



NORTHERN STAR
RESOURCES LIMITED

Strong Drilling Results, New Discoveries Support Ashburton Development Plans

Fresh results point to increase in current 1Moz resource

Highlights

- ▶ Significant new RC and diamond drilling results support Northern Star's plan to make the Ashburton Project its second 100,000ozpa stand-alone operation
- ▶ Resource drilling at the main Mt Olympus resource confirms potential to upgrade the current sulphide Mineral Resource (689,000oz² @ 2.9g/t) with significant results including:
 - 56m @ 4.2g/t Au *including 15m @ 10.4g/t Au*
 - 76m @ 3.4g/t Au *including 30m @ 5.3g/t Au*
 - 22m @ 5.3g/t Au *including 14m @ 7.3g/t Au*
 - 25m @ 4.5g/t Au *including 15m @ 5.7g/t Au*
 - 11m @ 5.9g/t Au *including 2m @ 25.5g/t Au*
 - 12m @ 6.7g/t Au
 - 3m @ 9.8g/t Au
 - 5m @ 8.1g/t Au
 - 6m @ 7.1g/t Au
- ▶ Significant gold results returned from the newly defined satellite Sparta and Cheela prospects:
 - Sparta: 6m @ 5.3g/t Au and 6m @ 4.1g/t Au
 - Cheela: 11m @ 4.2g/t Au *including 4m @ 8.4g/t Au*
- ▶ Sparta is located immediately adjacent to the 123,000oz¹ Peake resource and has a similar geological model
- ▶ Growing free milling oxide potential of the Ashburton further de-risks Paulsens operations in years to come
- ▶ Tenement package surrounding Cheela is emerging as an exciting new project area called 'Electric Dingo', located halfway between Paulsens and Ashburton
- ▶ The results point to an increase in Ashburton's current 1Moz resource inventory, as well as an upgrade in the classification, enabling a Reserve to be estimated
- ▶ Next phase of drilling underway to test for substantial down-plunge extensions to the current resources at Mt Olympus and Peake. Sparta exploration drilling continues

Northern Star Resources (ASX: NST) is pleased to announce that its plans to develop a 100,000-ounce-a-year operation at its Ashburton Gold Project in WA have been further boosted by fresh high-grade drilling results from both the main Mt Olympus deposit and a series of satellite prospects, pointing to a potential increase in the current 1 million ounce resource inventory.



ASX ANNOUNCEMENT
26 JULY 2012

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

Mr Peter O'Connor
Non-Executive Director

Ms Karen Brown
Company Secretary

Issued Capital

Shares
409 M

Options 27.7M

Current Share Price
\$0.815

Market Capitalisation
\$333 million

Cash/Bullion in Bank: 30 Jun 2012
\$75 million

Projects

Paulsens
Ashburton
Range
Emull

Commodities

gold
gold
gold, silver
Zn, Cu, gold

Investments

Venturex (15%) Cu, Zn, Ag & gold

Commodities

The new results include outstanding broad intersections of 76m @ 3.4g/t and 56m @ 4.2g/t gold from Mt Olympus and a host of encouraging results from nearby satellite prospects including Sparta, Cheela and Electric Dingo (Figure 1).

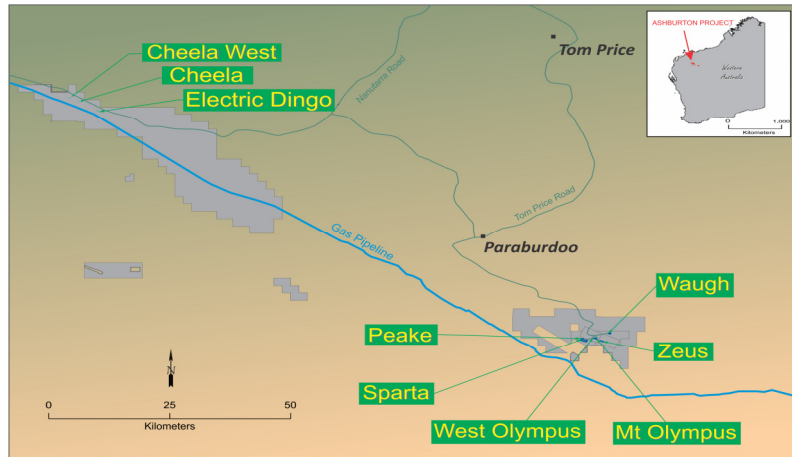


Figure 1 - Ashburton Project

Northern Star aims to establish a stand-alone 100,000ozpa operation at Ashburton. At the same time, it is expanding production at its neighbouring Paulsens Project from around 80,000ozpa to 100,000ozpa.

