



NORTHERN STAR
RESOURCES LIMITED

Northern Star set for exploration blitz after acquiring JV interest over Fortescue ground

WA gold miner now has 400km of highly prospective strike on barely explored ground between its two ~1Moz deposits

Highlights

- ▶ Northern Star signs farm-in and joint venture agreement with Fortescue to earn up to a 60% JV interest in the non-iron ore rights to key Fortescue tenements around and between its Paulsens and Ashburton Projects
- ▶ Northern Star to pay \$2M upfront for an immediate 25% JV interest, with the right to earn another 35% JV interest by spending a further \$4m within 2 years
- ▶ After initial 60% earn-in, Fortescue must co-contribute or dilute to an eventual 2% NSR
- ▶ Many of the tenements lie immediately along strike from known mineralisation at Paulsens, Ashburton's Mt Olympus deposit and the promising Electric Dingo Project
- ▶ Deal means Northern Star has exclusive non-iron ore JV with Fortescue over 400km of strike along two highly prospective parallel structural corridors
- ▶ Northern structure, the "Nanjilgardy Fault" hosts the Paulsens gold mine and the 1Moz¹ Mt Olympus deposit along with a host of other prospective targets
- ▶ The southern structure, the "Baring Downs Fault" considered to be a geological replica but has had virtually no exploration
- ▶ Importance of both structures recently highlighted by a government seismic survey
- ▶ Identification of Southern structure has resulted in a 560km² tenement application for the vacant Monster Rocks Project
- ▶ Combined tenements now cover approximately 7,000km²
- ▶ Northern Star to target both structures as part of a \$20M exploration blitz in 2013

Northern Star Resources (ASX: NST) is pleased to advise that its plan to build a multi-million-ounce Australian gold mining house has been given a significant boost by a deal to acquire non-iron ore mineral rights over key tracts of highly prospective acreage around its Paulsens mine in WA from Fortescue Metals Group.

The deal, which provides for Northern Star to initially acquire 25% then earn 35% of the non-iron ore rights to Fortescue tenements, will leave Northern Star with a 60% JV interest and a 7000km² tenement package of land stretching from Paulsens to its 1Moz¹ Mt Olympus deposit ~200km away (see Figure 1).

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22 JANUARY 2013

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Board of Directors

Mr Chris Rowe
Non-Executive Chairman

Mr Bill Beament
Managing Director

Mr Michael Fotios
Non-Executive Director

Mr Peter O'Connor
Non-Executive Director

Mr John Fitzgerald
Non-Executive Director

Ms Karen Brown
Company Secretary

Issued Capital

Shares
424 M

Options 4.25M

Current Share Price
\$1.225

Market Capitalisation
\$519 million

Cash/Bullion and Investments:
31 Dec 12 - \$62 million

Projects

Paulsens
Ashburton
Range
Emull

Commodities

gold
gold
gold, silver
Zn, Cu, & gold

Investments

Venturex (15%)

Commodities

Cu, Zn, Ag & gold

After the initial 60% earn-in Fortescue must co-contribute otherwise they will dilute down, to an eventual 2% NSR (Net Smelter Return).

Northern Star now has ~400km of strike along two parallel structures with Paulsens and Mt Olympus situated at either end.

The northern structure "Nanjilgardy Fault" contains the 900,000oz Paulsens orebody currently being mined by Northern Star and the Mt Olympus deposit, which is central to the Company's plan to establish its second 100,000ozpa stand-alone operation at its Ashburton Project. It also hosts the highly promising Electric Dingo Project, which is located between Paulsens and Mt Olympus.

Many of the Fortescue tenements on this structure sit immediately along strike to the known mineralisation at Paulsens, Mt Olympus and Electric Dingo.

The southern structure, "Baring Downs Fault" was recently recognised in seismic surveys as a major, deep-seated structure by the Geological Survey of WA, meaning it is considered highly prospective. Northern Star believes the geology on this structure has the potential to replicate that of the richly mineralised structure 25km to the north.

Due to the identification and significance of the Baring Downs Fault, Northern Star's Exploration team quickly reviewed the district for additional prospective tenements. This resulted in the application for the 560km² Monster Rocks Project tenement which was vacant.

