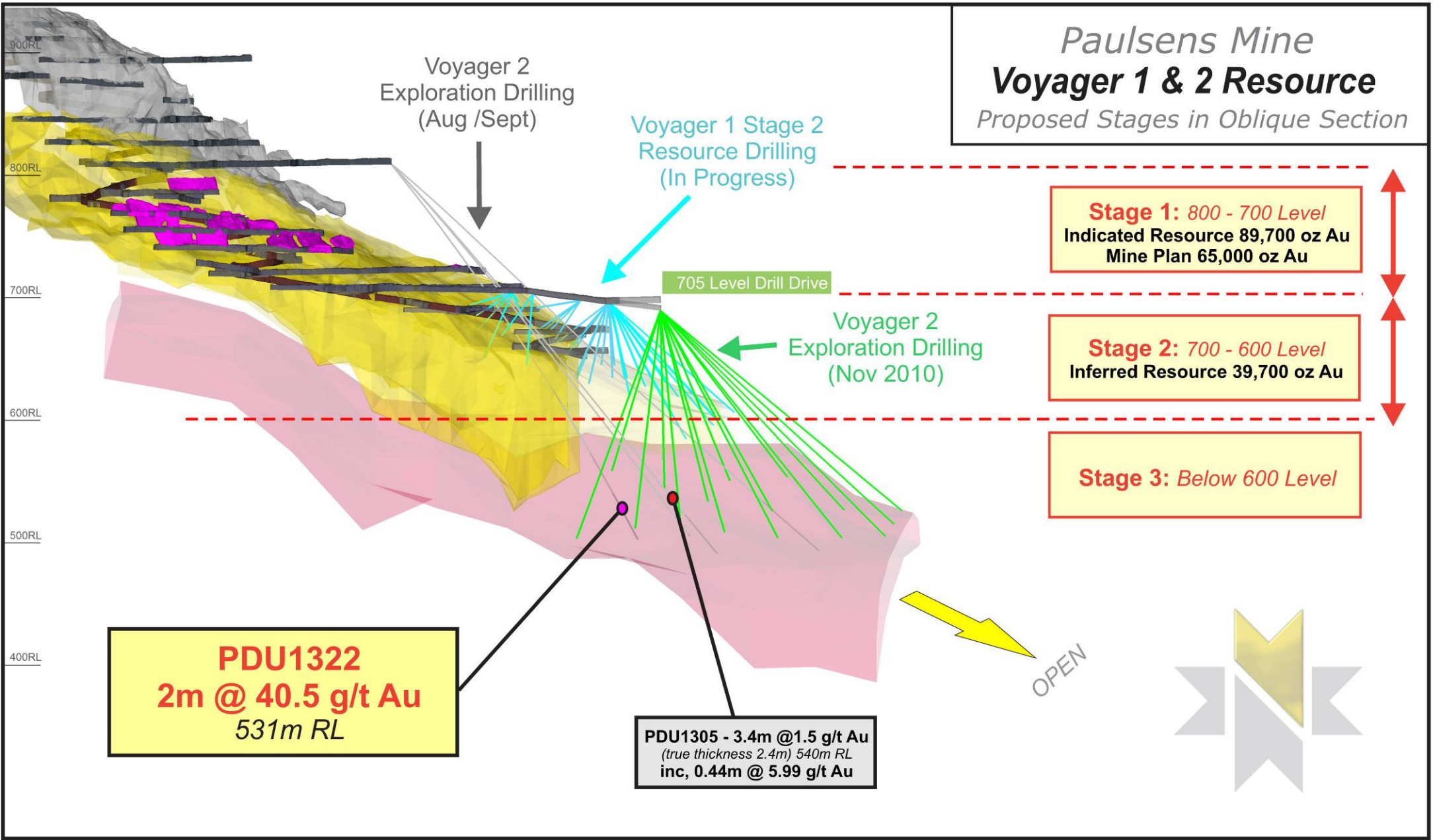


FIGURE 1 - VOYAGER TWO, SIGNIFICANT DRILL INTERSECTION