The Company embarked on an accelerated, multi-phase exploration program over several targets at Ashburton in April this year after metallurgical tests showed gold recoveries of 96.4 per cent from the sulphide concentrate and overall total gold recoveries of 80 per cent via bacterial oxidation. Ongoing metallurgical studies are focussed on further improving the overall gold recoveries from sulphide concentrates via bacterial oxidation and a number of other processing options.

The drilling program has been successful in exploring, discovering and extending satellite prospects. It involves targeting both future sulphide open pit and underground opportunities as well as extending known oxide prospects in addition to existing reserve inventory.

Mt Olympus:

Northern Star has received assays for 22 Reverse Circulation holes and four diamond holes completed since the last release from the Mt Olympus Project (see ASX Announcement - 2 July 2012). This is the second batch of assays from that program. Numerous assays are pending as drilling is still underway.

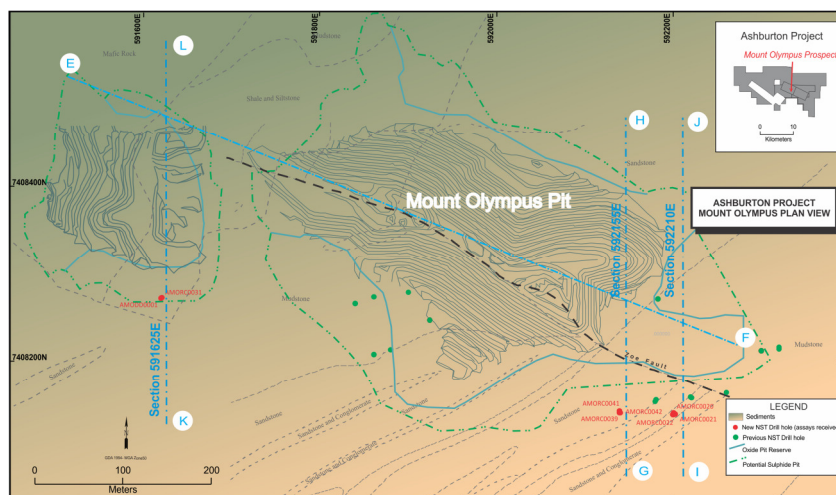


Figure 2 - Mt Olympus Surface drilling, plan view

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Importantly, the new high-grade intersections confirm the current geological and mineralisation models. With the sulphide mineralisation now amenable to modern processing techniques, these results will lead to further upgrades in the Mineral Resource as well as potential down-plunge extensions (Figures 2, 3 and 4).