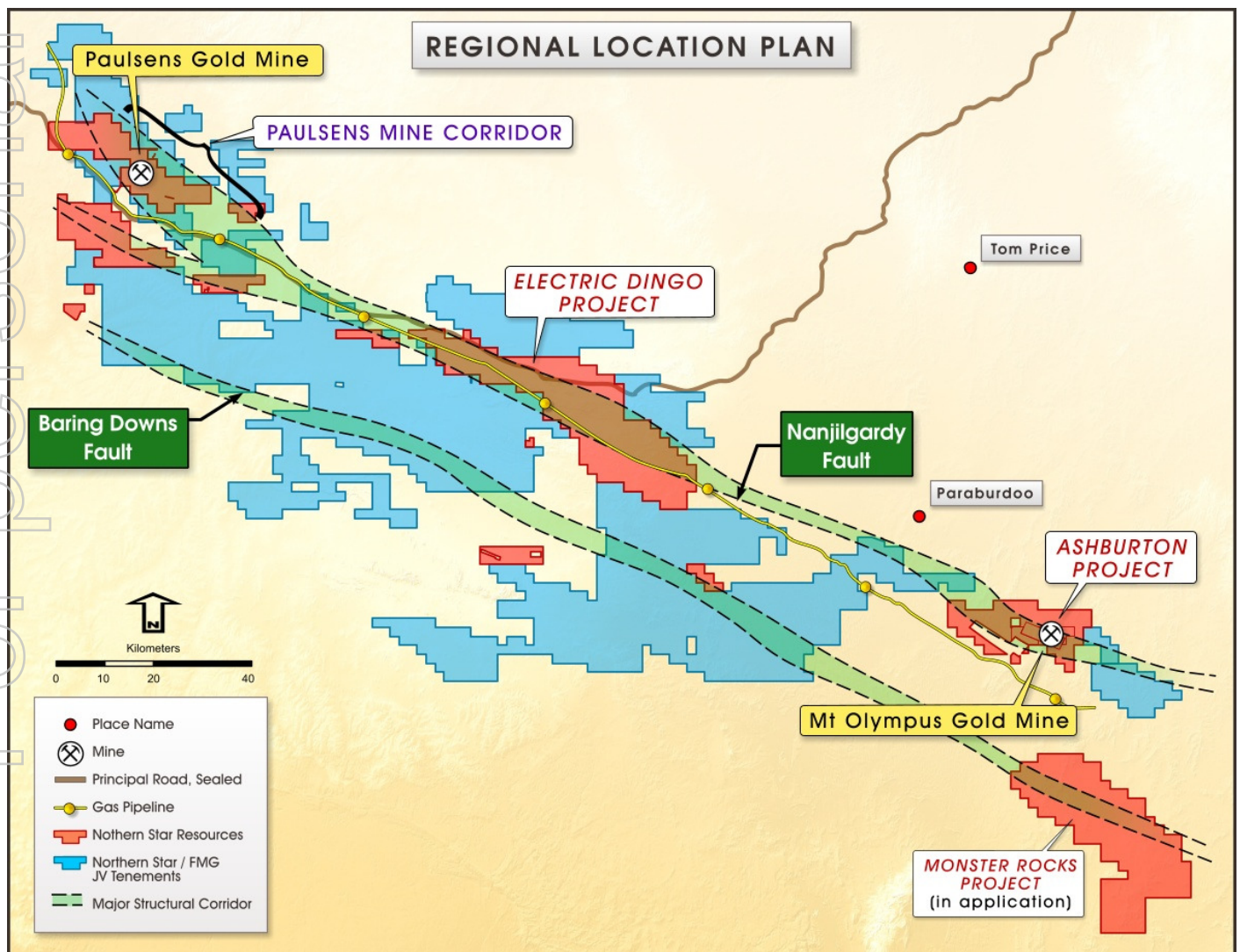


Figure 1 - Location Plan of Company's existing and newly acquired 7000km² tenement packages

The deal is conditional on Fortescue:

- (a) obtaining native title party consent to the grant of the non-iron rights under existing land access agreements, and
- (b) the parties executing a deed of acknowledgment and consent with Fortescue's financiers, in a form acceptable to all parties, acknowledging the Company's rights under the agreements with Fortescue and consenting to the security granted by Fortescue.

If the conditions are not satisfied by 28 February 2013 or other agreed date, the transaction will not proceed.

Northern Star Managing Director Bill Beament said the Fortescue tenements were the final pieces of the jigsaw, giving the Company an extensive land holding in one of Australia's most prospective yet barely explored gold regions.

"Two deposits of about 1Moz each have been discovered on our acreage along with a series of other mineralised targets and yet there has been little or no exploration in this area by the standards of other Australian gold provinces," Mr Beament said.

"Given the combination of the deposits we know about in this area and the lack of exploration undertaken, we believe this region boasts some of the most promising upside in the Australian gold industry."

Northern Star has set aside \$20 million for exploration/drilling in calendar year 2013. This will be used to continue growing resources at Paulsens, establishing a 100,000ozpa stand-alone operation at Ashburton and undertaking aggressive exploration activities on the newly acquired ground in addition to Electric Dingo, Belvedere and other prospects between Paulsens and Ashburton.

Yours faithfully,



Bill Beament
Managing Director
Northern Star Resources Ltd

Competent Persons Statements

The information in this announcement that relates to Paulsens Project and Ashburton mineral resource estimation, exploration results, data quality, geological interpretations, potential for eventual economic extraction and estimates of exploration potential, 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 the report of the matters based on his information in the form and context in which it appears.

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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.

30 June 2012	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)
Open Pit			573	2.5	169	2.5	742	2.5	61
Paulsens Upper Levels			136	7.1	32	5	168	6.7	36
Voyager 1	277	8.8	75	12.4	44	10.7	395	9.7	123
Voyager 1 Extension			64	20.0	39	33	103	25.0	83
Voyager 2			22	14.3	71	10.5	93	11.4	34
Paulsens Stockpiles									11
Belvedere			45	2.8	123	3.5	168	3.3	18
Merlin					523	1.4	523	1.4	24
Mt Clement JV					226	1.8	226	1.8	13
Total	277	8.8	915	5.5	1227	3.8	2418	5.0	403

Table 2 - Paulsens Resources @ 2.5g/t Au Lower Cut-Off Underground and 1.0g/t Au Lower Cut-Off Open Pit