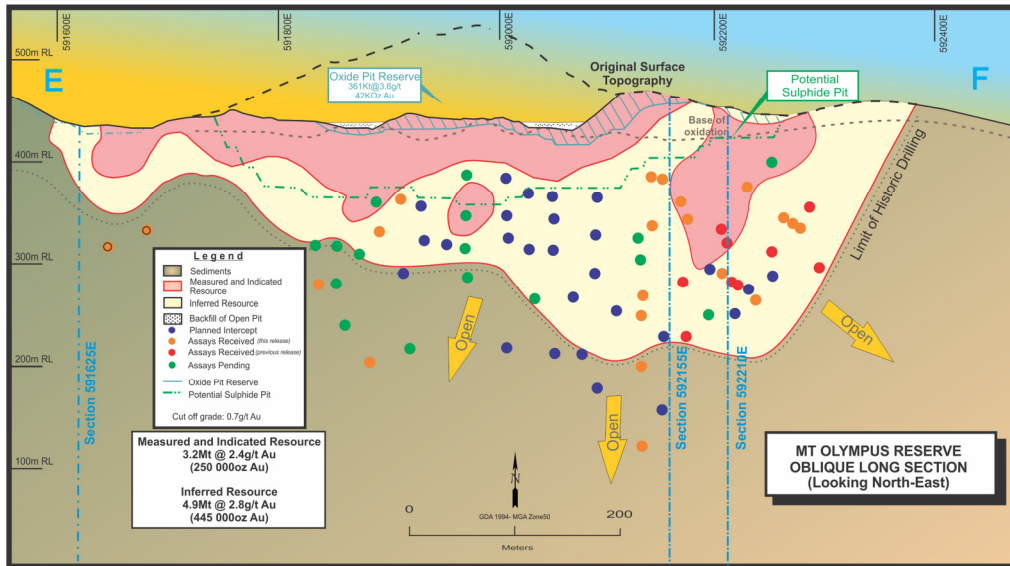


Figure 3 - Mt. Olympus Long Section of Recent and Planned drill intersections

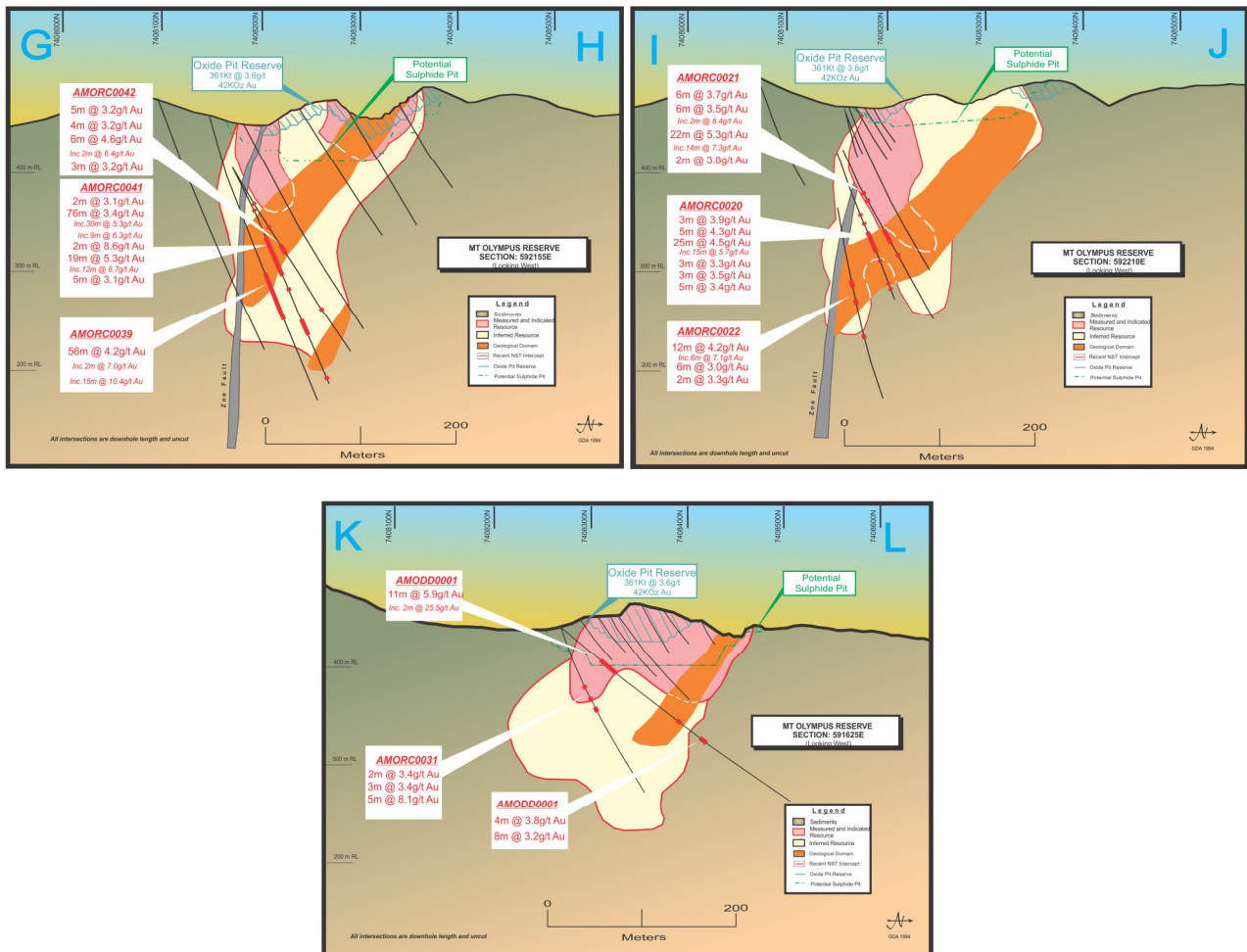


Figure 4 - Mt Olympus Cross Sections of recent drill intersections

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Sparta:

Sparta is situated just 300m from the Peake Prospect, where a maiden resource of 123,000oz¹ of gold was recently announced (*ASX Announcement 02 April 2012*), and 4km from Mt Olympus. The geological model for Sparta is similar to that of Peake. RC drilling has returned significant intercepts including:

6m @ 5.3 g/t and 6m @ 4.1 g/t Au,

These results have extended the mineralisation to 95m below surface (*Figures 5 and 6*). Further RC drilling is underway to test along-strike and down-dip of recently discovered mineralisation.

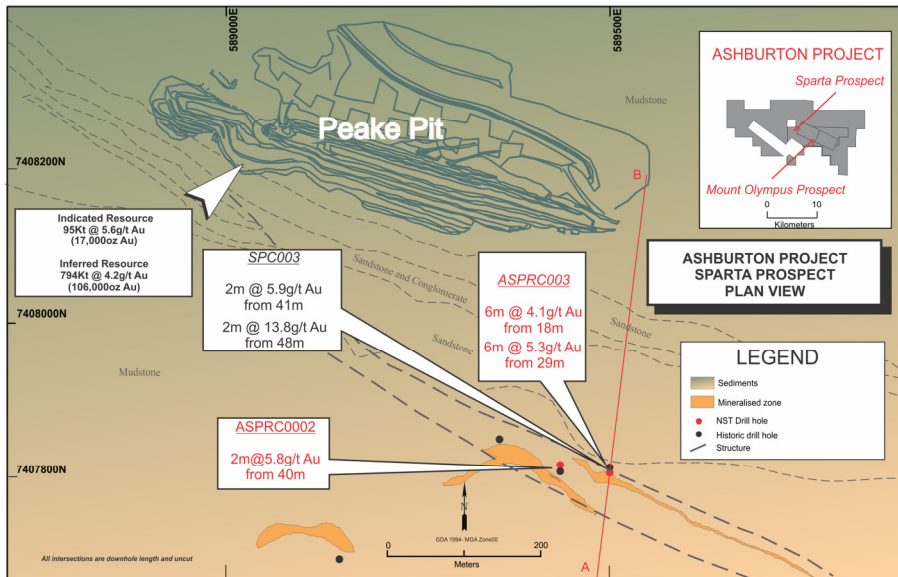


Figure 5 - Sparta prospect, plan view

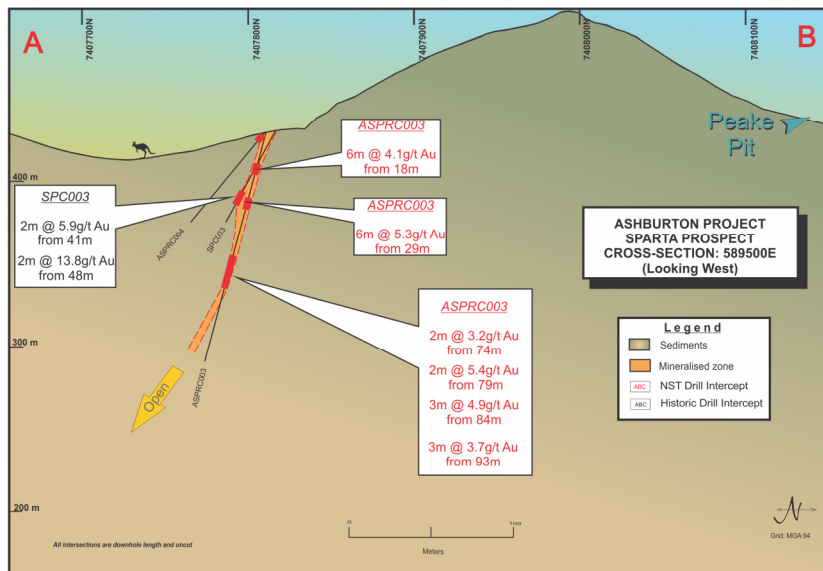


Figure 6 - Sparta Prospect, drill cross section

Cheela:

The **Cheela** prospect is located 80km south-east of Paulsens Gold Mine, 120km north-west of Mt Olympus and 9km north-west along strike from the Electric Dingo prospect, where NST has announced a maiden resource of 22,000oz¹ of gold (*see ASX Announcement 02 Apr 2012*).

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Drilling by previous explorers has outlined a 60km long mineralised gold corridor with higher grade zones (including the Electric Dingo Resource), however historic drill lines are too widely spaced in places and the potential for further discoveries is considered to be high.

RC drilling by Northern Star has returned **11m @ 4.2gpt Au (including 4m @ 8.4gpt Au)** from <40m depth (Figure 7). This result has now extended the strike extent of mineralisation by 200m and validated historic results. It is significant to note that 500m of strike remains untested and further drilling is planned.

The tenement package also hosts the same rock type sequence seen at Mt Olympus and is underexplored. The area is rapidly emerging as an independent and new project for Northern Star called 'Electric Dingo'.

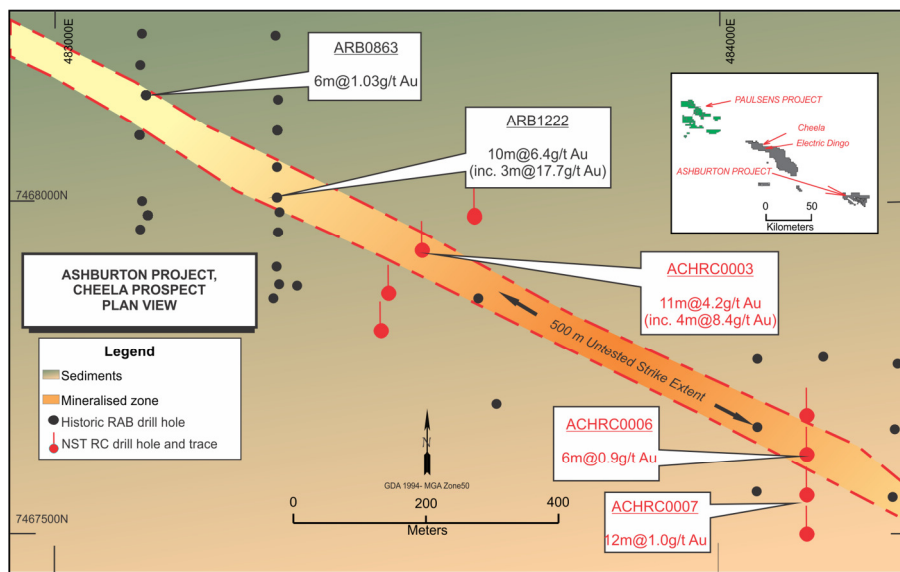


Figure 7 - Cheela Prospect, plan view

Northern Star Managing Director Bill Beament said the latest drilling results added further significant momentum to its plans to develop a second standalone 100,000ozpa operation at the Ashburton Project.

"Following favourable metallurgy results earlier this year, confirmation drilling and now with added exploration success at the Mt Olympus prospect and surrounding satellite deposits, we are firmly on track towards developing our second operation at the Ashburton Project," Mr Beament said.

"These initial results indicate that the Mt Olympus orebody will continue below the current oxide pit reserve, with further extension opportunities down-plunge to be drilled in next two Quarters.

"This combined with the great results being achieved from the satellite prospects gives us great confidence that we will be able to increase the current 1Moz resource inventory and establish sufficient reserves to underpin a long-life operation at Ashburton," he added.

Assays received are attached in the appended table. Further announcements will be released regarding the ongoing surface diamond and reverse circulation drilling as more results become available.

Yours faithfully,



Bill Beament
Managing Director

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Mt Olympus Resource Definition drilling						
Drill Hole #		Downhole From (m)	Downhole To (m)	Downhole Intersection (m)	Au (g/t)	Oxide / Transitional / Sulphide
AMORC0012		87	99	12	4.94	Sulphide
	<i>including</i>	120	124	4	5.83	
		120	123	3	7.57	
		165	176	11	4.00	
		214	215	1	6.30	
		218	227	9	4.32	
	<i>including</i>	223	226	3	9.84	
AMORC0018					NSI	Sulphide
AMORC0019					NSI	Sulphide
AMORC0020		119	122	3	3.93	Sulphide
		126	131	5	4.3	
		137	162	25	4.5	
	<i>including</i>	142	157	15	5.70	
		171	174	3	3.30	
		179	182	3	3.50	
		194	199	5	3.36	
AMORC0021	-70	97	103	6	3.74	Sulphide
		107	113	6	3.46	
	<i>including</i>	107	109	2	8.44	
		140	162	22	5.28	
	<i>including</i>	140	154	14	7.25	
		174	176	2	3.76	
AMORC0022	-80	182	194	12	4.24	Sulphide
	<i>including</i>	182	188	6	7.11	
		202	208	6	3.03	
		253	255	2	3.32	
AMORC0023	-88	131	133	2	3.93	Sulphide
AMORC0024	-77				NSI	Sulphide
AMORC0025	-63				NSI	Sulphide
AMORC0026	-79				NSI	Sulphide
AMORC0027	-71				NSI	Sulphide
AMORC0028	-63	54	57	4	3.07	Sulphide
		77	80	3	3.06	
AMORC0029	-63				NSI	Sulphide
AMORC0031	-71	70	72	2	3.43	Sulphide
		76	79	3	3.35	
		89	94	5	8.07	
AMORC0033	-65				NSI	Sulphide
AMORC0036	-56	142	155	13	3.0	Sulphide
AMORC0037	-67				NSI	Sulphide
AMORC0039	-67	182	238	56	4.24	Sulphide
	<i>including</i>	188	190	2	7.03	
	<i>including</i>	220	235	15	10.36	
AMORC0040	-73				NSI	Sulphide
AMORC0041	-63	124	126	2	3.05	Sulphide
		142	218	76	3.44	
	<i>including</i>	163	193	30	5.30	
	<i>including</i>	206	215	9	6.34	
		221	223	2	8.66	
		248	267	19	5.30	
	<i>including</i>	252	264	12	6.67	
		314	319	5	3.10	
AMORC0042	-60	104	109	5	3.16	Sulphide
		155	159	4	3.15	
		167	173	6	4.58	
	<i>including</i>	168	170	2	6.40	
		233	235	3	3.15	
AMORC0043	-70	196	198	2	3.77	Sulphide
		227	229	2	5.33	
		232	235	3	7.68	
AMODD0001	-43	67.9	80	11.1	5.88	Sulphide
	<i>including</i>	71.65	73.6	1.95	25.45	
		150.7	154.4	3.7	3.83	
		174.8	182.25	7.75	3.24	
AMODD0002		77.25	84	6.75	3.23	Sulphide
AMODD0004		103	105	2	4.46	Sulphide
		115.5	122	6.5	4.00	
	<i>including</i>	119.5	122	2.5	6.80	
		129	137	8	3.32	
	<i>including</i>	132.8	136	3.2	6.23	
		162.4	164.9	2.5	4.71	
AMODD0005		100	101.6	1.6	5.89	Sulphide
		115	131.2	18	3.51	
	<i>including</i>	115.7	120	4.3	7.06	

At a nominal 0.7g /t lower cut off and no upper cut off, with <2m internal dilution. NSI means no significant result

Quality Control – Mt Olympus. All core is logged and cut for sampling. The half core is sampled and sent to SGS Australia Pty Ltd ('SGS') in Perth Western Australia for assaying. The remaining half core is stored at Mt Olympus. At SGS, samples are dried then crushed. The reverse circulation samples are crushed material and split with a proportion pulverised. A 50-gram portion of the pulp is treated by Fire Assay method with an Atomic Absorption finish. Northern Star Resources inserts on average one standard and blank every 25 samples. Laboratory standards and blanks are inserted by SGS and several pulp duplicates are also assayed as a determinant of mineralisation variability and to their ISO 9001 standard and a NATA Technical certificate.

31 December 2011	Measured		Indicated		Inferred		Total		
	Tonnes (,000)	Grade (g/t)	Tonnes (,000)	Grade (g/t)	Tonnes (,000)	Grade (g/t)	Tonnes (,000)	Grade (g/t)	Oz Au (,000)
Mt Olympus	1,712	2.5	1,533	2.3	4,956	2.8	8,201	2.6	695
Peake			95	5.6	794	4.2	889	4.3	123
Waugh			347	3.6	240	3.6	587	3.6	68
Zeus			508	2.1	532	2.2	1,040	2.2	72
Electric Dingo			98	1.6	444	1.2	542	1.3	22
Romulus					329	2.6	329	2.6	27
Total	1,712	2.5	2,581	2.5	7,295	2.8	11,588	2.7	1,007

¹Table 1 - Ashburton Mineral Resources Inclusive of Reserves - 0.7g/t lower cut used for Mt Olympus and 0.9g/t lower cut for others.

	Measured			Indicated			Inferred			Total		
	Tonnes (,000)	Grade (g/t)	Oz Au (,000)	Tonnes (,000)	Grade (g/t)	Oz Au (,000)	Tonnes (,000)	Grade (g/t)	Oz Au (,000)	Tonnes (,000)	Grade (g/t)	Oz Au (,000)
Oxide and Transitional	655	2.4	50	1,425	2.6	120	1,995	2.3	148	4,075	2.4	318
Sulphide	1,057	2.6	86	1,156	2.4	90	5,300	3.0	513	7,513	2.9	689
Total	1,712	2.5	136	2,581	2.5	210	7,295	2.8	661	11,588	2.7	1,007

²Table 2 - Ashburton Mineral Resource split by material type (free milling and sulphide)

31 December 2011	Proved		Probable		Total		
	Tonnes (,000)	Grade (g/t)	Tonnes (,000)	Grade (g/t)	Tonnes (,000)	Grade (g/t)	Oz Au (,000)
Mt Olympus	248	3.6	113	3.6	361	3.6	42
Peake			47	5.0	47	5.0	8
Waugh							
Zeus			38	2.4	38	2.4	3
Electric dingo							
Romulus							
Total					446	3.7	53

³Table 3 - Ashburton Reserves @ A\$1600 gold price based on oxide and transitional material only (free milling)

Ashburton Exploration							
Prospect	Drill Hole #		Downhole From (m)	Downhole To (m)	Downhole Intersection (m)	Au (g/t)	Oxide / Transitional / Sulphide
Sparta	ASPRC0002		30	32	2	2.6	Oxide
			40	42	2	5.8	Oxide
Sparta	ASPRC0003		18	24	6	4.1	Oxide
			29	35	6	5.3	Oxide
			74	76	2	3.2	Transitional
			79	81	2	5.4	Transitional
			84	87	3	4.9	Transitional
			93	96	3	3.7	Transitional
Sparta	ASPRC0003		1	3	2	2.6	Oxide
			8	10	2	1.8	Oxide
Cheela	ACHRC0003		34	45	11	4.2	Oxide
		<i>including</i>	36	40	4	8.4	Oxide
Cheela	ACHRC0006		33	39	6	0.9	Oxide
Cheela	ACHRC0007		21	33	12	1	Oxide

Assays reported using a 0.5g/t lower cut off, no upper cut off, ≤2m internal dilution, rounded to one decimal place. NSI means no significant result.

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Quality Control – Exploration. Sparta: rig-mounted static cone splitter, 1m composite sample. Cheela: rig-mounted three tier riffle splitter, 3m composite sample. For ACHRC0002&3, 3m composite assay results > 0.25g/t Au were split to 1m using a three tier riffle splitter. For ACHRC0006&7, 1m splits have not yet been taken. All samples were sent to SGS Australia Pty Ltd Perth for analysis. Samples were crushed and split with a proportion pulverised. A 50-gram portion of the pulp was treated by Fire Assay method with an Atomic Absorption Spectrometry finish. Northern Star Resources inserts on average one standard, blank and duplicate every 25 samples. Laboratory standards and blanks are inserted by SGS and several pulp duplicates are also assayed as a determinant of mineralisation variability and to their ISO 9001 standard and a NATA Technical certificate.

Competent Persons Statements

The information in this report that relates to Exploration Results is based on information compiled and reviewed by Jason Boladeras, who is a Member of the Australian Institute of Geoscientists (AIG) and Exploration Manager and casual employee of Northern Star Resources Limited. Mr Boladeras has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he has undertaken, 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 Boladeras consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

The information in this announcement that relates to the mineral resource estimation, 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 this information in the form and context in which it appears.

Information in this announcement that relates to the Ore Reserves has been compiled by Shane McLeay, Principal Engineer – Entech Pty Ltd, who has sufficient experience 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". Shane McLeay is a Member of the Australasian Institute of Mining and Metallurgy and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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